CSOP Leveraged and Inverse Series

Prospectus

15 July 2026

CSOP ASSET MANAGEMENT

IMPORTANT: Investments involve risks, including the total loss of your investment. Investors are advised to consider their own investment objectives and circumstances in determining the suitability of an investment in the CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product, CSOP Hang Seng TECH Index Daily (-2x) Inverse Product, CSOP Nikkei 225 Daily (2x) Leveraged Product, CSOP Nikkei 225 Daily (-2x) Inverse Product, CSOP Bitcoin Futures Daily (-1x) Inverse Product, CSOP NVIDIA Daily (2x) Leveraged Product, CSOP NVIDIA Daily (-2x) Inverse Product, CSOP Tesla Daily (2x) Leveraged Product, CSOP Tesla Daily (-2x) Inverse Product, CSOP Coinbase Daily (2x) Leveraged Product, CSOP Coinbase Daily (-2x) Inverse Product, CSOP MicroStrategy Daily (2x) Leveraged Product, CSOP MicroStrategy Daily (-2x) Inverse Product, CSOP Berkshire Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (-2x) Inverse Product and CSOP SK Hynix Daily (2x) Leveraged Product (each a "Product").

Each of the CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Nikkei 225 Daily (2x) Leveraged Product tracks the performance of a leveraged position of an index on a Daily basis whereas each of the CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (-2x) Inverse Product, CSOP Nikkei 225 Daily (-2x) Inverse Product and CSOP Bitcoin Futures Daily (-1x) Inverse Product tracks the performance of a short position of an index on a Daily basis. Each of the CSOP NVIDIA Daily (2x) Leveraged Product, CSOP Tesla Daily (2x) Leveraged Product, CSOP Coinbase Daily (2x) Leveraged Product, CSOP MicroStrategy Daily (2x) Leveraged Product, CSOP Berkshire Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (2x) Leveraged Product and CSOP SK Hynix Daily (2x) Leveraged Product tracks the performance of a leveraged position of a single stock on a Daily basis whereas each of the CSOP NVIDIA Daily (-2x) Inverse Product, CSOP Tesla Daily (-2x) Inverse Product, CSOP Coinbase Daily (-2x) Inverse Product, CSOP MicroStrategy Daily (-2x) Inverse Product and CSOP Samsung Electronics Daily (-2x) Inverse Product tracks the performance of a short position of a single stock on a Daily basis. The Products are only suitable for sophisticated trading-oriented investors who constantly monitor the performance of their holding on a daily basis, and are in a financial position to assume the risks in futures investments. They are high risk products designed to be used as short term trading tools for market timing or hedging purposes and are not appropriate for long term (longer than one day) investment. The performance of the Products, when held overnight, may deviate from the underlying indices/stocks.

The Products may not be suitable for all investors. It is possible that the entire value of your investment could be lost.

Futures investments are subject to certain key risks including leverage, counterparty and liquidity risks. Movement in the prices of futures may be highly volatile. Please refer to the "Risk Factors" section in this Prospectus as well as the "Risk factors specific to the Product" section in each Appendix.

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 professional financial advice.

CSOP LEVERAGED AND INVERSE SERIES

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

PROSPECTUS

CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT

Stock Code: 07200

CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT

Stock Code: 07300

CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT

Stock Code: 07288

CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT

Stock Code: 07588

CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT

Stock Code: 07500

CSOP NASDAQ-100 INDEX DAILY (-2X) INVERSE PRODUCT

Stock Code: 07568

CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT

Stock Code: 07226

CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE PRODUCT

Stock Code: 07552

CSOP NIKKEI 225 DAILY (2X) LEVERAGED PRODUCT

Stock Code: 07262

CSOP NIKKEI 225 DAILY (-2X) INVERSE PRODUCT

Stock Code: 07515

CSOP BITCOIN FUTURES DAILY (-1X) INVERSE PRODUCT

Stock Code: 07376

CSOP NVIDIA DAILY (2X) LEVERAGED PRODUCT

USD Counter Stock Code: 09788
HKD Counter Stock Code: 07788

CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT

USD Counter Stock Code: 09388
HKD Counter Stock Code: 07388

CSOP TESLA DAILY (2X) LEVERAGED PRODUCT

USD Counter Stock Code: 09766
HKD Counter Stock Code: 07766

CSOP TESLA DAILY (-2X) INVERSE PRODUCT

USD Counter Stock Code: 09366
HKD Counter Stock Code: 07366

CSOP COINBASE DAILY (2X) LEVERAGED PRODUCT

USD Counter Stock Code: 09711
HKD Counter Stock Code: 07711

CSOP COINBASE DAILY (-2X) INVERSE PRODUCT

USD Counter Stock Code: 09311
HKD Counter Stock Code: 07311

CSOP MICROSTRATEGY DAILY (2X) LEVERAGED PRODUCT

USD Counter Stock Code: 09799
HKD Counter Stock Code: 07799

CSOP MICROSTRATEGY DAILY (-2X) INVERSE PRODUCT

USD Counter Stock Code: 09399
HKD Counter Stock Code: 07399

CSOP BERKSHIRE DAILY (2X) LEVERAGED PRODUCT

USD Counter Stock Code: 09777
HKD Counter Stock Code: 07777

CSOP SAMSUNG ELECTRONICS DAILY (2X) LEVERAGED PRODUCT

USD Counter Stock Code: 09747
HKD Counter Stock Code: 07747

CSOP SAMSUNG ELECTRONICS DAILY (-2X) INVERSE PRODUCT

Stock Code: 07347

CSOP SK HYNIX DAILY (2X) LEVERAGED PRODUCT

Stock Code: 07709

Manager

CSOP Asset Management Limited

南方東英資產管理有限公司

Listing Agent

Altus Capital Limited

15 July 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 CSOP Leveraged and Inverse Series (the "Trust") and the sub-funds of the Trust have each been authorised as collective investment schemes by the SFC. Authorisation by the SFC 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 Leveraged and Inverse Series (the "Trust"), an umbrella unit trust established under Hong Kong law by a trust deed dated 5 July 2016, as amended and restated 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 has a number of sub-funds (the "Products" or individually a "Product") which are traded on The Stock Exchange of Hong Kong Limited.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Products. It contains important facts about the Products whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each of the Products is also issued by the Manager and such product key facts statements shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and 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 for the purposes of giving information with regard to the Units of the Products. 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 under the paragraph headed "The Trustee and Registrar" in the section on "Management of the Trust".

Each Product is a collective investment scheme falling within Chapters 8.6 and 8.8 of the Code. Certain Products may also be subject to additional Chapters of the Code. The Trust and each Product 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 Products 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 Product is appropriate for you.

Dealings in the Units of the Products on the SEHK have already commenced. The Units of such Products have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS"). 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 Products 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 Products (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 Products) by contacting the Manager's Customer Service Hotline 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
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

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

Legal Counsels to the Manager
Simmons & Simmons*
30/F, One Taikoo Place
979 King's Road
Hong Kong

Clifford Chance**
27/F, Jardine House
One Connaught Place
Hong Kong

Deacons***
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor
PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong SAR, China

Listing Agent
Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

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

Participating Dealers #

Market Makers #

Please refer to the Manager's website and the website of the HKEX for the latest lists of Market Makers and Participating Dealers for each Product.

** For CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Nikkei 225 Daily (2x) Leveraged Product, CSOP Nikkei 225 Daily (-2x) Inverse Product and CSOP Bitcoin Futures Daily (-1x) Inverse Product only.*

*** For CSOP Hang Seng TECH Index Daily (-2x) Inverse Product and CSOP Hang Seng TECH Index Daily (2x) Leveraged Product only.*

**** For CSOP NVIDIA Daily (2x) Leveraged Product, CSOP NVIDIA Daily (-2x) Inverse Product, CSOP Tesla Daily (2x) Leveraged Product, CSOP Tesla Daily (-2x) Inverse Product, CSOP Coinbase Daily (2x) Leveraged Product, CSOP Coinbase Daily (-2x) Inverse Product, CSOP MicroStrategy Daily (2x) Leveraged Product, CSOP MicroStrategy Daily (-2x) Inverse Product, CSOP Berkshire Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (-2x) Inverse Product and CSOP SK Hynix Daily (2x) Leveraged Product only.*

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PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND PRODUCTS

Part 1 of this Prospectus includes information relevant to the Trust and the Products established under the Trust and listed on the SEHK.

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 Product. 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 Product of the relevant Appendix only. Please refer to Part 2 "Specific Information Relating to Each Product" for further information.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Product), 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.

"After Listing" means the period which commences on the Listing Date and continues until the relevant Product is terminated.

"Appendix" means an appendix to this Prospectus that sets out specific information applicable to a Product.

"Application" means an application by a Participating Dealer for the creation or redemption of Units, in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Trust Deed.

"Application Unit" means, in relation to each Product, such number of Units or whole multiples thereof (if any) as specified in this Prospectus for the relevant Product or such other number of Units from time to time determined by the Manager, approved by the Trustee and notified to the Participating Dealers.

"Business Day" in respect of a Product, 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 market on which Underlying Stocks, Index Securities and/or FDIs, as the case may be, are traded is open for normal trading*; or (iii) if there are more than one such market, the market designated by the Manager is open for normal trading, and (b), for Products which are benchmarked against an Index, the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

Note: Circumstances (as the case may be and as applicable) such as, but not limited to, trading halts due to stock price limits, market circuit breakers, unforeseen incidents, or other disruptions may impede normal trading activities. On such occasions, the day may not qualify as a Business Day, unless otherwise agreed by the Manager and the Trustee.*

"Cancellation Compensation" means an amount payable by a Participating Dealer in respect of a Default, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

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

"CCASS Settlement Day" means the term "Settlement Day" as defined in the General Rules of HKSCC.

"China" or the "PRC" means the People's Republic of China

"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 one 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 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 the Trust Deed.

"Daily" in relation to the performance, the inverse performance or the leveraged performance of an Index, an Underlying Stock or a Product, means the performance, the inverse performance or the leveraged performance of an Index, an Underlying Stock or a Product (as the case may be) from the close of market of a given Business Day until the close of the market on the subsequent Business Day.

"Dealing Day" means each Business Day during the continuance of the relevant Product, 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" in relation to any Dealing Day, means such time or times as the Manager may from time to time with the written approval of the Trustee determine generally or in relation to any particular place for submission of Application(s) by a Participating Dealer.

"Default" means a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the requisite Securities, FDIs and/or any relevant cash amount; or

(b) a Redemption Application to deliver the Units the subject of the Redemption Application and/or any relevant cash amount.

"Deposited Property" means, in respect of each Product, all the assets (including Income Property), received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts and subject to the terms of the Trust Deed for the account of the relevant Product but excluding (i) Income Property standing to the credit of the distribution account of such Product (other than interest earned thereon) and (ii) any other amount for the time being standing to the credit of the distribution account of such Product.

"Dual Counter" means the facility by which the Units of a Product 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 and/or FDIs (as the case may be) or the entering into or termination of any FDIs (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such FDIs, or any costs associated with any collateral arrangements in respect of such Securities, Futures Contracts or Swaps), 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 and/or FDIs (as the case may be) 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 and/or FDIs (as the case may be) 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 and/or FDIs (as the case may be) 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.

"Encumbrance" means any mortgage, charge, pledge, lien, third party right or interest, any other encumbrance or security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect other than any such encumbrance or security interest imposed by the terms of the relevant clearing system/depositary or otherwise created by the terms of the Participation Agreement, the Trust Deed or any agreement between the Manager, the Trustee and the relevant Participating Dealer.

"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.

"Extension Fee" means the fee 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 in accordance with the Operating Guidelines.

"FDIs" means financial derivative instruments, including, for the avoidance of doubt, Futures Contracts and Swaps.

"Futures Contract" means any futures contract which is traded on any Futures Exchange.

"Futures Exchange" means the Hong Kong Futures Exchange Limited and such other futures exchange from time to time determined by the Manager.

"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.

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

"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.

"H-Shares" means shares in Mainland incorporated enterprises which are listed on the SEHK and primarily traded in Hong Kong.

"IFRS" means International Financial Reporting Standards.

"Income Property" means, in respect of each Product, (a) all interest, dividends and other sums deemed by the Manager, (after consulting the auditor either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the relevant Product (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the relevant Product in respect of an Application; (d) all Cancellation Compensation received by the Trustee for the account of the relevant Product; and (e) any payments to be received or are receivable by the Trustee under any contractual agreements in the nature of investments for the benefit of the relevant Product but excluding (i) other Deposited Property; (ii) any amount for the time being standing to the credit of the distribution account for the account of the relevant Product or previously distributed to Unitholders; (iii) gains for the account of the relevant Product arising from the realisation of Securities and/or FDIs (as the case may be); and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the relevant Product.

"Index" means, in respect of a Product, the index against which the relevant Product is benchmarked as set out in the relevant Appendix.

"Index Provider" means, in respect of a Product, the person responsible for compiling the Index against which the relevant Product benchmarks its investments and who holds the right to licence the use of such Index to the relevant Product as set out in the relevant Appendix.

"Initial Issue Date" means, in respect of a Product, the date of the first issue of Units.

"Initial Offer Period" means, in respect of each Product, the period before the relevant Listing Date as set out in the relevant Appendix.

"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 one 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 a Product, the price at which Units may be issued, determined in accordance with the Trust Deed.

"Listing Date" means, in respect of a Product, the date on which the Units 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 Product.

"Manager" means CSOP Asset Management Limited 南方東英資產管理有限公司 or such other person or persons for the time being duly appointed pursuant to the Trust Deed as manager of the Trust in succession thereto being approved by the SFC under the Code.

"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; and

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

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.

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

"NASDAQ" means The NASDAQ Stock Market LLC.

"Net Asset Value" means the net asset value of a Product or, as the context may require, the net asset value of a Unit calculated under the Trust Deed.

"Operating Guidelines" means, in respect of a Product, 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 Products applicable at the time of the relevant Application.

"Participant" means a person admitted for the time being by HKSCC as a participant of CCASS.

"Participating Dealer" means a broker or dealer who is (or who has appointed an agent or delegate who is) a Participant and who has entered into a Participation Agreement in form and substance acceptable to the Manager and Trustee, and any reference in this Prospectus to "Participating Dealer" shall include a reference to any agent or delegate so appointed by the Participating Dealer.

"Participation Agreement" means an agreement entered into between, among others, the Trustee, the Manager and a Participating Dealer, setting out, amongst other things, the arrangements in respect of the Applications. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

"P-chips" means securities of companies that are incorporated outside of the PRC mainland that are listed on the SEHK and have more than 50% of their sales revenue (or profits or assets, if more appropriate) derived from Chinese Mainland but are not H-Shares or Red-chips.

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

"Product" 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.

"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.

"Red-chips" means securities of companies that are incorporated outside of the PRC mainland that are listed on the SEHK, have more than 50% of their sales revenue (or profits or assets, if more appropriate) derived from Chinese Mainland and are directly or indirectly controlled by organizations or enterprises that are owned by the state, provinces or municipalities of the PRC mainland.

"Redemption Application" means an application by a Participating Dealer for the redemption of Units in Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

"Redemption Value" means, in respect of a Unit, 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 person as may from time to time be appointed as registrar of in respect of each Product to keep the register of the Unitholders of the Product.

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

"sale and repurchase transactions" means transactions whereby a Product 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.

"Securities" means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes 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 (as defined in the Trust Deed);

(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 Product 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 the Products.

"Service Agent's Fee" means the fee incurred by the Service Agent in connection with the services set out in the Service Agreement.

"Service Agreement" means each agreement by which the Service Agent provides its services in respect of a Product in accordance with the HKSCC Rules and HKSCC Operational Procedures, entered amongst the Trustee and Registrar, the Manager, the Participating Dealer, the Service Agent and the Hong Kong Securities Clearing Company Limited.

"Settlement Day" means the Business Day which is two Business Days 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 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 (Cap. 571 of the Laws of Hong Kong).

"Swap" means a swap agreement to be entered by the Trustee on behalf of a Product which may, subject to the terms of the Trust Deed, take such form as determined or agreed by the Manager, including an International Swaps and Derivatives Association master agreement, schedules, annexes and confirmations as well as related documents.

"Swap Counterparty" means a counterparty of the Product pursuant to a Swap.

"Trading Day" means, in respect of the Units, a day on which trading is conducted on the SEHK as specified in the relevant rules of the SEHK.

"Transaction Fee" means the fee, in respect of a Product, which may be charged for the benefit of the Trustee, the Registrar and the Service Agent to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

"Trust" means the umbrella unit trust constituted by the Trust Deed and called "CSOP Leveraged and Inverse Series" 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 5 July 2016 between the Manager and the Trustee

constituting the Trust, as amended and restated from time to time.

“Trust Fund” means with respect to each Product, all the property for the time being held or deemed to be held by the Trustee upon the trusts hereof, including the Deposited Property and Income Property attributable to that Product and subject to the terms and provisions of the Trust Deed, except for amounts to be distributed, and where such term is used generically, “Trust Fund” means the Trust Fund attributable to all Products taken together.

“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 in accordance with the Trust Deed.

“Underlying Stock” means, in respect of a Product, the stock the performance of which the relevant Product corresponds to, as set out in the relevant Appendix.

“Unit” means a unit representing an undivided share in a Product.

“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.

“US” or “United States” means the United States of America.

“USD” means United States dollars, the lawful currency of the United States of America.

“Valuation Point” means, in respect of a Product, the official close of trading on the Market on which the Securities or FDIs constituting the Product’s portfolio are listed on each Dealing Day or if more than one, 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 between the Manager and the Trustee made under Hong Kong law. The Trust and each Product is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Product falls within Chapters 8.6 and 8.8 of the Code. Certain Product(s) may also be subject to additional Chapters of the Code. SFC authorisation is not a recommendation or endorsement of a Product nor does it guarantee the commercial merits of a Product or its performance. It does not mean that a Product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Products

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 "Product") to which one or more class of Units shall be attributable. The assets of a Product will be invested and administered separately from the other assets of the Trust. All Products will be listed on the SEHK.

The Manager and the Trustee reserve the right to establish other Products and/or issue further classes of Units relating to a Product or Products in the future in accordance with the provisions of the Trust Deed.

THE OFFERING PHASES

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Units (to be available for trading on the Listing Date) by means of cash Creation Applications on each Dealing Day for themselves and/or their clients by transferring cash in accordance with the Operating Guidelines.

Unless otherwise stated in the relevant Appendix, the latest date for making a Creation Application for Units is 12:00 p.m. (Hong Kong time) two Business Days prior to the Listing Date or such other time as the Manager (with the approval of the Trustee) may determine on any day when the trading hours of the SEHK are reduced.

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) before the above deadline.

If a Creation Application is received by the Trustee after two Business Days prior to the Listing Date, 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, which is the number of Units specified in the relevant Appendix. 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 on "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 Products are terminated.

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

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

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

Buying and selling of Units on the SEHK

After Listing, all investors can buy and sell Units in Trading Board Lot Size (as described in the section "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 Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than Net Asset Value per Unit.

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

Creations and redemptions through Participating Dealers

Units will continue to be created and redeemed at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size. The Application Unit size and

currency for settlement are as 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, provided that the Manager may in the event of system failure which is beyond the reasonable control of the Manager or natural disaster and with the approval of the Trustee after taking into account the interest of other Unitholders of the relevant Product, exercise its discretion to accept a Creation Application or Redemption Application in respect of a Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to that Dealing Day. 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 Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Units is due two Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, 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), all settlement is in the base currency of the relevant Product only.

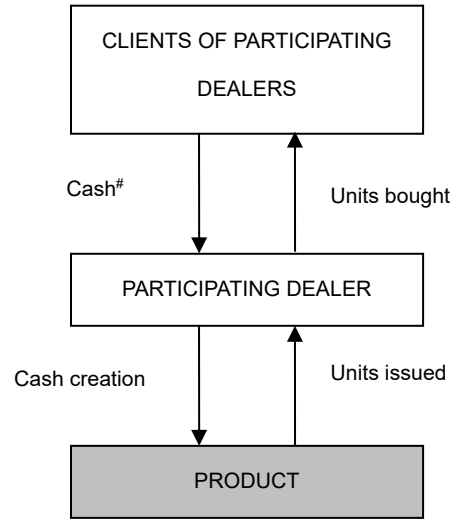
Please refer to the section on “Creations and Redemptions (Primary Market)” for the operational procedures in respect of Creation Applications and Redemption Applications.

After Listing, all 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 Units. The beneficial interests in 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 Participants if the client is buying from the secondary market.

Diagrammatic Illustration of Investment in a Product

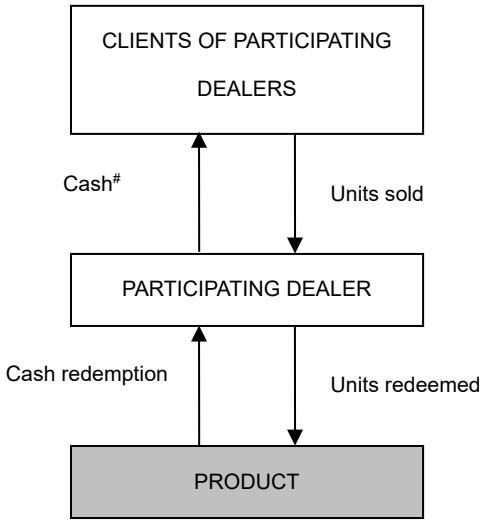
The diagrams below illustrate the creation or redemption and the buying or selling of Units:

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



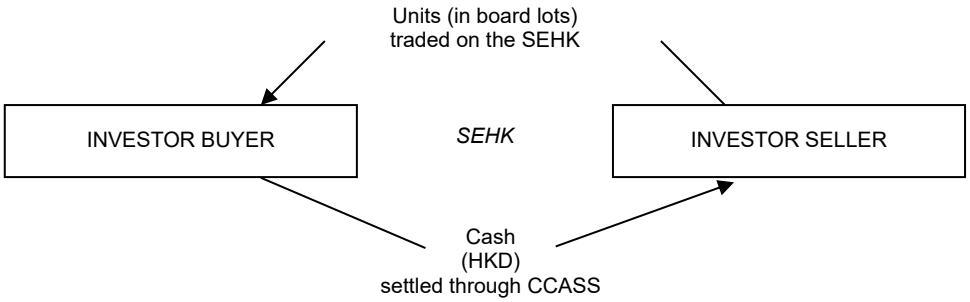
Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the creation currency.

(b) Redemption and selling of Units in the primary market – After Listing



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

(c) Buying or selling of 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 multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges#**
Cash creation (in the currency as specified in the relevant Appendix)	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash (in the currency as specified in the relevant Appendix) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in USD unless otherwise specified in the relevant Appendix)

After Listing

Method of Acquisition or Disposal of Units	**Minimum Number of Units (or multiple thereof)**	**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 (in HKD only) Brokerage fees (in such currency as determined by individual brokers) Transaction Levy and Trading Fee (in HKD only unless otherwise specified in the relevant Appendix)
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 (in the currency as specified in the relevant Appendix) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in USD unless otherwise specified in the relevant Appendix)

[#] *Please refer to "Fees and Expenses" for further details*

INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITIES LENDING AND BORROWING

Investment Objective

The investment objective of each Product is to provide investment results that, before fees and expenses, closely correspond to the performance of a relevant leveraged or inverse index, or the inverse Daily performance or the leveraged Daily performance of the relevant Index or the relevant Underlying Stock, unless otherwise stated in the relevant Appendix.

Investment Strategy

In managing a Product, the Manager may use (i) a futures-based replication strategy, (ii) a swap-based synthetic replication strategy or (iii) a hybrid approach with the combination of (i) and (ii) as described below. The particular strategy employed for each Product is set out in the relevant Appendix.

Futures-based replication strategy

By using a futures-based replication strategy, a Product directly or indirectly invests in Futures Contracts, so as to replicate the performance, the inverse Daily performance or the leveraged Daily performance of the relevant Index.

The Manager may use a full replication or a representative sampling strategy. In using a representative sampling strategy, the Manager will invest in a representative sample of Futures Contracts which collectively have an investment profile that reflects the profile of the relevant Index and whose performance closely correlates with the performance, the inverse Daily performance or the leveraged Daily performance of the relevant Index.

Swap-based synthetic replication strategy

Pursuant to a Swap-based synthetic replication strategy, a Product will enter into one or more Swaps (which are over-the counter financial derivative instruments entered into with one or more counterparties (each a "Swap Counterparty")) the purpose of which is to exchange all or part of the invested proceeds to gain exposure to the performance, the inverse Daily performance or the leveraged Daily performance of the relevant Index or the relevant Underlying Stock.

Hybrid strategy

The Manager may use a combination of a futures-based replication strategy and a Swap-based synthetic replication strategy. The Manager will (i) primarily use a futures-based replication strategy; and (ii) where the Manager believes such investments will help the relevant Product achieve its investment objective and are beneficial to the relevant Product, use a Swap-based synthetic replication strategy.

Change of Investment Strategy

The Manager will seek the prior approval of the SFC and provide at least one month's prior notice to Unitholders before adopting a strategy other than the investment strategy for a Product as stated in the relevant Appendix (save for certain immaterial changes which do not require the SFC's approval).

Investment Restrictions

If any of the restrictions or limitations set out below is breached in respect of a Product, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders of that Product.

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 Product was authorised.

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

(a) the aggregate value of a Product's investments in, or exposure to, any single entity through the following may not exceed 10% of the total Net Asset Value of the Product, save as 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 financial derivative instrument ("FDI"); 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 Product'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 Product:

(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 Product'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 Product, unless:

(1) the cash is held before the launch of the Product 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 the Product, 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 the Product 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 Product, when aggregated with other ordinary shares of the same entity held for the account of all other Products 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 Product 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 Product in a market is not in the best interests of investors, a Product 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 Product, 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 Product as a result must be clearly disclosed in the Prospectus; and

(3) the Product 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 Product;

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

(h) subject to (g), a Product may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, a Product 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 Product 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 (x) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (y) 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 the Product should be consistently applied and clearly disclosed in this Prospectus;

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

(1) the value of the Product'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 total Net Asset Value of the Product; and

(2) the Product 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 Product's investment in units or shares in each such underlying scheme may not exceed 30% of the total Net Asset Value of the Product, unless

the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Product,

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, the Product 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 Product 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 Product 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 Prospectus must state that:

(i) the Product is a feeder fund into the master fund;

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

(iii) the Product (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 Product (i.e. Feeder fund) and its underlying master 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 a Product (i.e. feeder fund) may result, if the master fund in which the Product (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 Product indicates a particular objective, investment strategy, geographic region or market, the Product should, under normal market circumstances, invest at least 70% of its total Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Product represents.

The Manager shall not on behalf of a Product:

(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 real estate investment trusts (REITs)). In the case of investments in such shares and REITs, they shall comply with the relevant investment restrictions and limitations set out in Chapter 7.1, 7.1A, 7.2, 7.3 and 7.11 of the Code, where applicable;

(C) make short sales if as a result the Product would be required to deliver Securities exceeding 10% of the total Net Asset Value of the Product (and for this purpose Securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, the Product 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 Product, 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 Product or acquire any asset or engage in any transaction for the account of a Product which involves the assumption of any liability which is unlimited; or

(G) apply any part of the Product 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 the Product 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 Product, 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 a Product authorised under Chapter 8.6 of the Code as an index tracking ETF, given the investment objective of the Products and nature of the Index, the Products are 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 Product's total Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Product's holding of any such constituent Securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the 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) the relevant Product adopts a representative sampling strategy which does not involve full replication of the constituent Securities of the Index in the exact weightings of such Index;

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

(3) the excess of the weightings of the constituent Securities held by the relevant Product over the weightings in the Index is caused by the implementation of the representative sampling strategy;

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

(5) limits laid down by the relevant Product pursuant to the point above must be disclosed in the relevant Appendix;

(6) disclosure must be made in the relevant Product's interim and annual reports as to whether the limits imposed by such Product 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.

Securities Financing Transactions

Where indicated in the relevant Appendix, a Product may enter into securities lending transactions, sale and repurchase transactions and 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.

A Product which engages in securities financing transactions 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 to the extent permitted by applicable legal and regulatory requirements, shall be returned to the Product;

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

Further, details of the arrangements are as follows:

(a) each counterparty for such transactions will be independent counterparties approved by the Manager with credit rating of BBB- or above (by Moody's or S&P, or any other equivalent ratings by recognised credit rating agencies) or which are SFC-licensed corporations or are registered institutions with the Hong Kong Monetary Authority;

(b) the Trustee, upon the instruction of the Manager, will take collateral, which can be cash or non-cash assets fulfilling the requirements under "Collateral" below;

(c) for repurchase transactions, it is the intention of the Manager to sell the securities for cash equal to the market value of the securities provided to the counterparty, subject to appropriate haircut. Cash obtained in repurchase transactions will be used for meeting redemption requests or defraying operating expenses, but will not be re-invested;

(d) the maximum and expected level of a Product's assets available for these transactions will be as set out in the relevant Appendix; and

(e) where any securities lending transaction has been arranged through the Trustee or a Connected Person of the Trustee or the Manager, such transaction shall be conducted at arm's length and executed on the best available terms, and the relevant entity shall be entitled to retain for its own use and benefit any fee or commission it receives on a commercial basis in connection with such arrangement.

There is no current intention for any Product to engage in securities financing transactions, but this may change in light of market circumstances and where a Product does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than one month's prior notice will be given to the Unitholders.

Financial Derivative Instruments

Subject always to the provisions of the Trust Deed and the Code, the Manager may on behalf of a Product enter into any transactions in relation to Swaps or other FDI.

Where indicated in the relevant Appendix, a Product may acquire FDIs for hedging purpose. The FDIs shall meet all of the following criteria to be considered as being acquired for hedging purposes:

(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 or 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 exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

Unless otherwise stated in the relevant Appendix, each Product may acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the Product's net exposure relating to these FDIs ("net derivative exposure") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for a Product 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 Product 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 position;

(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 Product may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Product, may not in aggregate exceed the correponding 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 Product 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 Product may invest according to its investment objectives and policies. Where a Product 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 Product. The exposure of a Product to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by such Product 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 Product. 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.

A Product 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 Product'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 Product should also be covered as follows:

- in the case of FDI transactions which will, or may at the Product's discretion, be cash settled, the Product 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 Product 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 Product 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, such Product 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 embeds a financial derivative as well. For the purposes herein, an "embedded financial derivative" is a financial derivative instrument that is embedded in another security.

Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable in order 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;

- Issuer 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 a Product'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 it 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 must 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 adopted by the Manager:

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

- the issuer of collateral must be of high quality including governments, supranationals, government agencies, substantial financial institution, policy banks or government guaranteed entities with an investment grade credit rating. The rating by a recognised credit rating agency shall be taken into account in the credit assessment process. Securities rated with a non-investment grade credit rating is not eligible for collateral purpose. There is no criteria for country of origin of the counterparty;

- no maturity constraints will apply to the collateral received;

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

- the haircut policy takes account of market volatility, the foreign exchange volatility between collateral asset and underlying agreement, liquidity and credit risk of the collateral assets, and the counterparty's credit risk (for each eligible security type). Haircuts shall be set to cover the maximum expected decline in the market price of the collateral asset (over a conservative liquidation horizon) before a transaction can be closed out. Cash collateral will not be subject to haircut;

- the collateral would be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer;

- the collateral received would be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

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

- cash collateral will generally not be used for reinvestment purposes unless otherwise determined by the Manager and notified to investors.

Structured Funds

The Products seek to invest their respective investment objective primarily through investment in FDIs. The Products are passively managed and track the performance or leveraged or inverse performance of an index or an underlying stock and their net derivative exposure exceeds 50% of their respective Net Asset Value. As such the Products are known as structured funds under the Code. The core requirements in Chapter 7 of the Code (as set out in the Trust Deed and summarised above under "Investment Restrictions") will apply with the modifications, exemptions or additional requirements as set out under 8.8 of the Code (as set out in the Trust Deed and summarised below):

(a) the Manager and the issuer of FDIs shall be independent of each other;

(b) the valuation of the FDIs shall meet the requirements set out in paragraph (D) under "Financial Derivative Instruments" in this section;

(c) notwithstanding paragraph (C) under "Financial Derivative Instruments" in this section, a Product should maintain full collateralisation and there should be no net exposure to any single counterparty of the over-the-counter FDIs;

(d) the collateral shall meet the requirements set out in "Collateral" under this section and the disclosure requirements set out in "Collateral" above; and

(e) the Manager shall put in place a detailed contingency plan regarding credit events such as significant downgrading of credit rating and the collapse of the issuer of FDIs.

Additionally, in respect of a Product that tracks the leveraged or inverse performance of an Underlying Stock, the Manager will constantly monitor the Product to ensure ongoing compliance with the Circular on listed structured funds issued on 5 June 2026 by the SFC (the "**Circular**"), and will terminate the Product if the Product no longer fulfils the requirements of the Circular.

Borrowing Policy

Borrowing against the assets of a Product is allowed up to a maximum of 10% of its total Net Asset Value. Where the Manager so determines, a Product's permitted borrowing level may be a lower percentage or more restricted as set out in the relevant Appendix. 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.

Subject to the relevant Appendix, the Trustee may on instruction of the Manager borrow for the account of a Product any currency, and charge or pledge assets of the Product, 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 Product; or

(c) for any other proper purpose as may be agreed by the Manager and the Trustee, except to enhance the performance of any Product.

Business Contingency Plan

The Manager has put in place business contingency plans which will be activated whenever there is a credit event (as described below) of the Swap Counterparty of the relevant Swap, or whenever the Manager shall assess that the risk of the occurrence of a credit event is materially high. Should a bankruptcy event that affects the Swap Counterparty of the relevant Swap occur, a Product employing synthetic replication may lose an amount equal to the marked-to-market value of the relevant Swap.

If the Business Contingency Plan is triggered, the Manager will issue an announcement as soon as practicable, which may, in some cases, be after this Business Contingency Plan has been triggered.

In addition to such Business Contingency Plan arrangements and announcements, the Manager will also notify the SFC immediately where it becomes aware of any of the events which may trigger this Business Contingency Plan.

The following is an overview of such contingency plans. Investors should note that the Manager's contingency plans are subject to changes by the Manager from time to time as the circumstances may justify. In any case, the Manager will ensure that the interests of the Unitholders will not be adversely affected. The Manager will issue an announcement in respect of any material change(s) to the business contingency plans as soon as practicable, which may, in some cases, be after the relevant change(s) has/have been implemented.

The Manager will trigger the business contingency plan under the following events:

(a) event of default affecting the Swap Counterparty(ies) of the relevant Swap(s);

(b) downgrading of the long term debt credit rating(s) of the relevant Swap Counterparty(ies) to a rating below BBB by Standard & Poor's (or an equivalent rating given by Moody's or by Fitch);

(c) the spread of 5 years credit default swap in respect of the relevant Swap Counterparty is traded or quoted on the relevant Market at 5 per cent. or above;

(d) any other event (including, without limitation, licence suspension, significant litigation linked to the activities of the Swap Counterparty in the derivatives business, reputation, etc.) which would materially affect the Swap Counterparty's fitness and properness to act as the counterparty of the relevant Product under the relevant Swap, or any material risk of occurrence of such event; or

(e) if, in the actual knowledge of the Manager, the relevant Swap Counterparty ceases to be a substantial financial institution (as defined under the Code).

Upon the occurrence of any of the above situations, to the extent permitted under applicable law and regulation the Manager would then opt for one or more of the following remedial actions, depending on the nature of the above situation, and other factors including the size of the exposure to the relevant Swap Counterparty(ies) and surrounding circumstances such as timing and market factors:

(a) The Manager may unwind the affected Swap(s) immediately or in a measured manner, having regard to the best interest of the relevant Unitholders. The Manager will readjust the relevant Product's exposure with other Swap Counterparty(ies).

(b) The Manager may decide to replace the Swap Counterparty(ies) and select, as soon as possible and on a best effort basis, a new counterparty(ies) in accordance with the investment strategy of the relevant Product, and will enter into a new Swap(s) with similar terms as the relevant Swap(s) with such newly selected counterparty. The new counterparty(ies) would be selected using criteria including, but not limited to, execution prices, total direct and indirect transaction costs, probability and promptness of execution and delivery (if applicable). In such cases, the relevant Product will enter into the new Swap(s) as soon as possible with the new counterparty(ies). The Manager would then inform the SFC of the selection of the new counterparty(ies) and the entering into of the new Swap(s) with the new counterparty(ies). Alternatively, the Manager may also propose a restructuring of the relevant Product by using other instruments similar to the relevant Swap(s), in the case where no suitable new counterparty(ies) is/are available. Such restructuring would then be subject to review and approval by the relevant authorities, including the SFC. This Prospectus would then be amended accordingly for the purpose providing the updated information to the relevant Unitholders.

(c) The Manager may also consider asking the Swap Counterparty(ies) to settle any unrealised

gain or loss (if any) on a Swap(s) in cash payment, where the market value of the Swap(s) will be nil immediately after such payment. If an amount is payable by the Swap Counterparty(ies) to a Product and the Swap Counterparty(ies) is insolvent or otherwise unable to pay the amount in full, the relevant Product will account for any loss. To mitigate such a loss, the Manager intends to adopt a multiple counterparty arrangement where a Product (via the Trustee) will enter into swap agreements with more than one Swap Counterparty.

(d) The Manager may suspend creation and redemption of the relevant Product.

(e) Eventually, if there is no new counterparty acceptable to the Manager and/or as a result of one or more Swap Counterparty(ies) becoming subject to resolution pursuant to an applicable recovery and resolution regime preventing or limiting the exercise of the other remedial actions provided above and if, as a result, the Manager is of the view that the relevant Product is not able to achieve its investment objective, which is to track the movements in the relevant Index or the relevant Underlying Stock, the Manager may decide to terminate the relevant Product.

Furthermore, in respect of a Product that tracks the leveraged or inverse performance of an Underlying Stock, and considering the dynamic nature of financial derivatives' capacity and the nature of the Product, the Manager has established comprehensive contingency plans with a robust and systematic mechanism, and will use its best endeavours to put in place appropriate arrangements and defensive measures to support continued operation and operational efficiency in the event that the existing combined capacity limit for the Product is insufficient or the price of the Underlying Stock is extreme volatile.

Capacity Limit

The Manager will closely monitor the capacity limits of each Swap Counterparty for the Product to identify potential constraints. The Manager will onboard new counterparty(ies) with available capacity to support the Product's investment strategy. A backup list of new counterparty(ies) will be established, and the Manager will promptly onboard these new counterparty(ies), adhering to similar terms to those of relevant existing Swap transactions to provide additional capacity. The Manager will continue to work collaboratively with Swap Counterparties to explore and expand their capacity commitments for the Product. The Manager will continue to explore and incorporate additional ancillary investment tools where appropriate to obtain the target leveraged exposure to the Underlying Stock. In extreme market circumstances, once certain pre-defined thresholds are reached, the Manager may initiate appropriate contingency measures, including deleveraging and/or suspension of creation activities for investor protection and prudent risk management. The Manager will keep investors informed in advance of any implementation in this regard, should the situation warrant. If the Product's capacity becomes sufficient over a sustained period for the intended leverage ratio of 2x and market conditions permit, the Manager will consider restoring the leverage ratio to 2x. Investors will be notified prior to any implementation of such measures.

Extreme Price Volatility

Under exceptional circumstances where the Product is at significant risk of becoming non-viable, the Manager may, in its discretion, deviate from the investment strategy or take defensive measures in order to safeguard the interests of the Product and its Unitholders, prevent potential negative fund value and protect the interests of investors. Such measures may include: (i) liquidating swap positions and re-entering into the swap contracts at the market close on the same Business Day, depending on market conditions; (ii) activating a stop loss mechanism for swap positions; and/or (iii) suspending trading of the Product. Such circumstances may arise if there are extreme price movements of the Underlying Stock, and the Manager will issue a notice to inform investors.

Regarding the stop loss mechanism, the Manager has pre-agreed with each Swap Counterparty in the contractual terms set out in the relevant agreements a mechanism that aims to limit the downside of the relevant swap positions so that such positions retain at least 10% of the Product's NAV of the last Business Day, before any fees and costs, including but not limited to swap fees and unwinding fees, for each Dealing Day should the Underlying Stock experience extreme price movements. For the avoidance of doubt, this mechanism applies solely at the level of the relevant swap positions

and does not constitute, nor should it be construed as, a floor or guarantee on the Product's overall portfolio or its NAV. If such mechanism is activated, the indicative NAV of the Product will reflect the impact of the stop loss mechanism in respect of the swap positions, among other factors. However, the NAV or indicative NAV of the Product may not necessarily be maintained at 10% of the Product's NAV of the last Business Day, including as a result of fees, costs, expenses, other investments of the Product, market movements or other circumstances.

The stop loss mechanism may result in greater tracking difference and a higher risk that the Product is traded at a premium or discount in the secondary market. Investors should refer to the indicative NAV and NAV of the last Business Day of the Product on the Product's Website and should exercise caution in ascertaining whether the secondary market trading prices are reasonable.

Please note that there is no guarantee that: (i) the stop loss mechanism will fully and effectively achieve its desired result; or (ii) the secondary market trading prices of the Product will reflect such swap stop loss mechanism.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Product

There are two methods of making an investment in a Product and of disposing of Units to realise an investment in a Product.

The first method is to create or to redeem Units at Net Asset Value directly with the Product in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Product. Where a Product has a Dual Counter, all creation and redemption for all Units must be in the base currency of the Product 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 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 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 Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Units may trade at a premium or discount to the Net Asset Value of the relevant Product.

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 on "Exchange Listing and Trading (Secondary Market)" relates to the second method of investment.

Creation of Units through Participating Dealers

Any application for the creation of Units of a Product must only be made through a Participating Dealer in respect of an Application Unit size or whole multiple thereof (save and except for application during the relevant Initial Offer Period) as set out in the "Key Information" section in the relevant Appendix. Investors cannot acquire Units directly from a Product. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager).

Units in each Product 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 Units for the relevant initial Participating Dealer on behalf of such clients (please refer to the sub-section on "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 Units of the relevant Product, (ii) the redemption of Units of the relevant Product, and/or (iii) the determination of Net Asset Value of the relevant Product 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 and/or FDIs in the portfolio of the relevant Product;

(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.

Requirements relating to Creation Requests by potential investors

As of the date of this Prospectus, only cash creation is available to the Participating Dealers in respect of the Products. Notwithstanding a Dual Counter being adopted for a Product, cash payable to a Participating Dealer in a cash Creation Application for Units of a Product must be in the base currency of the relevant Product.

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. 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 Product 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 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 Product 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 Product is the number of Units specified in the relevant Appendix. Creation Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum subscription for each Product is one Application Unit.

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of a Product to the Trustee, with a copy to the Manager, following receipt of creation requests from its clients or where it wishes to create Units of the relevant Product 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, provided that the Manager may in the event of system failure which is beyond the reasonable control of the Manager or natural disaster and with the approval of the Trustee after taking into account the interest of other Unitholders of the relevant Product, exercise its discretion to accept a Creation Application in respect of a Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to that Dealing Day. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK 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 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 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 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 Units of the relevant Product, (ii) the redemption of Units of the relevant Product, and/or (iii) the determination of Net Asset Value of the relevant Product is suspended;

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

(c) where in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market on which a Security and/or FDIs, as the case may be (that is a component of the relevant Product) has its primary listing;

(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 Securities and/or FDIs as the case may be in the portfolio of the relevant Product;

(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 make it for all practicable purposes impossible to process the Creation Application;

(g) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of a Creation Application in the relevant Product 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 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 Product, the creation of Units in Application Unit size

in exchange for a transfer of cash; and (ii) the issue of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Units

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

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

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

The creation and issue of Units pursuant to a Creation Application shall be effected on the relevant Settlement Day for 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, 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, provided that the Manager may in the event of system failure which is beyond the reasonable control of the Manager or natural disaster and with the approval of the Trustee after taking into account the interest of other Unitholders of the relevant Product, exercise its discretion to accept a Creation Application in respect of a Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to that Dealing Day. 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) 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 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 Product). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Creation Applications 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 cash creation 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 Product for the difference between:

(a) the prices used when valuing the Securities and/or FDIs, as applicable, of the Product for the purpose of such issue of Units; and

(b) the prices which would be used when acquiring the same Securities and/or FDIs, as applicable, if they were acquired by the Product with the amount of cash received by the

Product upon such issue 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 Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of any Product.

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 Units deemed created pursuant to a Creation Application if it has not received the full amount of 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 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 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 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 on “Fees and Expenses” for further details);

(b) the Manager may at its absolute discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the Product, 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 Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Product 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 on “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 Units.

Redemption of Units through Participating Dealers

Any application for the redemption of Units of a Product must only be made through a Participating Dealer in respect of an Application Unit size or whole multiples thereof. Investors cannot redeem Units directly from the relevant Product. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

A Participating Dealer may redeem 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 Units for the relevant initial Participating Dealer on behalf of its clients (please refer to the sub-section on "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 Units of the relevant Product, (ii) the redemption of Units of the relevant Product, and/or (iii) the determination of Net Asset Value of the relevant Product 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 and/or FDIs in the portfolio of the relevant Product;

(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.

Requirements relating to redemption requests by Unitholders

As at the date of this Prospectus, only cash redemption is available to the Participating Dealers in respect of the Products. 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 Product 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 Product which is not its base currency, the redemption process is the same as for Units traded in the base currency of the relevant Product.

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 Product 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 a Product 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 Product is the number of Units specified in the relevant Appendix. Redemption Applications submitted in respect of Units other than in Application Unit size or whole

multiples thereof will not be accepted. The minimum redemption for each Product is one Application Unit.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of a Product to the Trustee (with a copy to the Manager), following receipt of redemption requests from clients or where it wishes to redeem Units of the relevant Product 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, provided that the Manager may in the event of system failure which is beyond the reasonable control of the Manager or natural disaster and with the approval of the Trustee after taking into account the interest of other Unitholders of the relevant Product, exercise its discretion to accept a Redemption Application in respect of a Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to that Dealing Day. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK 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 Units and the 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 Units, together with such certifications and opinions of counsel (if any) as the Trustee and the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption 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 Units of the relevant Product, (ii) the redemption of Units of the relevant Product, and/or (iii) the determination of Net Asset Value of the relevant Product is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Product;

(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 Securities and/or FDIs in the portfolio of the relevant Product;

(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 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) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of a Redemption Application in the relevant Product

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 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 cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption 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 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, 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 Units redeemed and cancelled on the relevant Settlement Day.

Unless otherwise specified in the relevant Appendix, the Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit of a Product rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). The benefit of any rounding adjustments will be retained by the relevant Product. 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 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 the Trustee or their respective Connected Persons or otherwise) 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 same Product). 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 cash redemption 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 Product for the difference between:

(a) the prices used when valuing the Securities and/or FDIs, as applicable of the Product for the purpose of such redemption of Units; and

(b) the prices which would be used when selling the same Securities and/or FDIs, as applicable if they were sold by the Product in order to realise the amount of cash required to be paid out of the Product upon such redemption 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 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 dealing 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 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 (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of redemptions of Units):

(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 relevant Participating Dealer to pay to the Trustee, for the account of the relevant Product, 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 Securities and/or FDIs 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 Product 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 on "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 Product and as permitted by the SFC) of the total number of Units in a Product then in issue, the Manager may direct the Trustee to reduce such requests rateably and pro rata amongst all Unitholders 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 a Product) of the Units in the relevant Product 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 relevant Product themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Product) of the Units in the relevant Product then in issue) in priority to any other Units in the relevant Product 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.

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 Units of any Product, suspend the redemption of Units of any Product 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 transfer of any Securities and/or FDIs in respect of any Creation Application and/or Redemption 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 a Security and/or FDIs, as the case may be (that is a component of the relevant Product) 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 a Security and/or FDIs, as the case may be (that is a component of the relevant Product) has its primary listing is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or FDIs, as the case may be 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 Securities and/or FDIs, as appropriate or disposal of investments for the time being comprised in the relevant Product cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Product;

(f) during any period when the Index for the relevant Product (if applicable) is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Product or when for any other reason the value of any Securities and/or FDIs or other property for the time being comprised in the relevant Product 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 relevant Product is suspended or if any circumstance specified in the section on “Suspension of Determination

of Net Asset Value" below arises;

(i) during any period when the Swap (if any) cannot be adjusted or reset for any reason; or

(j) during any period when the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee, in respect of any Creation Application and/or Redemption Application in the relevant Product is 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

(k) if as result of the investment of the proceeds of issue of such Units in accordance with the investment objective of a Product, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer.

The Manager will, after consultation with the Trustee, having regard to the best interests of the Unitholders, suspend the right to subscribe for Units of the relevant Product 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. Where the Products under the Trust hold in aggregate more than the limit of 10% 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 its website at http://www.csopasset.com (the contents of which and of other websites referred to in this Prospectus 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

Units will be deposited, cleared and settled by CCASS. 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 Units deposited with 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 Units. Investors owning 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 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 Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or a Product suffering any adverse effect which the Trust or the Product might not otherwise have suffered;

(b) in the circumstances which, in the Manager's opinion, might result in the Trust or any Product, the Trustee or the Manager incurring any liability to taxation or suffering any other potential or actual pecuniary disadvantage or might result in the Trust or any Product, the Trustee or the Manager being subject to any additional regulatory compliance which the Trust or the relevant Product, the Trustee or the Manager might not otherwise have incurred, suffered or been subject to; or

(c) in breach of, or deemed by the Manager to be in breach of, any applicable anti-money laundering or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Trustee and the Manager

Upon notice that any 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 Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. As all Units will be held in CCASS, the Manager's consent is deemed given where an investor is transferring his interest in Units within CCASS. A Unitholder is entitled to transfer Units held by him by using the standard transfer form issued by SEHK or by an instrument in writing in such other form (and if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution) as the Trustee may from time to time approve. The transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. Each instrument of transfer must relate to a single Product only. If and to the extent that all Units are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a Participant and to whose account any Units are for the time being allocated in accordance with the General Rules of HKSCC.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell 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 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 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 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 Units. Where a Dual Counter has been adopted in respect of a Product, 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 will make available to a Market Maker, the portfolio composition information which is made available to a Participating Dealer.

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 Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities or FDIs comprised within the relevant Product. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Products in respect of such profits.

If you wish to buy or sell Units on the secondary market, you should contact your brokers.

Units of the Products are accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Units.

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

If trading of the Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Units.

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.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Product will be determined by the Trustee as at each Valuation Point applicable to the relevant Product, which may be different from the close of any Market, by calculating the value of the assets of the relevant Product and deducting the liabilities of the relevant Product, in accordance with the terms of the Trust Deed.

Set out below is a summary of how various properties held by the relevant Product 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) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) 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 at the last traded price of the Futures Contracts or if such price is not available (i) the latest available price or (ii) if bid and offer quotations are made, the latest available middle market quotation of such Futures Contract in each case at the Valuation Point or as otherwise valued as described in the Trust Deed; The value of the Swap invested by a Product, which is not listed or quoted on a recognised market, will be determined on each Dealing Day either by reference to electronic pricing systems (e.g. Bloomberg), or by the Swap Counterparty, which, in doing so, will be acting as the calculating agent. The value of the Swap will be calculated based on the mark-to-market value of such Swap (excluding any fees, commissions and other expenses in connection with the entry or negotiation of the Swap, and initial margin or deposits). Where the value is determined by the Swap Counterparty, the Manager will carry out an independent verification of this valuation on a daily basis;

(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 out of the Product in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may at any time in consultation with the Trustee and shall at such times or at such intervals as the Trust shall, in consultation with the Trustee, request cause a revaluation to be made 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) notwithstanding the foregoing, the Trustee or 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 determines that such adjustment is more appropriate to fairly reflect the value of the investment.

The Trustee will perform any currency conversion at the rates which the Trustee and the Manager deem appropriate from time to time.

The value of the swap invested by a Product, which is not listed or quoted on a recognised market, will be determined on each Dealing Day by the Swap Counterparty, which, in doing so, will be acting as the calculating agent of the relevant swap based on the mark-to-market value of such swap (excluding any fees, commissions and other expenses in connection with the entry or negotiation of the swap, and initial margin or deposits). The Manager will carry out an independent verification of this valuation on a daily basis. In addition, the Trustee will carry out an independent validation of the value of the swap, where available, in accordance with its internal policy and the terms of the swaps.

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

Suspension of Determination of Net Asset Value

The Manager may, after 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 Product 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 of the relevant Product;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of the Securities and/or FDIs held or contracted for the account of that Product or it is not possible to do so without seriously prejudicing the interest of Unitholders of that Product;

(c) for any other reason the prices of investments of the relevant Product 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 Product or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or FDIs or other property for the time being comprised in the relevant Product 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, a substantial part of the Securities and/or FDIs or other property of that Product or the subscription or redemption of Units of the relevant Product is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange;

(f) the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of the determination of the Net Asset Value of the Product 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;

(g) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a Swap is linked; or

(h) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a Swap entered into on behalf of the Product is linked.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Product and the Manager shall be under no obligation to rebalance the relevant Product 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 www.csopasset.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

No Units of a Product will be issued or redeemed during any period of suspension of the determination of the Net Asset Value of the relevant Product.

Issue Price and Redemption Value

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Product will be a fixed amount per Unit, or (if applicable) a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Product) as at the last day of the Initial Offer Period, rounded to four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), 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 Product 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 Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Product as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

Unless otherwise specified in the relevant Appendix, the Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Product as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The benefit of any rounding adjustments will be retained by the relevant Product.

The latest Net Asset Value of the Units will be available before market opens on the day after the relevant Trading Day on the Manager's website at www.csopasset.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC) or published in such other 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.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Product as set out in the following table, current as at the date of this Prospectus. Where any levels of fees and expenses applicable to a particular Product differs from the following, such fees and expenses will be set out in full in the relevant Appendix.

(A) Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Units (applicable both during the Initial Offer Period and After Listing)	**Amount**		
	CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product and CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (-2x) Inverse Product and CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	**CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Bitcoin Futures Daily (-1x) Inverse Product, CSOP NVIDIA Daily (2x) Leveraged Product, CSOP NVIDIA Daily (-2x) Inverse Product, CSOP Tesla Daily (2x) Leveraged Product, CSOP Tesla Daily (-2x) Inverse Product, CSOP Coinbase Daily (2x) Leveraged Product, CSOP Coinbase Daily (-2x) Inverse Product, CSOP MicroStrategy Daily (2x) Leveraged Product, CSOP MicroStrategy Daily (-2x) Inverse Product, CSOP Berkshire Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (-2x) Inverse Product and CSOP SK Hynix Daily (2x) Leveraged Product**	**CSOP Nikkei 225 Daily (2x) Leveraged Product and CSOP Nikkei 225 Daily (-2x) Inverse Product**

Transaction Fee	Up to HKD2,500[1] per Application	Up to USD320[2] per Application	Up to USD320 or JPY45,000[3] per Application
	HKD1,000[1] per book-entry deposit and book-entry withdrawal	HKD1,000[2] per book-entry deposit and book-entry withdrawal	HKD1,000[3]per book-entry deposit and book-entry withdrawal
Registrar Fee	HKD120[1] per transaction	USD15[2] per transaction	JPY2,100[3] per transaction
Application Cancellation Fee	Up to HKD10,000[4] per Application	Up to USD1,200[4] per Application	Up to USD1,200 or JPY170,000[4] per Application
Extension Fee (applicable to redemption of Units only)	Up to HKD10,000[5] per Application	Up to USD1,200[5] per Application	Up to USD1,200 or JPY170,000[5] per Application
Stamp duty	Nil	Nil	Nil
Transaction levy and trading fee	Nil	Nil	Nil

(B) Fees and expenses payable by investors	**Amount (for all Products)**
(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
(ii) Fees payable by all investors in respect of dealings in the Units on	

[1] *Up to HKD2,500 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 HKD120 for each Creation Application and Redemption Application. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Registrar Fee.*

[2] *Up to USD320 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.*

[3] *Up to USD320 or JPY45,000 (depending on the currency in which an Application is made) 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 JPY2,100 for each Creation Application and Redemption Application. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Registrar Fee.*

[4] *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.*

[5] *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.*

[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.*

SEHK (applicable After Listing)

Brokerage	Market rates
Transaction levy	0.0027% of the trading price[7]
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[8]
Trading fee	0.00565% of the trading price[9]
Stamp duty	Nil
Fees and expenses payable by the Product	(See further disclosure below)

No money should be paid to any intermediary in Hong Kong which is not licenced or registered to carry on Type 1 regulated activity under Part V of the SFO.

Fees and Expenses Payable by a Product

Management Fee

Each Product employs a single management fee structure, with each Product 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 a Product's Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Custodian's fee and the Registrar's fee.

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 a Product and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

The current Management Fee percentage in respect of each Product is set out in the relevant Appendix.

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

Ongoing charges

The (i) estimated ongoing charges (where a Product is newly established) or actual ongoing charges of a Product, where applicable, which are the sum of ongoing expenses of the relevant Product expressed as a percentage of the estimated average Net Asset Value of the relevant Product, and (ii) the estimated annual average daily ongoing charges (where a Product is newly established) or actual average daily ongoing charges, where applicable, which are equal to the estimated or actual (as the case may be) ongoing charges divided by the number of Dealing Days of the relevant Product during the year, are set out in the relevant Appendix. Where a Product is newly established the Manager will make a best estimate of the ongoing charges and the annual average daily ongoing charges and keep such estimates under review. The establishment costs

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

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

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

of a Product will also be included in the ongoing charges calculation. Ongoing expenses are generally payments deducted from the assets of a Product where these are permitted by the Trust Deed, the Code and the law. These include all types of cost borne by a Product, whether incurred in its operation or the remuneration of any party. The estimated or actual ongoing charges do not represent the estimated or actual tracking error, and the estimated or actual annual average daily ongoing charges do not represent the estimated or actual annual average daily tracking error.

Brokerage Rates

A Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates. Please refer to the relevant Appendix for further information on brokerage rates.

Promotional Expenses

The Products 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 Products will not be paid (either in whole or in part) out of the Trust Fund.

Other Expenses

The Products will bear all operating costs relating to the administration of the Products 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 counsels, auditor and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK or other exchange and maintaining the Trust's and the Products' 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 Products 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 and half-yearly financial reports and other circulars relating to the Products and the expenses of publishing Unit prices.

Swap Fees and Indirect Costs

Please refer to the relevant Appendix for further information on swap fees and indirect costs (if applicable).

Establishment Costs

The cost of establishing the Trust and the first two Products including the preparation of the initial issue 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 did not exceed HKD2.5 million and will be borne by the first two Products equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Product) and is being amortised over the first five financial years of the first two Products.

The cost of establishing the CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product and CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product including the preparation of this revised 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 will not exceed HKD7.5 million and will be borne by these four Products equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Product) and

amortised over the first five financial years of these four Products.

The cost of establishing the CSOP Hang Seng Index Daily (-2x) Inverse Product including the preparation of Appendix 5 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 will not exceed HKD1.8 million and will be borne by the CSOP Hang Seng Index Daily (-2x) Inverse Product and amortised over the first five financial years of this Product.

The cost of establishing the CSOP NASDAQ-100 Index Daily (-2x) Inverse Product including the preparation of Appendix 6 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 will not exceed HKD1.3 million and will be borne by the CSOP NASDAQ-100 Index Daily (-2x) Inverse Product and amortised over the first five financial years of this Product.

The cost of establishing the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product including the preparation of Appendix 7 and 8 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 will not exceed HKD1.3 million and will be borne by these two Products equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Product) and amortised over the first five financial years of these two Products.

The cost of establishing the CSOP Nikkei 225 Daily (2x) Leveraged Product and CSOP Nikkei 225 Daily (-2x) Inverse Product including the preparation of Appendix 9 and 10 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 will not exceed HKD1,100,000 and will be borne by these two Products equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Product) and amortised over the first five financial years of these two Products.

The cost of establishing the CSOP Bitcoin Futures Daily (-1x) Inverse Product including the preparation of Appendix 11 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 will not exceed HKD0.65 million and will be borne by CSOP Bitcoin Futures Daily (-1x) Inverse Product and amortised over the first five financial years of this Product.

The cost of establishing the CSOP NVIDIA Daily (2x) Leveraged Product, CSOP NVIDIA Daily (-2x) Inverse Product, CSOP Tesla Daily (2x) Leveraged Product, CSOP Tesla Daily (-2x) Inverse Product, CSOP Coinbase Daily (2x) Leveraged Product, CSOP Coinbase Daily (-2x) Inverse Product, CSOP MicroStrategy Daily (2x) Leveraged Product, CSOP MicroStrategy Daily (-2x) Inverse Product and CSOP Berkshire Daily (2x) Leveraged Product including the preparation of Appendices 12, 13, 14, 15, 16, 17, 18, 19 and 20 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 will not exceed HKD7,800,000 and will be borne by these nine Products equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Product) and amortised over the first five financial years of these nine Products.

The cost of establishing the CSOP Samsung Electronics Daily (2x) Leveraged Product and CSOP Samsung Electronics Daily (-2x) Inverse Product including the preparation of Appendices 21 and 22 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 will not exceed HKD700,000 and will be borne by these two Products equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Product) and amortised over

the first five financial years of these two Products.

The cost of establishing the CSOP SK Hynix Daily (2x) Leveraged Product including the preparation of Appendix 23 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 will not exceed HKD600,000 and will be borne by the CSOP SK Hynix Daily (2x) Leveraged Product and amortised over the first five financial years of this Product.

Investors should note that, under IFRS, establishment costs should be expensed as incurred. To the extent, that the valuation or accounting basis adopted by the Trust 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 financial reports, including a reconciliation note to reconcile values arrived at by applying the Trust's valuation rules.

Increase in Fees

The current fees in respect of each Product payable to the Manager and the Trustee as described in the relevant Appendix (which are included in the calculation of the Management Fee for the relevant Product) may be increased on one month's notice to Unitholders (or such shorter period as approved by the SFC), 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 Product 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 Product will be achieved. Investors should carefully evaluate the merits and risks of an investment in the relevant Product 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 Products. You should refer to additional risk factors, specific to each Product, as set out in the relevant Appendix. In particular, further risk factors applicable to the Products which adopt a Dual Counter (in addition to these below) are set out in the relevant Appendix.

General Investment Risks

Investment Objective Risk

There is no assurance that the investment objective of a Product 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 an investor may lose a substantial proportion or all of its investment in a Product where the relevant Index or Underlying Stock moves in an unfavourable direction. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Product.

Market Risk

The Net Asset Value of each Product will change with changes in the market value of the Securities, Swaps and/or Futures Contracts 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 a Product is based on the capital appreciation/depreciation and income on the Securities and/or FDIs it holds, less expenses incurred. A Product's return may fluctuate in response to changes in such capital appreciation/depreciation or income. Furthermore, each Product may experience volatility and decline in response to changes in the relevant Index or Underlying Stock. Investors in the Products are exposed to the same risks that investors who invest directly in the underlying Securities, Swaps and/or Futures Contracts would face. These risks include, for example, interest rate risks (risks of changes in portfolio values with changes in interest rates); 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 or the issuer of the Underlying Stock).

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of the Products the returns from the types of Securities, Swaps and/or Futures Contracts in which a Product invests (either directly or indirectly) may underperform or outperform returns from other Securities, Swaps and/or Futures Contracts markets or from investment in other assets. Different types of Securities, Swaps and/or Futures Contracts tend to go through cycles of out-performance and underperformance when compared with other general Securities, Swaps and/or Futures Contracts markets.

Passive Investment Risk

The Products are not actively managed. Accordingly, the Products may be affected by changes in the market segments relating to the relevant Index or Underlying Stock. The Manager will not take defensive positions when the relevant Index or Underlying Stock moves in an unfavourable direction. In such circumstances, investors may lose a significant part of their respective investments. Each Product invests (either directly or indirectly) in the Securities, Swaps and/or Futures Contracts included in or representative of the relevant Index or Underlying Stock regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to take defensive positions. 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 Products

will mean that a fall in the relevant Index or the price of the relevant Underlying Stock expected to result in a fall in the value of a leveraged Product, whereas a rise in the relevant Index or the price of the relevant Underlying Stock expected to result in a fall in the value of an inverse Product, and investors may lose substantially all of their investment.

Possible Business Failure Risk

Global markets may experience very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of an Index or an Underlying Stock may have an adverse effect on such Index or Underlying Stock and therefore a leveraged Product's performance. Investors may lose money by investing in leveraged Products.

Management Risk

Because there is no guarantee or assurance of exact or identical replication of the performance, the inverse performance or the leveraged performance (as the case may be) of the relevant Index or Underlying Stock by a Product at any time, a Product is subject to 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, Swaps and/or Futures Contracts comprising a Product. There can be no guarantee that the exercise of such discretion will result in the investment objective of the relevant Product being achieved.

Tracking Error Risk

The Net Asset Value of a Product may deviate from the performance, the leveraged performance or the inverse performance (as the case may be) of the relevant Index or Underlying Stock which the Product seeks to track. Factors such as the fees and expenses of a Product, imperfect correlation between a Product's assets and the Securities or FDIs constituting its Index or the price of the Underlying Stock (basis risk), inability to rebalance a Product's holdings of Securities or FDIs in response to high portfolio turnover, costs of using FDIs, transaction costs, a temporary lack of liquidity in the markets for the Securities or FDIs held by a Product, changes in the constituents of the Index (if applicable), rounding of Security or FDIs prices, changes to the Indices (if applicable) and regulatory policies may reduce the correlation between the performance of the Product and the leveraged performance or the inverse performance of the relevant Index or Underlying Stock and may affect the Manager's ability to track. 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 to achieve the performance, the leveraged performance or the inverse performance (as the case may be) of the relevant Index or Underlying Stock.

Concentration Risk

A Product may be subject to concentration risk as a result of tracking the performance, the inverse performance or the leveraged performance (as the case may be) of a single geographical region or a single Underlying Stock. Such a Product is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions (where the relevant Product tracks the performance or leveraged performance of the relevant Index or Underlying Stock) or positive conditions (where the relevant Product tracks the inverse performance of the relevant Index or Underlying Stock) in the relevant region or in respect of the relevant Underlying Stock.

Trading Risk

While the creation/redemption feature of each Product is designed to make it likely that Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on

which Units are listed. In addition, when buying or selling Units on the SEHK additional charges (such as brokerage fees) mean that an investor 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. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units and the Net Asset Value.

Loss of Capital Risk

There is no guarantee that a Product's investments will be successful. In addition, 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.

No Trading Market in the Units Risk

Although the Units are listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices or benchmarks other than the Index or Underlying Stock.

Indemnity Risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability in performing their respective duties, except nothing in the Trust Deed may provide that the Trustee or the Manager can be exempted from any liability to Unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence, or be indemnified against such liability by Unitholders or at Unitholders' expense. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the relevant Product and the value of the Units.

Dividends May Not be Paid Risk

Whether a Product will pay distributions on Units is subject to the Manager's distribution policy (as described in the "Distribution Policy" section and in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the Securities held by the Product, where the Product holds Securities as part of its investment strategy. In addition, dividends received by a Product may be applied towards meeting the costs and expenses of that Product. Dividend payment rates in respect of such Securities will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Early Termination Risk

A Product may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than USD20 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the relevant Product 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 or (iv) (if applicable) the relevant Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) if the Manager is unable to implement its investment strategy (for example, if the Underlying Stock is delisted) or (vi) at any time, the relevant Product ceases to have any

Participating Dealer or Market Maker. Upon a Product being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Product to the Unitholders in accordance with the Trust Deed. Investors may suffer a loss where any such amount distributed may be more or less than the capital invested by the Unitholder.

Foreign Exchange Risks

If a Product's assets are generally invested in Securities, Swaps or Futures Contracts denominated other than in its base currency, and if a substantial portion of the revenue and income of a Product is received in a currency other than its base currency, any fluctuation in the exchange rate of the base currency relative to the relevant foreign currency will affect the Net Asset Value of a Product regardless of the performance of its underlying portfolio. If the relevant Product's Net Asset Value is determined on the basis of USD, an investor of such Product may lose money even where the local currency value of the Product's holdings goes up, if such local currency depreciates against the USD.

Where a Product invests in instruments denominated in the same currency as the Product's base currency, but such instruments are highly sensitive to the foreign exchange movement of the denominated currency of such instruments' underlying, the Product may indirectly be subject to exchange rate risk. Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the Product.

Risks of investing in fixed income securities

Credit/counterparty Risk

Investment in fixed income securities is subject to the credit risk of the security or its issuers, who may be unable or unwilling to make timely payments of principal and/or interest. In the event of a default or credit rating downgrading of the securities or the issuers of the fixed income securities held by the Product, the Product's value will 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 securities that are being downgraded. There may also be difficulties or delays in enforcing rights against the issuers who will generally be incorporated overseas and therefore not subject to the laws of Hong Kong.

Interest Rate Risk

Investment in the Product is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Sovereign Debt Risk

The Product's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers.

Credit Ratings Risks

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.

Fluctuations Risk

The performance of the Units should, before fees and expenses, correspond closely with the performance, the inverse performance or the leveraged performance (as the case may be) of the

Index or Underlying Stock. If the Index or the price of the Underlying Stock experiences volatility or fluctuations, the price of the Units will vary and may decline.

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, each Product of the Trust will be traded on the SEHK on such days, if the SEHK maintains normal operations.

The implementation of trading and dealing of Units of the Trust (and the Products) 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 Units of a Product will have to do so through their brokers 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 Financial Derivative Instruments and Collateral

The Manager may achieve a Product's investment objective through investments in financial derivative instruments. A financial derivative instrument is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security or an index and so have a high degree of price variability and are subject to occasional rapid and substantial changes. Compared to conventional Securities, financial derivative instruments can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a financial derivative instrument may result in immediate and substantial loss (or gain) to the relevant Product. The relevant Product's losses may be greater if it invests in financial derivative instruments than if it invests only in conventional Securities.

There may also be no active market in financial derivative instruments and therefore investment in financial derivative instruments can be illiquid. In order to meet redemption requests, the relevant Product may rely upon the issuer of the financial derivative instruments to quote a price to unwind any part of the financial derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

In addition, many financial derivative instruments are not traded on exchanges. As a result, if the relevant Product engages in transactions involving financial derivative instruments, it will be subject to the risk of the inability or refusal to perform such contracts by the counterparties with which the relevant Product trades, and as such the relevant Product may suffer a total loss of the relevant Product's interest in the financial derivative instrument. This risk is also aggregated by the fact that over-the-counter derivatives markets are generally not regulated by government authorities and participants in these markets are not required to make continuous markets in the contracts they trade.

An investment in the financial derivative instruments does not entitle the financial derivative

instruments holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the financial derivative instruments will equal the underlying value of the company or securities market that it may seek to replicate.

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of any derivative 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 Product's exposure to such counterparty to be under-collateralised. If a Product reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

Risks relating to Repurchase Agreements

In the event of the failure of the counterparty with which collateral has been placed, a Product 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. The Product may also be subject to legal risk, operational risk, liquidity risk of the counterparty and custody risk of the collateral.

Risks relating to Reverse-Repurchase Agreements

In the event of the failure of the counterparty with which cash has been placed, a Product 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. A Product may also be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral.

Risks Associated with Market Trading

Absence of Active Market and Liquidity Risks

Although Units of each Product 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 or FDIs which a Product invests in 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 an investor needs to sell his, her or its Units at a time when no active market for them exists, the price received for the Units — assuming an investor is able to sell them — is likely to be lower than the price received if an active market did exist.

Suspension of Trading Risk

Investors and potential investors will not be able to buy nor sell Units on the SEHK during any period in which trading of the Units is suspended. The SEHK may suspend the trading of Units whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Units may also be suspended if the trading of Units is suspended.

Effect of Redemptions Risk

If significant redemptions of Units are requested by the Participating Dealers, it may not be possible to liquidate the relevant Product'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, the right of Participating Dealers to require redemptions in excess of 10% of the total number of Units in a Product then in issue (or such higher percentage as the Manager may determine and as permitted by the SFC) may be deferred.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Product for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

Units May Trade at Prices Other than Net Asset Value Risk

Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of each Product is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Product's holdings. The trading prices of the Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Volatility on the SEHK as well as supply and demand for Units traded on the SEHK may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. On the basis that Units can be created and redeemed in Application Units 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 Units will normally trade at prices close to the relevant Product's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Product's Net Asset Value 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 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.

Borrowing Risks

The Trustee, on the written instructions of the Manager, may borrow for the account of a Product (up to 10% of the Net Asset Value of each Product unless otherwise specified in the Appendix) for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Product. Borrowing involves an increased degree of financial risk and may increase the exposure of a Product 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 Product will be able to borrow on favourable terms, or that the relevant Product's indebtedness will be accessible or be able to be refinanced by the relevant Product at any time.

Cost of Trading Units Risk

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, 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 Units (bid price) and the price at which they are willing to sell Units (ask price).

No Right to Control the Product's Operation Risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of any Product.

Secondary Market Trading Risk

Units in a Product may trade on the SEHK when the relevant Product does not accept orders to

subscribe or redeem Units. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the relevant Product accepts subscription and redemption orders.

Reliance on the Manager Risk

Unitholders must rely on the Manager in formulating the investment strategies and the performance of each Product 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 of the insolvency of the Manager, the Trustee may not find successor managers with the requisite skills and qualifications quickly or at all and the new appointment may not be on equivalent terms or of similar quality.

Reliance on Market Makers Risk

Although it is a requirement that the Manager uses its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units of each Product, 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 Product. If there is no market maker for the Units, a Product may be required by the SFC to be terminated. Termination will take place at about the same time as the resignation of the last Market Maker becoming effective and advance notice of termination will be issued to investors pursuant to the Code. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that at least one Market Maker (with relevant experience in leveraged or inverse products, as the case may be) for the Units of each Product gives not less than 3 months' notice prior to terminating market making under the relevant market making agreements. It is possible that there is only one SEHK Market Maker to a Product or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker. There is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers Risk

The creation and redemption 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 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 (if applicable) the Index is not compiled or 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 relevant Product or disposal of the relevant Product's Securities, Swaps or Futures Contracts 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, there is a risk that investors may not always be able to create or redeem Units freely. Where a Participating Dealer appoints an agent or delegate (who is a 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 Participant, the creation or realisation of Units by such Participating Dealer may also be affected.

Trading Time Differences Risk

As a stock exchange or futures exchange may be open when the Units are not priced, the value of any Security or FDIs invested by a Product may change when investors may not be able to buy or sell Units. Further the price of Securities or FDIs may not be available during part of the Trading Day due to trading hour differences which may result in the trading price of Units deviating from the Net Asset Value per Unit.

Risks Associated with the Indices (applicable to Products which are benchmarked against

an Index)

Licence to Use Index may be Terminated Risk

The Manager is granted a licence by the Index Provider to use each Index in connection with the relevant Product and to use certain trade marks and any copyright in the Index. A Product may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index Licence Agreement" in the relevant Appendix. Although the Manager will seek to find a replacement Index, a Product may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index Risk

The Securities and/or FDIs of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Product. The Products are not sponsored, endorsed, sold or promoted by the Index Provider(s). Each Index Provider makes no representation or warranty, express or implied, to investors in the Products or other persons regarding the advisability of investing in Securities and/or FDIs generally or in the Products particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the Products into consideration in determining, composing or calculating the Index or Indices. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of an Index Provider will not prejudice the interests of the relevant Product, the Manager or investors.

Composition of an Index May Change Risk

The Securities and/or FDIs constituting an Index will change as the Securities and/or FDIs of the Index are delisted, or as the Securities and/or FDIs mature or are redeemed or as new Securities and/or FDIs are included in the Index. When this happens the weightings or composition of the Securities and/or FDIs owned by the Products will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the performance, the leveraged performance or the inverse performance (as the case may be) of the relevant Index as its constituents change, and not necessarily the way the relevant Index is comprised at the time of an investment in Units.

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

The Trust and each Product have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This 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. The SFC reserves the right to withdraw the authorisation of the Trust or any Product or impose such conditions as it considers appropriate or to withdraw any waiver from the Code or revise the same. If the Manager does not wish the Trust or any Product to continue to be authorised by the SFC, the Manager will give Unitholders at least three 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 or waivers from the Code which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions or waivers from the Code, it becomes illegal, impractical or

inadvisable to continue the Trust or any Product, the Trust or the relevant Product (as applicable) will be terminated.

General Legal and Regulatory Risk

Each Product 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 the Product. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Index or the Underlying Stock and as a result, the performance of the relevant Product. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Product. In the worst case scenario, a Unitholder may lose a material part of its investments in a Product.

Units May be Delisted from the SEHK Risk

The SEHK imposes certain requirements for the continued listing of securities, including the Units, on the SEHK. Investors cannot be assured that a Product in which the investor has invested will continue to meet the requirements necessary to maintain the listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Units of the relevant Product are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the Product. Where the Product remains authorised by the SFC, such procedures required by the Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of a Product for any reason it is likely that Units may also have to be delisted.

Taxation Risk

Investing in a Product 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.

Legal and Compliance Risk

Domestic and/or international laws or regulations may change in a way that adversely affects the Trust or the Products. Differences in laws between jurisdictions may make it difficult for the Trustee or Manager to enforce legal agreements entered into in respect of the Products. 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 Products.

Valuation and Accounting Risk

The Manager intends to adopt IFRS in drawing up the annual financial accounts of the Products. However, the calculation of the Net Asset Value in the manner described under the section on "Determination of Net Asset Value" will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Investors should note that under IFRS, establishment costs should be expensed as incurred and that amortisation of the expenses of establishing sub-funds is not in accordance with IFRS; however, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of Products. To the extent that the basis adopted by a Product for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial accounts for the financial accounts to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial accounts, including a reconciliation.

Contagion across Products risk

The Trust Deed allows the Trustee and the Manager to issue Units in separate Products as

separate trusts. The Trust Deed provides for the manner in which the liabilities are to be attributed across the various Products under the Trust (liabilities are to be attributed to the specific Product 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 Product (in the absence of the Trustee granting that person a security interest). However, each of the Trustee and the Manager will have a right of reimbursement and indemnity out of the assets of the Trust as a whole or any part thereof, against any action, costs, claims, damages, expenses or demands relating to the Trust as a whole, which may result in Unitholders of one Product being compelled to bear the liabilities incurred in respect of another Product in which such Unitholders do not themselves own Units, if there are insufficient assets in that other Product to satisfy the amount due to the Trustee or the Manager (as the case may be). Accordingly, there is a risk that liabilities of one Product may not be limited to that particular Product and may be required to be paid out of one or more other Product.

Non-recognition of Product segregation risk

The assets and liabilities of each of the Products under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Products, and the Trust Deed provides that the assets of each of the Products should be segregated as separate trusts from each other. There is no guarantee that the courts of any jurisdiction outside Hong Kong will respect the limitations on liability and that the assets of any particular Product will not be used to satisfy the liabilities of any other Product.

Risks associated with Foreign Account Tax Compliance Act

Sections 1471 to 1474 (referred to as "FATCA") of the US Internal Revenue Code of 1986, as amended (the "IRS Code") have imposed new rules with respect to certain payments to non-United States persons, such as the Trust and each Product, 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 (the "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 each Product (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 2019, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating US source dividends or interest are treated as "withholdable payments." It is expected that certain non-US 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 US Treasury Regulations is currently pending.

Hong Kong and the US have entered into an intergovernmental agreement ("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 each Product) will be required to enter into an FFI Agreement with the US IRS, register with the US IRS and comply with the terms of an FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US-sourced payments to them.

Under the IGA, FFIs in Hong Kong (such as the Trust and each Product) 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 in a timely manner by the Inland Revenue Department of Hong Kong, which may be beyond

the control of the Trust and the Products), but may be required to withhold tax on payments made to non-compliant FFIs.

The Trust and the Products 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 a Product is not able to comply with the requirements imposed by FATCA or the FFI Agreement and the Trust or the relevant Product does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Trust or the relevant Product may be adversely affected and the Trust or the relevant Product 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 a Product, or a risk of the Trust or a Product being subject to withholding tax under FATCA, the Manager on behalf of the Trust and the relevant Product reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation and to the extent permitted by applicable laws and regulations, (i) reporting the relevant information of such Unitholder to the US IRS; and/or (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. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds and in compliance with all applicable laws and regulations.

Each of the Products has been registered with the IRS as at the date of this Prospectus. The Manager has obtained tax advice that the Trust does not need to be registered with the IRS.

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

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 1 (dealing in securities), 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 Chinese 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, Zhongping Cai, Chen Ding, Qin Wang 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.

Zhongping Cai

Mr. Cai is the Chief Financial Officer and the General Manager of the Finance Department of China Southern Asset Management Co. Ltd., Director of CSOP Asset Management Limited, Supervisor of China Southern Capital Management Limited, and Director of Shenzhen SouthernFund Equity Investment Fund Management Co. Ltd.

Prior to joining China Southern Asset Management Co. Ltd., Mr. Cai served as Director of the Finance Department of UBS SDIC in China. He joined China Southern Asset Management Co. Ltd. in 2014.

Mr. Cai holds a Master's Degree from Zhongnan University of Economics and Law in 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.

Qin Wang

Mr. Wang, holder of PhD in Economics, has served as Research Director of Guosen Securities, General Manager of ChiNext Qianhai Capital Company Limited, Deputy General Manager of Great Wall Fund Management Company Limited, General Manager of Baoying Fund Management Company Limited, and General Manager of Changan Fund Management Company Limited. He is currently the Chairman of Board of Directors of Wealthink AI-Innovation Capital Limited.

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 Manager has a risk management policy which enables it to monitor and measure at any time the risk of the financial derivative instruments used by a Product for investment purposes. The

Products are subject to daily risk management and control procedures such as, but not limited to:

(A) daily calculation of value at risk (a methodology used to estimate the maximum amount of portfolio losses under normal market conditions);

(B) limitation on the percentage of the Net Asset Value committed as margin for all futures or options contracts;

(C) liquidity guidelines on each open futures or option contract such as maximum holding compared to daily average volume for the contract; and

(D) historical and hypothetical stress tests which aim to simulate adverse market scenarios.

The Manager will also ensure that at all times its reconciliation, accounting and settlement functions are separated from back office procedures.

The Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited. The Trustee also acts as the Registrar of the Products, and provides services in respect of the establishment and maintenance of the register of the Unitholders.

The Trustee was incorporated with limited liability in Hong Kong on 27 September 1974 and is registered as a trust company under *Section 78(1) of the Hong Kong Trustee Ordinance (Cap. 29 of the Laws of Hong Kong)* and approved by the Mandatory Provident Funds Scheme Authority as trustee of registered MPF Schemes under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong). 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 Commission to carry out 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)*.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Products, 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 Products 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 Products. The Trustee shall be liable 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.

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 Products.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of

the Trust and/or each Product 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 a Product. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of fraud, negligence or wilful default by it or any agent, sub-custodian or delegate appointed by the Trustee, be liable for any losses, costs or damage to the Trust, the Product(s) 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 Products, 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 under the section on "Fees and Expenses Payable by a Product" 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 Products 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 Products, and they are not responsible for the preparation or issue of this Prospectus other than the description under the section on "The Trustee and Registrar".

The Service Agent

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 Dealer, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in the Products by Participating Dealers in accordance with the HKSCC Rules and HKSCC Operational Procedures, and upon the terms and subject to the conditions of the Service Agreement.

The Auditor

The Manager has appointed PricewaterhouseCoopers to act as the auditor of the Trust and the Products (the "Auditor"). The Auditor is independent of the Manager and the Trustee.

The Participating Dealers

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Products may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Product is available at 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 Market Makers

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the 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 Units on the SEHK. Market Makers facilitate the efficient trading 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 Units. 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 per Product to facilitate the efficient trading of Units. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker per Product gives 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 Product is available at http://www.hkex.com.hk and 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 Listing Agent

Unless otherwise specified in the relevant Appendix, Altus Capital Limited has been appointed by the Manager as the Listing Agent for each Product in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in respect of the relevant Product's listing on the SEHK. The Listing Agent is a licensed corporation which holds, amongst others, a Type 6 (advising on corporate finance) regulated activity licence under the SFO with CE Number AGH102.

Conflicts of interest

The Manager and the Trustee 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 Products.

In addition:

(a) the Manager or any of its Connected Persons may, with the consent of the Trustee, deal with the Trust as principal;

(b) the Trustee, the Manager 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 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 Trustee or any of their Connected Persons or invested in certificates of deposit or banking instruments issued by any of them.

The Trustee and Registrar or the Manager 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 or any Product. 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.

Conflicts of interest may arise due to the widespread business operations of the Trustee and Registrar, the Manager 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 a Product) will be on arm's length terms 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 Products. The Manager (as well any of its Connected Persons) will not retain any cash rebates from any broker or dealer.

STATUTORY AND GENERAL INFORMATION

Reports

The financial year-end of the Trust (and each Product) is 31 December every year. Audited financial reports are to be prepared (in accordance with IFRS) and published on the Manager's website within four months of each financial year-end. Half-yearly unaudited financial reports are also to be prepared up to 30 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 audited annual financial reports and the half-yearly unaudited reports of the Products 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 Product and the Manager's statement on transactions during the period under review (including, if applicable, a list of any constituent Securities or FDIs 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 relevant Product have been complied with). The financial reports shall also provide a comparison of each Product's performance and the actual relevant Index or Underlying Stock performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and each Product 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 the Products. Nothing in the Trust Deed may provide that either the Trustee or the Manager (as the case may be) can be exempted from any liability to Unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence nor may they be indemnified against such liability by Unitholders or at Unitholders' expense.

Liability of Unitholders

No Unitholder shall incur or assume any liability or be required to make any payment to the Trustee or the Manager in respect of its Units. The liability of Unitholders is limited to their investment in Units.

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 the Products or (ii) is necessary in order to make possible compliance with any fiscal, statutory,

regulatory 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 such approval is required) also give its prior approval to all 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 Product

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

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 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 (which has not been reviewed or approved by the SFC) and the Hong Kong Exchanges and Clearing Limited's website at www.hkex.com.hk.

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 Products at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units 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 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 or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (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 or (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 or (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 in writing of its intention to retire, no new person willing to act as trustee has been identified.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Product outstanding is less than USD20 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 Product if: (i) after one year from the date of establishment of the Product, the aggregate Net Asset Value of all the Units in the relevant Product outstanding is less than USD20 million or such other amount specified in the relevant Supplemental Deed; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Product and which renders the relevant Product illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Product; (iii) (if applicable) its Index is no longer available for benchmarking or if the Units of the relevant Product are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the relevant Product ceases to have any Participating Dealer; (v) the Manager is unable to implement its investment strategy (for example, if the Underlying Stock is delisted); or (vi) there are no Market Makers for the relevant Product. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Products by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Product 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 Product; (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 Product or has done something calculated to bring the relevant Product into disrepute or that is harmful to the interests of Unitholders of the relevant Products; or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Product and which renders the relevant Product illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Product.

Notice of the termination of the Trust or the Products 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 Products 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.

Distribution Policy

The Manager will adopt a distribution policy for each Product as the Manager considers appropriate having regard to the Product's net income, fees and costs. For each Product 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 Product 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. Distribution may be paid out of capital and/or effectively out of capital of the Product. There can be no assurance that such entities will declare or pay dividends or distributions.

Inspection of Documents

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 are not obliged to disclose their interest in the Product.

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 Products 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 by the Manager, the Registrar, the Trustee or the relevant Participating Dealer 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 liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Products and to ensure that the liquidity profile of the investments of the relevant Product will facilitate compliance with such Product'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 Products. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by each Product on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "Redemption of Units through Participating Dealers", and will facilitate compliance with each Product'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 Products under normal and exceptional market conditions.

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

Index Licence Agreements (applicable to Products which are benchmarked against an Index)

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

Material Changes to an Index (applicable to Products which are benchmarked against an Index)

The SFC should be consulted on any events that may affect the acceptability of an Index. Significant

events relating to an Index will be notified to the Unitholders of the relevant Product as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Index, or a change in the objective or characteristics of the Index.

Replacement of an Index (applicable to Products which are benchmarked against an 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 Product would not be adversely affected, to replace an Index with another index in accordance with the provision of the Code and the Trust Deed. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the relevant Index ceasing to exist;

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

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

(e) investing in the Securities and/or FDIs comprised within the 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 Index having in the opinion of the Manager, deteriorated; and

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

The Manager may change the name of a Product if the relevant Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the relevant Product of the Index and/or (ii) the name of the relevant Product will be notified to investors.

Information Available on the Internet

The Manager will publish important news and information with respect to each Product (including, if applicable, in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the Manager's website at http://www.csopasset.com (which has not been reviewed or approved by the SFC) including:

(a) this Prospectus and the product key facts statements in respect of the Products (as revised from time to time);

(b) the latest annual audited financial report and half yearly unaudited financial report (in English only);

(c) any notices relating to material changes to the Products which may have an impact on Unitholders such as material alterations or additions to this Prospectus or the constitutive documents of the Trust and/or a Product;

(d) any public announcements made by the Products, including information with regard to the Products and (if applicable) the Index or the Underlying Stock, notices of the suspension of the calculation of the Net Asset Value, suspension of creation and redemption of Units, changes in fees and the suspension and resumption of trading;

(e) the near real time indicative Net Asset Value per Unit updated every 15 seconds during SEHK trading hours in the relevant trading currency (or if there is a Dual Counter, in both

trading currencies) of the Product;

(f) the last Net Asset Value of each Product in the relevant base currency and the last Net Asset Value per Unit of each Product in the relevant trading currency (or if there is a Dual Counter, in both trading currencies) of the Product;

(g) the past performance information of each Product;

(h) the daily tracking difference, the average daily tracking difference and the tracking error of each Product;

(i) full holdings information of each Product (updated on a Daily basis);

(j) a "performance simulator" of each Product which allows investors to select a historical time period and simulate the performance of the relevant Product vis-à-vis the Index or Underlying Stock during that period based on historical data;

(k) the latest list of the Participating Dealers and Market Makers;

(l) in respect of a Product which may distribute dividends, the composition of dividends for the Product (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital (if any)), for a rolling 12-month period; and

(m) in respect of a Product investing in Swaps:

(i) the gross and net exposure to each Swap Counterparty;

(ii) the full portfolio information of the Product;

(iii) the list of Swap Counterparties (including hyperlinks to the websites of Swap Counterparties and their guarantors (if applicable));

(iv) pictorial presentation of collateral information by way of pie charts showing the following (if applicable):

- a breakdown by asset type, e.g. equity, bond and cash and cash equivalents;
- for equity, further breakdown by (1) primary listing (i.e. stock exchanges), (2) index constituents, and (3) sector;
- for bond, further breakdown by (1) types of bonds, (2) countries of issuers/guarantors, and (3) credit rating; and

(v) top 10 holdings in the collateral (including name, percentage of the Product's Net Asset Value, type, primary listing for equities and country of issuers, credit rating if applicable),

where items (i) and (ii) will be updated on a daily basis and items (iii), (iv) and (v) will be updated on a weekly basis and uploaded onto the website within three working days of the end of each week; and

(n) in respect of a Product investing in FDIs, the portfolio holdings of such Products (updated on a daily basis unless otherwise specified in the relevant Appendix).

Real-time updates about the Index (if applicable) can be obtained through other financial data vendors.

In respect of CSOP NVIDIA Daily (2x) Leveraged Product, CSOP NVIDIA Daily (-2x) Inverse Product, CSOP Tesla Daily (2x) Leveraged Product, CSOP Tesla Daily (-2x) Inverse Product, CSOP Coinbase Daily (2x) Leveraged Product, CSOP Coinbase Daily (-2x) Inverse Product, CSOP

MicroStrategy Daily (2x) Leveraged Product, CSOP MicroStrategy Daily (-2x) Inverse Product, CSOP Berkshire Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (2x) Leveraged Product, CSOP Samsung Electronics Daily (-2x) Inverse Product and CSOP SK Hynix Daily (2x) Leveraged Product:

- The near real-time indicative Net Asset Value per Unit of the Product in HKD denomination is indicative and for reference purposes only. This 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 a 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 opened for trading.

- The last Net Asset Value per Unit of the Product in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the HKD:USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day.

Investors should 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), if applicable, via the Manager's website at http://www.csopasset.com 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 section on "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	***Trustee***
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	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 Listing Agent, 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 Listing Agent, 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 contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC). 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 Product:

Address: 2801-2803 & 3303-3304, 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 a Product (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 a Product receives 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 Products, 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 a Product 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 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 and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong 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.

Taxation of the Trust and Products

As the Trust and each Product have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and each Product are exempt from Hong Kong profits tax.

Taxation of the Unitholders

Where the Unitholders do not carry on a trade, profession or business in Hong Kong or the Units in the Products were acquired and are held by the Unitholders as capital assets for Hong Kong profits tax purposes, gains arising from the sale or disposal or redemption of the Units in a Product should not be taxable. For Unitholders carrying on a trade, profession or business in Hong Kong, such gains may be subject to Hong Kong profits tax (which is currently charged at the rate of 16.5% in the case of corporations, and 15% in the case of individuals and unincorporated business) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong. Unitholders should take advice from their own professional advisers as to their particular tax position.

Distributions by the Trust/Products should generally not be subject to Hong Kong profits tax in the hands of the Unitholders.

Stamp duty

Hong Kong stamp duty is payable on the transfer of Hong Kong stock. "Hong Kong stock" is defined as "stock" the transfer of which is required to be registered in Hong Kong. The Units fall within the definition of "Hong Kong stock".

Under a remission order issued by the Secretary for the Treasury on 20 October 1999, no Hong Kong stamp duty is payable on the delivery of Hong Kong stock by an investor to the Trust as consideration for an issue or redemption of Units. Hong Kong stamp duty is not payable on the issue or redemption of Units.

Stamp duty in respect of any transfer in the shares or units of an exchange traded fund (as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance) on the SEHK is not payable. Accordingly transfers of the Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

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 resident 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 IRD the required information relating to Unitholders and prospective investors.

The Ordinance as implemented by Hong Kong require 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 Products and/or continuing to invest in the Products, 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 person 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 Product(s).

PART 2 – SPECIFIC INFORMATION RELATING TO EACH PRODUCT

Part 2 of this Prospectus includes specific information relevant to each Product established under the Trust and listed on the SEHK. It is updated from time to time by the Manager. Information relating to each Product 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 Product 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 "Product" refer to the relevant Product 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: CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng Index Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index
Index	Hang Seng Index (the "Index")
Listing Date (SEHK)	14 March 2017
Exchange Listing	SEHK – Main Board
Stock Code	07200
Short Stock Name	FL2 CSOP HSI
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 0.99% per year of the Net Asset Value

Financial Year End	31 December
Website	http://www.csopasset.com/L_HSI

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will use a combination of a futures-based replication strategy and a Swap-based synthetic replication strategy. To obtain the required exposure to the Index, the Manager may (i) adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Index ("HSI Futures") listed on the Hong Kong Futures Exchange Limited ("HKFE") subject to the rolling strategy discussed below and/or (ii) use a Swap-based synthetic replication strategy by investing in Swaps as discussed below.

The investment of the Product other than Swaps and HSI futures will comply with 7.36 to 7.38 of the Code.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Futures-based replication strategy

In entering the spot month HSI Futures, the Manager anticipates that no more than 25% of the Net Asset Value of the Product from time to time will be used as margin to acquire the HSI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 45% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Manager may adopt a synthetic replication investment strategy, pursuant to which the Product will enter into one or more partially-funded Swaps (which are over-the counter financial derivative instruments entered into with one or more Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the underlying futures (net of transaction costs).

No more than 30% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in the respective designated accounts, and the

Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty. Under exceptional circumstances (e.g. increased Initial Amount requirement by the exchange in extreme market turbulence), the Initial Amount requirement may increase substantially. The expected maximum exposure to the Index from Swaps would be 200% of the Product's Net Asset Value.

Counterparty Exposure

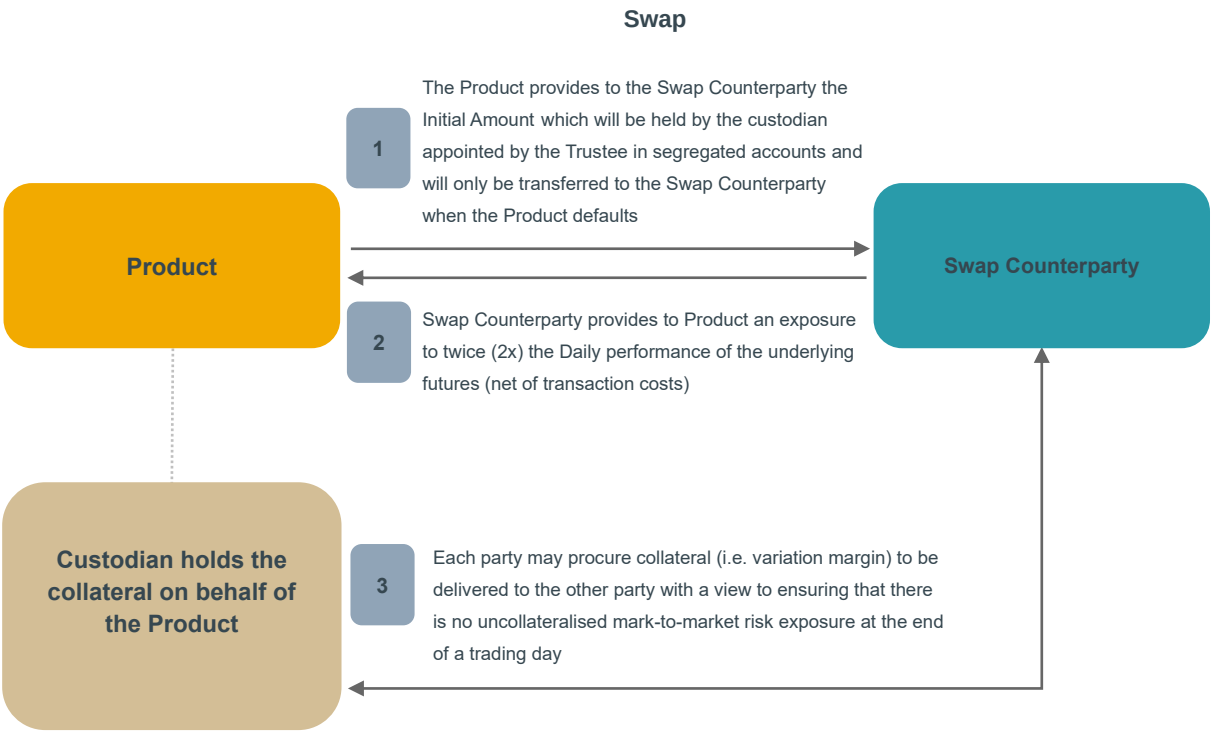
Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD 250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap

Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty or its guarantor (where relevant)**	**Standard & Poor's credit rating of the Swap Counterparty or its guarantor (where relevant)**
SOCIETE GENERALE	France	A
CICC FINANCIAL TRADING LIMITED[#]	Hong Kong	BBB+
HSBC Bank Plc	England & Wales	A+

J.P. Morgan Securities PLC	United Kingdom	AA-
Goldman Sachs International	United Kingdom	A+
Nomura Singapore Limited	Singapore	A-
CITIC Securities International Capital Management Limited[##]	Hong Kong	A-

[#] *The parent company of CICC Financial Trading Limited, China International Capital Corporation (International) Limited, has provided an unconditional and irrevocable guarantee as the guarantor of CICC Financial Trading Limited to guarantee the performance of the obligations of CICC Financial Trading Limited under the Swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any Swap transaction is outstanding. Both CICC Financial Trading Limited and China International Capital Corporation (International) Limited are wholly owned subsidiaries of China International Capital Corporation Limited, which is prudentially regulated and supervised by the CSRC.*

[##] *The parent company of CITIC Securities International Capital Management Limited, CITIC Securities International Company Limited, has provided an unconditional and irrevocable guarantee as the guarantor of CITIC Securities International Capital Management Limited to guarantee the performance of the obligations of CITIC Securities International Capital Management Limited under the swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any swap transaction is outstanding.*

The Manager will publish, inter alia, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at http://www.csopasset.com/L_HSI (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of bonds, the market value of such bond collateral should represent at least 105% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collaterals and obtain full title thereof. In such instances, the Product's obligations to return the collaterals will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity,

daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the UT Code and the collateral policy of the Trust and the Product are set out in in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at http://www.csopasset.com/L_HSI (which has not been reviewed by the SFC).

Other than HSI Futures and swaps, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

Swap Fees

The swap fees, including all costs associated with Swap transactions, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the underlying futures. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 20bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

Where the Product invests directly in the spot month HSI Futures, the Product will rebalance its position on a day when the HKFE and the SEHK are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by increasing exposure in response to the Index's Daily gains or reducing exposure in response to the Index's Daily losses, so that its Daily leveraged exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have a futures exposure of 200 to meet the objective of the Product. If the Index increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the futures exposure of the Product 220. As the Product needs a futures exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional

20. Day 1 illustrates the rebalancing requirements if the Index falls by 5% on the subsequent day.

	Calculation	Day 0	Day 1	Day 2
(a) Initial Product NAV		100	120	108
(b) Initial futures exposure	(b) = (a) × 2	200	240	216
(c) Daily Index change (%)		10%	-5%	5%
(d) Profit / loss on futures	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Futures exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target futures exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the spot month HSI Futures into next month HSI Futures with the goal that, by one Business Day before the last trading day of the spot month HSI Futures, all roll-over activities would have occurred.

What are HSI Futures?

HSI Futures are Futures Contracts on the Hang Seng Index traded on the HKFE.

The HSI Futures are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (6%-12%) of their value. The HSI Futures are registered, cleared and guaranteed by the HKFE Clearing Corporation Limited ("HKCC"), a subsidiary of HKEX. HKCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between HKCC participants.

The key specifications of the HSI Futures are as follows:

Underlying index	Hang Seng Index
Exchange	HKFE
Trading hours	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 11:45 p.m. (after-hours trading session) There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m. There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States. Expiring contract month closes at 4:00 pm on the last trading day. There shall be no afternoon or after-hours trading session if the last trading day falls on Christmas Eve, New Year's Eve or Lunar New

	Year's Eve.
Contract months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Tick size	1 point, representing a value of HKD50
Contract value (as at 27 May 2021)	HKD 1,459,250 (Contract month of May 2021)
Margin (as at 27 May 2021)	• Initial Amount: HKD 125,153 • Maintenance margin: HKD 100,122
Last trading day	The business day immediately preceding the last business day of the contract month
Contract size	HKD50 x Hang Seng Index
Settlement method	Cash settled contract of difference
Final settlement price	The average of quotations taken at (i) five minute intervals from five minutes after the start of, and up to five minutes before the end of, the continuous trading session of SEHK; and (ii) the close of trading on SEHK on the last trading day.
Position limit	10,000 position delta for long or short (calculated on a net basis) combined in all contract months. The position limit applies to a person such as the Manager, i.e. the Manager cannot hold or control HSI Futures over this limit.
Large Open Positions	The Securities and Futures (Contracts Limits and Reportable Position) Rules requires a person holding or controlling a reportable position (or a "large open position") of HSI Futures to notify the HKFE of that reportable position in writing. The large open position is as follows: • 500 open contracts, in any one contract month, per exchange participant for the exchange participant's own behalf; and • 500 open contracts, in any one contract month, per client
Volatility Control Mechanism (VCM)	A price limit VCM model is implemented for the HSI Futures market, under which a cooling-off period will be triggered by abrupt price volatility detected at the instrument level: • The VCM is triggered and a 5-minute cooling-off period will start if the price of a HSI Futures Contract deviates by more than 5% from the last traded price 5 minutes ago (the "VCM Reference Price"). • During the 5-minute cooling-off period, trading for the HSI Futures Contracts will continue within a fixed price band (±5% from the VCM Reference Price). • Normal trading without restriction will resume after the cooling-off period.

For more information, please refer to "Hang Seng Index Futures & Options" under "Products & Services > Derivatives Products" on the HKEX website (the contents of which has not been reviewed by the SFC).

Futures liquidity

As of 27 May 2021, the daily average volume and open interest of the spot month (May 2021) HSI Futures for the year of 2021 are 131,288 and 93,717 respectively. The Manager believes that such

liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as a leveraged product tracking the Index.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Hang Seng Index, commonly referred to as HSI (the "Index") measures the performance of the largest and most liquid companies listed in Hong Kong. It comprises a representative sample of stocks quoted on the SEHK.

The Index adopts a freefloat-adjusted market capitalisation weighted methodology, with a specified cap-level of 8% on individual non-foreign companies constituent, 4% on individual foreign companies constituent and 10% on aggregate foreign companies constituents. The Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As at 27 February 2026, it comprised 88 constituent stocks with a total market capitalisation of approximately HKD 31,636.12 billion.

The Index was launched on 24 November 1969 and had a base level of 100 on 31 July 1964.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK and its closing value is based on the official closing prices of stocks announced by the SEHK.

Index Methodology

Constituent stocks of the Index are selected by a rigorous process of detailed analysis, supported by extensive external consultation. The Index universe includes constituents of the Hang Seng Composite LargeCap & Midcap Index as of index review data cut-off date. It excludes secondary-listed Foreign Companies, Stapled Securities, Biotech Companies with stock names end with marker "B" and Specialist Technology Companies with stock names ended with marker "PC".

The compilation of the Index is based on a free float-adjusted market capitalisation weighted formula. Details are as follows:

(a) Freefloat adjustment: A Freefloat–Adjusted Factor ("FAF") is assigned to each constituent in index calculation.

(b) An 8% capping is applied on individual non-foreign companies securities, 4% capping on individual foreign companies constituent and 10% on aggregate foreign companies constituents.

(c) Re-capping frequency: A re-capping exercise will normally be conducted at quarterly intervals to coincide with the regular update of the FAF.

Constituent Eligibility

The universe of stocks (the "Universe") for the Index includes constituents of the Hang Seng Composite LargeCap & Midcap Index as of index review data cut-off date. It excludes secondary-listed Foreign Companies, Stapled Securities, Biotech Companies with stock names end with marker "B" and Specialist Technology Companies with stock names ended with marker "PC".

A security is eligible for constituent selection if it fulfils the following requirements:

- Market Value Requirements: As a Hang Seng Composite LargeCap & MidCap Index constituent.
- Geographical Requirements: Excludes secondary-listed "Foreign Companies", which are classified as companies (i) incorporated outside Hong Kong; (ii) non-Chinese Mainland companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Chinese Mainland, or Taiwan.
- Listing History Requirements: Has at least 3 months (counting up to the index review meeting date).
- Turnover Requirements: To pass the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by HSIL).

Selection criteria

From the securities in the Index Universe satisfying the above eligibility requirements, final selections are based on the following:

Selection by Industry Group

Eligible candidates will be assigned to one of the below industry groups according to their industry classification of the Hang Seng Industry Classification System ("HSICS"):

Industry Group	**HSICS**	
	Code	**Industry**
1	50	Financials
2	70	Information Technology
3	23	Consumer Discretionary

	25	Consumer Staples
4	60	Properties & Construction
5	35	Telecommunications
	40	Utilities
6	28	Healthcare
7	00	Energy
	05	Materials
	10	Industrials
	80	Conglomerates

The combination of the industry group will be reviewed at least every two years.

Considerations for Deciding the Constituent Number for Each Industry Group

The number of constituents in each industry group will be decided by the below principles:

- Target to cover at least 50%, in terms of market capitalization, for each industry group;
- Characteristics of the industry group which include the distribution of the listed companies in terms of their size and number; and
- The industry group weighting in the index compared to the market.

The index will also maintain at least 20 constituents that are classified as “Hong Kong” Companies and this number will be reviewed at least every two years.

Principles of Constituent Selection

In general, eligible securities will be evaluated within each industry group according to the following considerations:

- Representativeness;
- Market capitalisation;
- Turnover; and
- Financial performance.

Cross-industry group constituent changes might take place to restore sectoral balance.

Number of Constituents

Target to reach 80 by mid-2022 and ultimately fixed at 100.

Index Reviews

HSIL undertakes regular quarterly reviews of the index constituents with data cut-off dates of end of March, June, September and December each year. In each review, there may or may not be constituent additions or deletions.

Index Rebalancing

Regular rebalancing is usually implemented after market close on the first Friday in March, June, September and December, and comes into effect on the next trading day.

Ad hoc rebalancing will be conducted if a constituent's issued shares and/or FAF is substantially different from the production data. The Index will also be recapped in the event of constituent changes if the newly added component has a weighting that is higher than the index cap level. A minimum notice period of two trading days will be given to subscribers of data products issued by HSIL for any ad hoc rebalance.

Please refer to the Index Operation Guide (available on the website of HSIL) for further details about corporate actions adjustments and index rebalancing.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of the Index Provider at https://www.hsi.com.hk/eng/indexes/all-indexes/hsi (the contents of which have not been reviewed by the SFC).

Index Code

Bloomberg Code: HSI
Reuters Code: .HSI

Comparison between the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

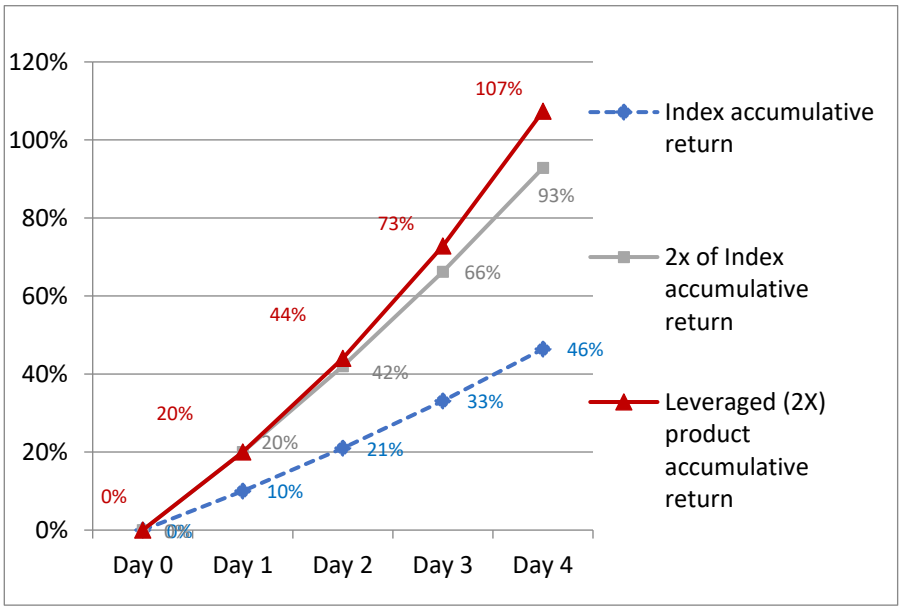
The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Index. As such, the Product's performance may not track twice the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.

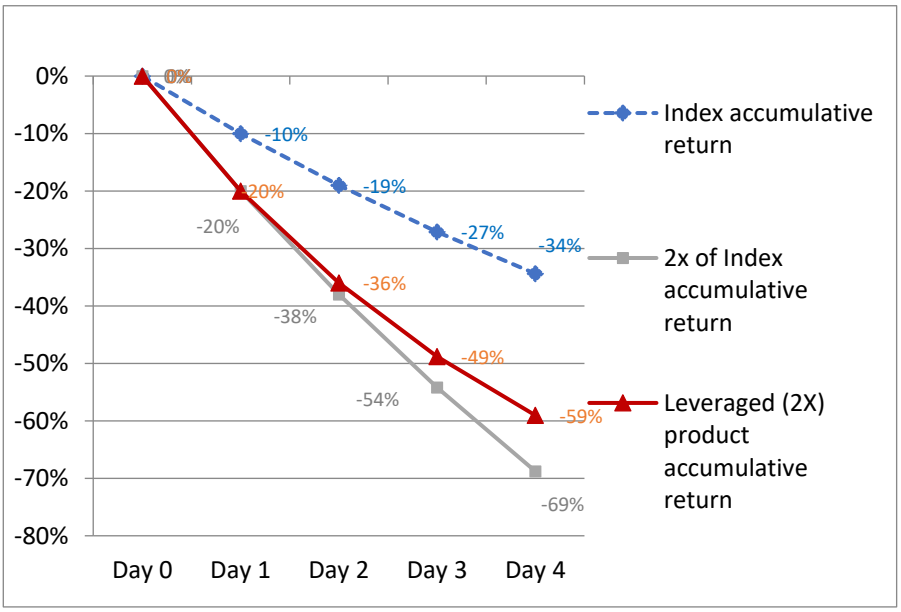


Scenario 2: Downward trending market

In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative Index loss. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.

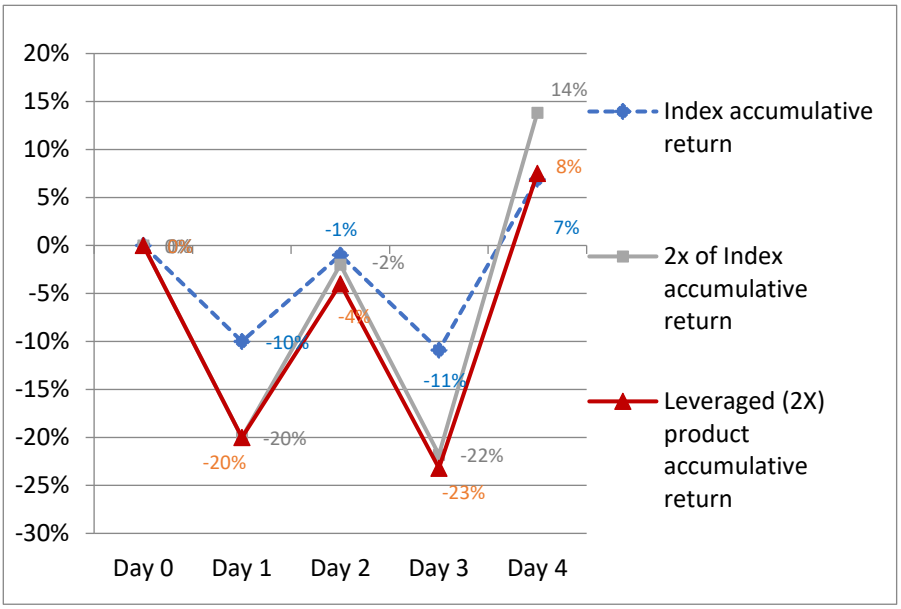


Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.

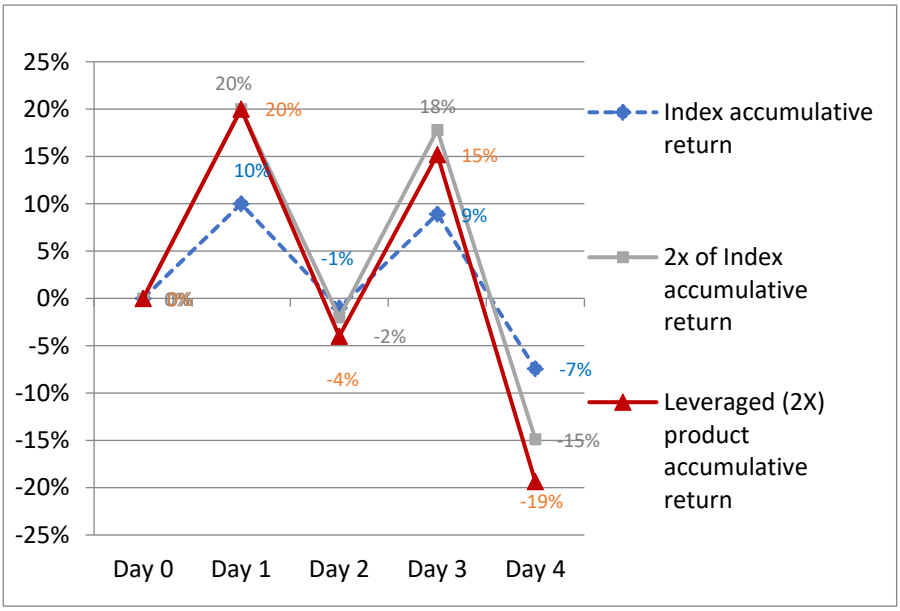


Scenario 4: Volatile downward trend

In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.

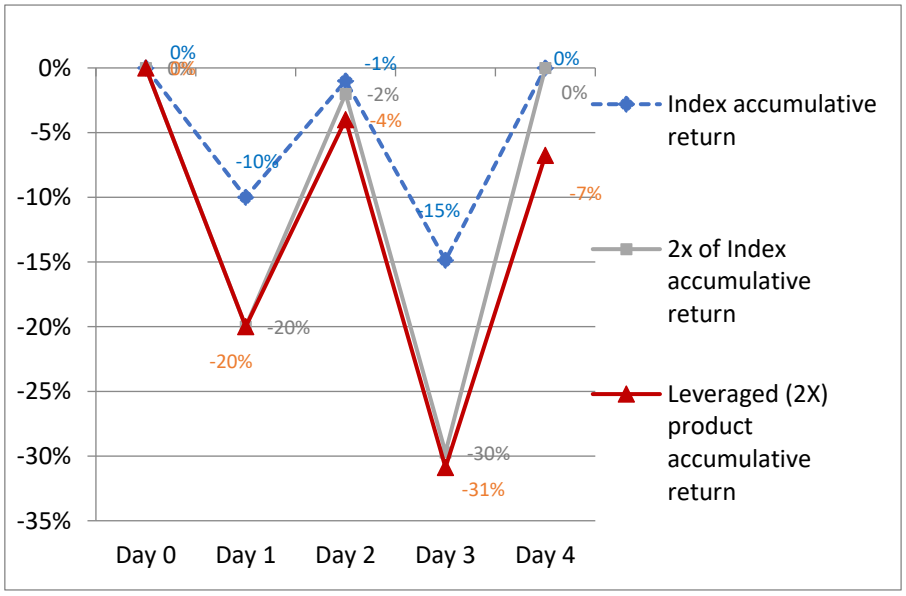


Scenario 5: Volatile market with flat index performance

In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the performance of the Index multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Index and may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at http://www.csopasset.com/L_HSI, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily leveraged performance of the Index, when comparing the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Index will not be equal to the simple leveraged performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the leveraged performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (Index with a leverage factor of two)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Index. That is, the Net Asset Value of the Product will rise by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Index multiplied by two.

Index Licence Agreement

The licence of the Index commenced on 3 February 2017 and should continue until terminated by either the Manager or the Index Provider by giving the other party three months' prior written notice, or otherwise terminated in accordance with the provisions of the licence agreement.

Index Disclaimer

The Hang Seng Index is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited ("HSDS"). The mark and name "Hang Seng Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng Index Daily (2x) Leveraged Product, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis

of computation and compilation of the Hang Seng Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng Index Daily (2x) Leveraged Product in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng Index Daily (2x) Leveraged Product. Any broker, holder or other person dealing with CSOP Hang Seng Index Daily (2x) Leveraged Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

The Offering Phases

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date (14 March 2017).

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 8:00 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

Please note that the Manager does not expect to enter into or exit swap transaction(s) in order to effect a creation or redemption of Units. As such, swap fees (borne by the Product) (please refer to section "What is the Investment Strategy?") do not form part of the Duties and Charges payable by a Participating Dealer.

Exchange Listing and Trading (Secondary Market)

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 14 March 2017.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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 http://www.csopasset.com/L_HSI.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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 http://www.csopasset.com/L_HSI and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of

approximately HKD20 to HKD60 per Future Contract levied by the broker.

The above rates will amount to approximately 0.005%-0.01% per annum of the Net Asset Value and may increase to approximately 0.35% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Index over that same period (e.g. the loss may be more than twice the fall in the Index). The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the leveraged performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying futures market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Contango Risk

The process of rolling will subject the Product to contango risks. For example, a Futures Contract may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in April by selling the March contract and purchasing the April contract. Excluding other considerations, if the market for these Futures Contracts is in "contango", where the prices are higher in the distant expiry months than in the nearer expiry months, the sale of the March contract would take place at a price that is lower than the price of the April contract. Accordingly sale proceeds when rolling (selling and then buying the Futures Contracts) will not be sufficient to purchase the same number of Futures Contracts which have a higher price, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

Margin Risk

Generally, most leveraged transactions, such as Futures Contracts, involve the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. Like other leveraged investments, a futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared

through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Holding of HSI Futures Restriction in Number Risk

The current restriction in the Securities and Futures (Contracts Limits and Reportable Position) Rules (the "Rules") made under the SFO limits the holding by a person for his own account, or for another person but which he controls, of futures contracts or stock options contracts. As such, not only are the positions held or controlled by the Product subject to the prescribed position limit, the positions held or controlled by the Manager, including the positions held for the Manager's own account or for the funds under its management (such as the Product) but controlled by the Manager, may also not in aggregate exceed the relevant maximum. Accordingly, the Product's ability to acquire further HSI Futures may be affected by other futures/option contracts held or controlled by the Manager (including Mini-Hang Seng Index futures contracts and options contracts, Hang Seng Index options contracts and positions held or controlled for other funds/products). Because Unitholders will not themselves hold HSI Futures or control the Product, holdings of Units by a Unitholder will not render such Unitholder to be subject to the requirements of the Rules. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the Product grows significantly the restrictions under the Rules may prevent creations of Units due to the inability under the Rules of the Product to acquire further HSI Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the underlying Securities or Futures Contracts of the Index. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Index because of the limited availability of Swaps linked to the performance, the leveraged performance of the underlying Securities or Futures Contracts of the Index, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the underlying index constituents, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Index. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

Increase of Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities or Futures Contracts. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Index Constituents and Futures Contracts Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to twice (2x) the Daily performance of the Index. Although the Index is an equity index, the Product invests in HSI Futures. The HKEX has adopted a volatility control mechanism ("VCM") for securities including constituents of the Index. During the continuous trading session of the constituents of the Index, the VCM is triggered if the price of a security is deviated more than ±10% away from the last traded price 5 minutes ago, and a 5 minutes cooling-off period will start. During the cooling off period, trading is allowed within a fixed price band (±10% of the last trading price). There will be a maximum of one VCM trigger in each trading session (morning session and afternoon session are counted as two separate trading sessions).

VCM also applies to the HSI Futures. If there is an attempt to trade a HSI Future at a price more than 5% away from its last traded price 5 minutes ago, it will trigger a 5-minute cooling-off period where trading of the HSI Futures can still continue but within a band (±5% of the last trading price). Normal trading without restriction will resume after the cooling-off period.

As a result, the price movement of the Index may be greater than the HSI Futures' price movement. If the VCM cooling-off period is triggered at or around the close of trading of the underlying futures market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The HKFE and the SEHK have different trading hours. As the HKFE may be open when Units in the Product are not priced, the value of the HSI Futures in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the HKFE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the HSI Futures so there may continue to be price movements for the HSI Futures when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the HSI Futures, which may prevent the Product from achieving its investment objective.

Leveraged Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than leveraged performance of an index. Should the value of the underlying Securities of the Index decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the Index (which has a leverage factor of

1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the leveraged performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Index over a certain period may not be twice the point-to-point performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Index.

Concentration Risk

To the extent that the index constituents concentrates in Hong Kong listed securities (including H-shares and red chip shares) of a particular sector or market, the investments of the Product may be similarly concentrated. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse conditions in such particular market/sector.

Suspension of Creation Risk

There can be no assurance that there are sufficient HSI Futures in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the HSI Futures, and delay or disruption in execution of trades or in settlement of trades.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Appendix dated 15 July 2026

APPENDIX 2: CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng Index Daily (-1x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the Daily performance of the Index
Index	Hang Seng Index (the "Index")
Listing Date (SEHK)	14 March 2017
Exchange Listing	SEHK – Main Board
Stock Code	07300
Short Stock Name	FI CSOP HSI
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 0.99% per year of the Net Asset Value

Financial Year End	31 December
Website	https://www.csopasset.com/en/products/i-hsi

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Index ("HSI Futures") subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

In entering the spot month HSI Futures, the Manager anticipates that no more than 12.5% of the Net Asset Value of the Product from time to time will be used as margin to acquire the HSI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 87.5% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term investment-grade bonds an

d money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

Other than HSI Futures, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed -101% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the HKFE and the SEHK are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by decreasing exposure in response to the Index's Daily gains or increasing exposure in response to the Index's Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have a futures exposure of -100 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 110, making the

futures exposure of the Product -90. As the Product needs a futures exposure of -110, which is -1x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -20. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	Day 0	Day 1	Day 2
(a) Initial Product NAV		100	110	104.5
(b) Initial futures exposure	(b) = (a) × -1	-100	-110	-104.5
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on futures	(d) = (b) × (c)	10	-5.5	5.225
(e) Closing Product NAV	(e) = (a) + (d)	110	104.5	109.725
(f) Futures exposure	(f) = (b) × (1+(c))	-90	-115.5	-99.275
(g) Target futures exposure to maintain inverse ratio	(g) = (e) × -1	-110	-104.5	-109.73
(h) Required rebalancing amounts	(h) = (g) - (f)	-20	11	-10.45

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the spot month HSI Futures into next month HSI Futures with the goal that, by one Business Day before the last trading day of the spot month HSI Futures, all roll-over activities would have occurred.

What are HSI Futures?

HSI Futures are Futures Contracts on the Hang Seng Index traded on the HKFE.

The HSI Futures are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (6%-12%) of their value. The HSI Futures are registered, cleared and guaranteed by the HKFE Clearing Corporation Limited ("HKCC"), a subsidiary of HKEX. HKCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between HKCC participants.

The key specifications of the HSI Futures are as follows:

Underlying index	Hang Seng Index
Exchange	HKFE
Trading hours	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 11:45 p.m. (after-hours trading session) There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m. There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States. Expiring contract month closes at 4:00 pm on the last trading day. There shall be no afternoon or after-hours trading session if the last

	trading day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve.
Contract months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Tick size	1 point, representing a value of HKD50
Contract value (as at 22 February 2017)	HKD1,206,400 (Contract month of February 2017)
Margin (as at 22 February 2017)	Initial margin: HKD71,650 Maintenance margin: HKD57,350
Last trading day	The business day immediately preceding the last business day of the contract month
Contract size	HKD50 x Hang Seng Index
Settlement method	Cash settled contract of difference
Final settlement price	The average of quotations taken at (i) five minute intervals from five minutes after the start of, and up to five minutes before the end of, the continuous trading session of SEHK; and (ii) the close of trading on SEHK on the last trading day.
Position limit	10,000 position delta for long or short (calculated on a net basis) combined in all contract months. The position limit applies to a person such as the Manager, i.e. the Manager cannot hold or control HSI Futures over this limit.
Large Open Positions	The Securities and Futures (Contracts Limits and Reportable Position) Rules requires a person holding or controlling a reportable position (or a "large open position") of HSI Futures to notify the HKFE of that reportable position in writing. The large open position is as follows: 500 open contracts, in any one contract month, per exchange participant for the exchange participant's own behalf; and 500 open contracts, in any one contract month, per client
Volatility Control Mechanism (VCM)	A price limit VCM model is implemented for the HSI Futures market, under which a cooling-off period will be triggered by abrupt price volatility detected at the instrument level: The VCM is triggered and a 5-minute cooling-off period will start if the price of a HSI Futures Contract deviates by more than 5% from the last traded price 5 minutes ago (the "VCM Reference Price"). During the 5-minute cooling-off period, trading for the HSI Futures Contracts will continue within a fixed price band (±5% from the VCM Reference Price). Normal trading without restriction will resume after the cooling-off period.

For more information, please refer to "Hang Seng Index Futures & Options" under "Products & Services > Derivatives Products" on the HKEX website (the contents of which has not been reviewed by the SFC).

Futures liquidity

As of 21 September 2018, the daily average volume and open interest of the spot month (September 2018) HSI Futures for the year of 2018 are 201,783.46 and 97,561 respectively. The

Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as an inverse product tracking the Index.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Hang Seng Index, commonly referred to as HSI (the "Index") measures the performance of the largest and most liquid companies listed in Hong Kong. It comprises a representative sample of stocks quoted on the SEHK.

The Index adopts a freefloat-adjusted market capitalisation weighted methodology, with a specified cap-level of 8% on individual non-foreign companies constituent, 4% on individual foreign companies constituent and 10% on aggregate foreign companies constituents. The Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As at 27 February 2026, it comprised 88 constituent stocks with a total market capitalisation of approximately HKD 31,636.12 billion.

The Index was launched on 24 November 1969 and had a base level of 100 on 31 July 1964.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK and its closing value is based on the official closing prices of stocks announced by the SEHK.

Index Methodology

Constituent stocks of the Index are selected by a rigorous process of detailed analysis, supported by extensive external consultation. The Index universe includes constituents of the Hang Seng Composite LargeCap & Midcap Index as of index review data cut-off date. It excludes secondary-listed Foreign Companies, Stapled Securities, Biotech Companies with stock names end with marker "B" and Specialist Technology Companies with stock names ended with marker "PC".

The compilation of the Index is based on a free float-adjusted market capitalisation weighted formula. Details are as follows:

(a) Freefloat adjustment: A Freefloat–Adjusted Factor ("FAF") is assigned to each constituent in index calculation.

(b) An 8% capping is applied on individual non-foreign companies securities, 4% capping on individual foreign companies constituent and 10% on aggregate foreign companies constituents.

(c) Re-capping frequency: A re-capping exercise will normally be conducted at quarterly intervals to coincide with the regular update of the FAF.

Constituent Eligibility

The universe of stocks (the "Universe") for the Index includes constituents of the Hang Seng Composite LargeCap & Midcap Index as of index review data cut-off date. It excludes secondary-listed Foreign Companies, Stapled Securities, Biotech Companies with stock names end with marker "B" and Specialist Technology Companies with stock names ended with marker "PC".

A security is eligible for constituent selection if it fulfils the following eligibility requirements:

- Market Value Requirements: As a Hang Seng Composite LargeCap & MidCap Index constituent.
- Geographical Requirements: Excludes secondary-listed "Foreign Companies", which are classified as companies (i) incorporated outside Hong Kong; (ii) non-Chinese Mainland companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Chinese Mainland, or Taiwan.
- Listing History Requirements: Has at least 3 months (counting up to the index review meeting date).
- Turnover Requirements: To pass the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by HSIL)

Selection criteria

From the securities in the Index Universe satisfying the above eligibility requirements, final selections are based on the following:

Selection by Industry Group

Eligible candidates will be assigned to one of the below industry groups according to their industry classification of the Hang Seng Industry Classification System ("HSICS"):

Industry Group	**HSICS**	
	Code	**Industry**
1	50	Financials
2	70	Information Technology
3	23	Consumer Discretionary
	25	Consumer Staples
4	60	Properties & Construction

5	35	Telecommunications
	40	Utilities
6	28	Healthcare
7	00	Energy
	05	Materials
	10	Industrials
	80	Conglomerates

The combination of the industry group will be reviewed at least every two years.

Considerations for Deciding the Constituent Number for Each Industry Group

The number of constituents in each industry group will be decided by the below principles:

- Target to cover at least 50%, in terms of market capitalization, for each industry group;
- Characteristics of the industry group which include the distribution of the listed companies in terms of their size and number; and
- The industry group weighting in the index compared to the market.

The index will also maintain at least 20 constituents that are classified as “Hong Kong” Companies and this number will be reviewed at least every two years.

Principles of Constituent Selection

In general, eligible securities will be evaluated within each industry group according to the following considerations:

- Representativeness;
- Market capitalisation;
- Turnover; and
- Financial performance.

Cross-industry group constituent changes might take place to restore sectoral balance.

Number of Constituents

Target to reach 80 by mid-2022 and ultimately fixed at 100.

Index Reviews

HSIL undertakes regular quarterly reviews of the index constituents with data cut-off dates of end of March, June, September and December each year. In each review, there may or may not be constituent additions or deletions.

Index Rebalancing

Regular rebalancing is usually implemented after market close on the first Friday in March, June, September and December, and comes into effect on the next trading day.

Ad hoc rebalancing will be conducted if a constituent’s issued shares and/or FAF is substantially different from the production data. The Index will also be recapped in the event of constituent

changes if the newly added component has a weighting that is higher than the index cap level. A minimum notice period of two trading days will be given to subscribers of data products issued by HSIL for any ad hoc rebalance.

Please refer to the Index Operation Guide (available on the website of HSIL) for further details about corporate actions adjustments and index rebalancing.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of the Index Provider at https://www.hsi.com.hk/eng/indexes/all-indexes/hsi (the contents of which have not been reviewed by the SFC).

Index Code

Bloomberg Code: HSI
Reuters Code: .HSI

Comparison between the Index and the inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

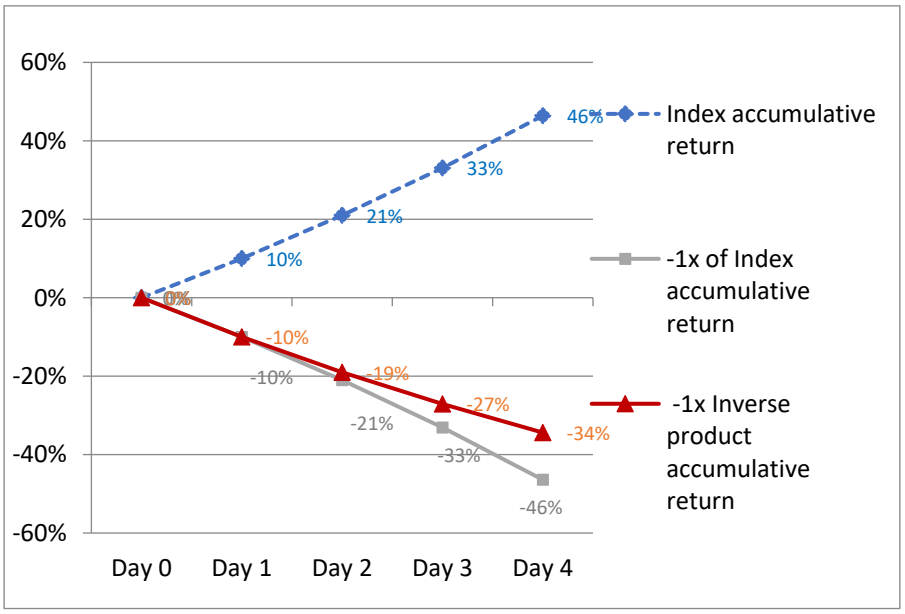
The Product's objective is to provide returns which are of a predetermined inverse factor (-1x) of the Daily performance of the Index. As such, the Product's performance may not track -1x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -100% generally will not equal 100% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -100% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-1x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -1x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 34%, compared with a 46% loss which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-10%	90.00	-10%	-10%	0%
Day 2	10%	121.00	21%	-10%	81.00	-19%	-21%	2%
Day 3	10%	133.10	33%	-10%	72.90	-27%	-33%	6%
Day 4	10%	146.41	46%	-10%	65.61	-34%	-46%	12%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.

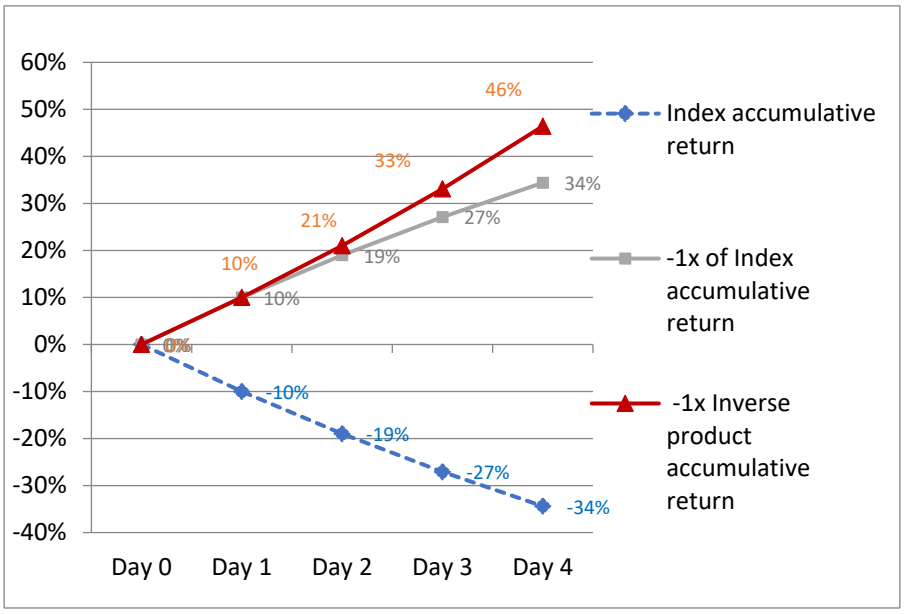


Scenario 2: Downward trending market

In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -1x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 46%, compared with a 34% gain which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	10%	110.00	10%	10%	0%
Day 2	-10%	81.00	-19%	10%	121.00	21%	19%	2%
Day 3	-10%	72.90	-27%	10%	133.10	33%	27%	6%
Day 4	-10%	65.61	-34%	10%	146.41	46%	34%	12%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.

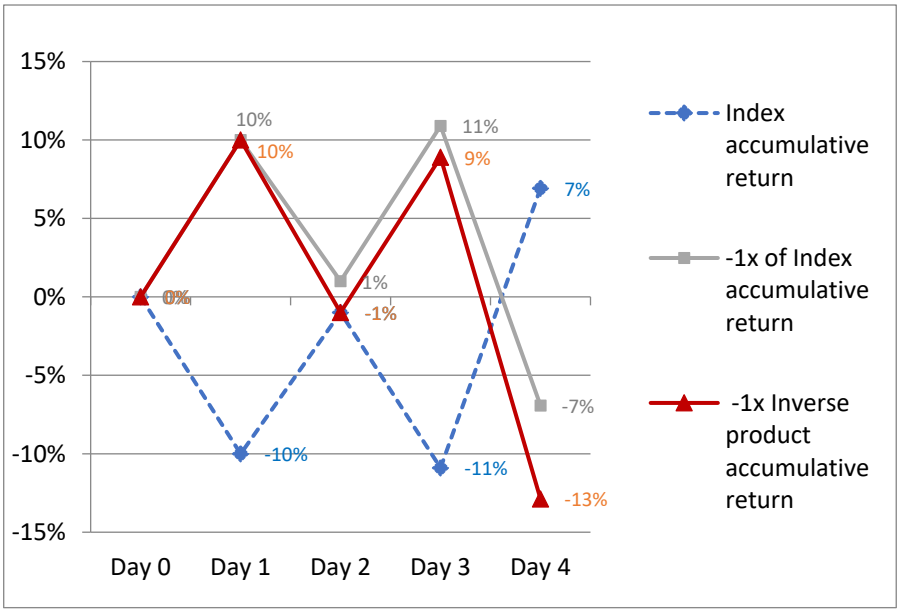


Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -1x the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 13%, compared with a 7% loss which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	10%	110.00	10%	10%	0%
Day 2	10%	99.00	-1%	-10%	99.00	-1%	1%	-2%
Day 3	-10%	89.10	-11%	10%	108.90	9%	11%	-2%
Day 4	20%	106.92	7%	-20%	87.12	-13%	-7%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.

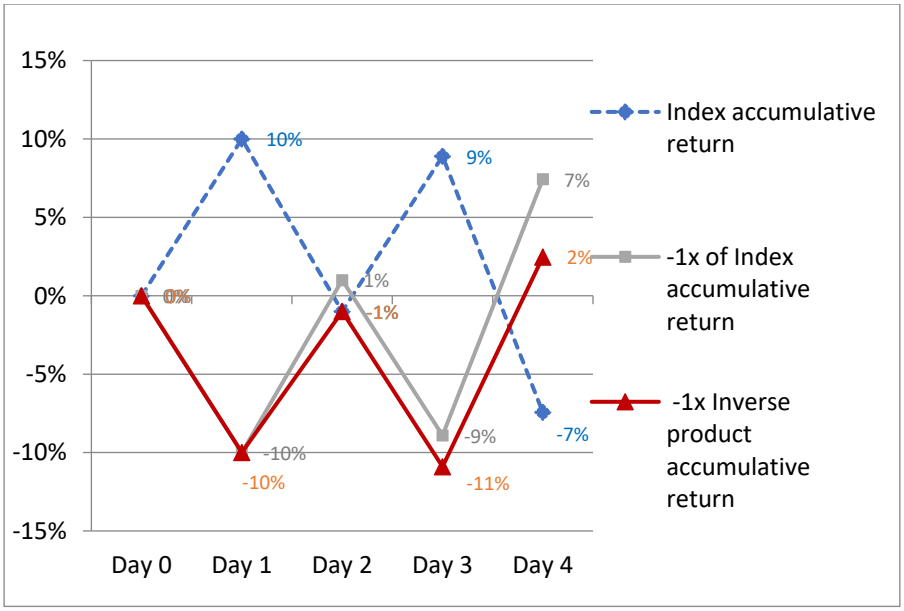


Scenario 4: Volatile downward trend

In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -1x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 2%, compared with a 7% gain which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-10%	90.00	-10%	-10%	0%
Day 2	-10%	99.00	-1%	10%	99.00	-1%	1%	-2%
Day 3	10%	108.90	9%	-10%	89.10	-11%	-9%	-2%
Day 4	-15%	92.57	-7%	15%	102.47	2%	7%	-5%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.

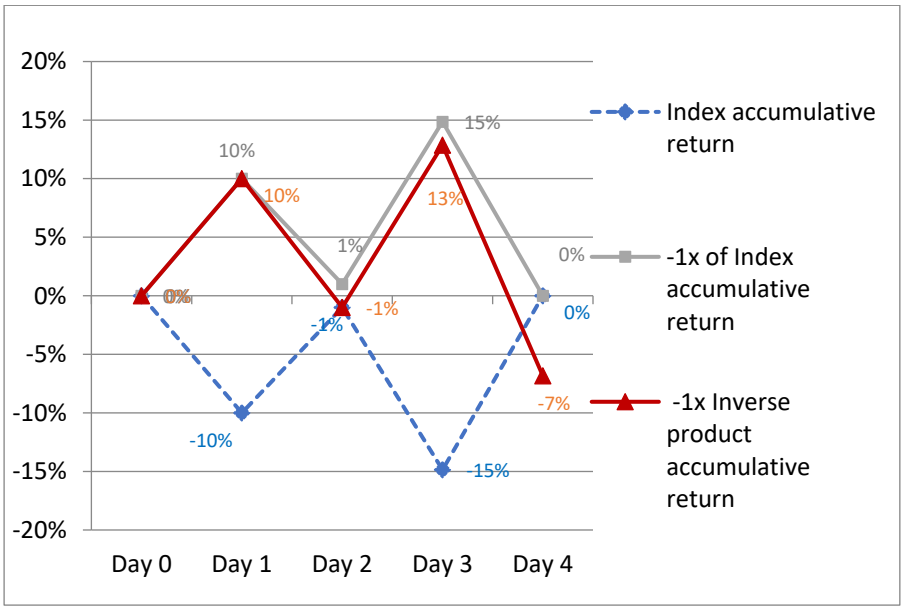


Scenario 5: Volatile market with flat index performance

In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	10%	110.00	10%	10%	0%
Day 2	10%	99.00	-1%	-10%	99.00	-1%	1%	-2%
Day 3	-14%	85.14	-15%	14%	112.86	13%	15%	-2%
Day 4	17%	100.00	0%	-17%	93.17	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not "symmetrical" to the accumulative performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the inverse performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/i-hsi, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the inverse performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily inverse performance of the Index, when comparing the Index and the inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical inverse performance of the Index will not be equal to the simple inverse performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the inverse performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-10.00%	90.00
Day 3	-9.09%	100.00	+9.09%	98.18

Assuming the Product tracks the inverse performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of both the Index the Product will be the same. That is, the Net Asset Value of the Product will fall by 10.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 9.09% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple inverse performance of the Index.

Index Licence Agreement

The licence of the Index commenced on 3 February 2017 and should continue until terminated by either the Manager or the Index Provider by giving the other party three months' prior written notice, or otherwise terminated in accordance with the provisions of the licence agreement.

Index Disclaimer

The Hang Seng Index is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited ("HSDS"). The mark and name "Hang Seng Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng Index Daily (-1x) Inverse Product, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO

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The Offering Phases

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date (14 March 2017).

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 8:00 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

Exchange Listing and Trading (Secondary Market)

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 14 March 2017.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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/i-hsi.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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/i-hsi and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC).. In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately HKD20 to HKD60 per Future Contract levied by the broker.

The above rates will amount to approximately 0.005%-0.01% per annum of the Net Asset Value and may increase to approximately 0.35% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the inverse performance of the Index over that same period (e.g. the loss may be more than -1 time the fall in the Index). The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying futures market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the inverse investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase

brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Backwardation Risk

The process of rolling will subject the Product to backwardation risks. For example, a Futures Contract may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in April by buying the March contract and entering into a short position of the April contract. Excluding other considerations, if the market for these contracts is in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the closing of the March short position would take place at a price that is higher than the price of the April contract. Accordingly the closing out of the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is higher than the price of the April contract, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

Margin Risk

Generally investment in Futures Contracts involves the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. A futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to

recover all, or even any, of the amounts it has deposited as margin.

Holding of HSI Futures Restriction in Number Risk

The current restriction in the Securities and Futures (Contracts Limits and Reportable Position) Rules (the "Rules") made under the SFO limits the holding by a person for his own account, or for another person but which he controls, of futures contracts or stock options contracts. As such, not only are the positions held or controlled by the Product subject to the prescribed position limit, the positions held or controlled by the Manager, including the positions held for the Manager's own account or for the funds under its management (such as the Product) but controlled by the Manager, may also not in aggregate exceed the relevant maximum. Accordingly, the Product's ability to acquire further HSI Futures may be affected by other futures/option contracts held or controlled by the Manager (including Mini-Hang Seng Index futures contracts and options contracts, Hang Seng Index options contracts and positions held or controlled for other funds/products). Because Unitholders will not themselves hold HSI Futures or control the Product, holdings of Units by a Unitholder will not render such Unitholder to be subject to the requirements of the Rules. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the Product grows significantly the restrictions under the Rules may prevent creations of Units due to the inability under the Rules of the Product to acquire further HSI Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Index Constituents and Futures Contracts Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to the inverse (-1x) the Daily performance of the Index. Although the Index is an equity index, the Product invests in HSI Futures. The HKEX has adopted a volatility control mechanism ("VCM") for securities including constituents of the Index. During the continuous trading session of the constituents of the Index, the VCM is triggered if the price of a security is deviated more than ±10% away from the last traded price 5 minutes ago, and a 5 minutes cooling-off period will start. During the cooling off period, trading is allowed within a fixed price band (±10% of the last trading price). There will be a maximum of one VCM trigger in each trading session (morning session and afternoon session are counted as two separate trading sessions).

VCM also applies to the HSI Futures. If there is an attempt to trade a HSI Future at a price more than 5% away from its last traded price 5 minutes ago, it will trigger a 5-minute cooling-off period where trading of the HSI Futures can still continue but within a band (±5% of the last trading price). Normal trading without restriction will resume after the cooling-off period.

As a result, the price movement of the Index may be greater than the HSI Futures' price movement. If the VCM cooling-off period is triggered at or around the close of trading of the underlying futures market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The HKFE and the SEHK have different trading hours. As the HKFE may be open when Units in the Product are not priced, the value of the HSI Futures in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the HKFE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the HSI Futures so there may continue to be price movements for the HSI Futures when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the HSI Futures, which may prevent the Product from achieving its investment objective.

Inverse Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than inverse performance of an index. Should the value of the underlying Securities of the Index increase, it could have a negative effect on the performance of the Product. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily inverse results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily inverse performance of the Index over a certain period may not be "symmetrical" to the point-to-point performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such, the performance of the Product is not inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Index.

Concentration Risk

To the extent that the index constituents concentrates in Hong Kong listed securities (including H-shares and red chip shares) of a particular sector or market, the investments of the Product may be similarly concentrated. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse conditions in such particular market/sector.

Suspension of Creation Risk

There can be no assurance that there are sufficient HSI Futures in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the HSI Futures, and delay or disruption in execution of trades or in settlement of trades.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Appendix dated 15 July 2026

APPENDIX 3: CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index
Index	Hang Seng China Enterprises Index (the "Index")
Listing Date (SEHK)	14 March 2017
Exchange Listing	SEHK – Main Board
Stock Code	07288
Short Stock Name	FL2 CSOP HSCEI
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine

Management Fee	Currently 0.99% per year of the Net Asset Value
Financial Year End	31 December
Website	https://www.csopasset.com/en/products/l-hscei

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Index ("HSCEI Futures") subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

In entering the spot month HSCEI Futures, the Manager anticipates that no more than 30% of the Net Asset Value of the Product from time to time will be used as margin to acquire the HSCEI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 70% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

Other than HSCEI Futures, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the HKFE and the SEHK are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by increasing exposure in response to the Index's Daily gains or reducing exposure in response to the Index's Daily losses, so that its Daily leveraged exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have a futures exposure of 200 to meet the objective of the Product. If the Index increases by

10% during the day, the Net Asset Value of the Product would have increased to 120, making the futures exposure of the Product 220. As the Product needs a futures exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the Index falls by 5% on the subsequent day.

	Calculation	Day 0	Day 1	Day 2
(a) Initial Product NAV		100	120	108
(b) Initial futures exposure	(b) = (a) × 2	200	240	216
(c) Daily Index change (%)		10%	-5%	5%
(d) Profit / loss on futures	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Futures exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target futures exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the spot month HSCEI Futures into next month HSCEI Futures with the goal that, by one Business Day before the last trading day of the spot month HSCEI Futures, all roll-over activities would have occurred.

What are HSCEI Futures?

HSCEI Futures are Futures Contracts on the Hang Seng China Enterprises Index traded on the HKFE.

The HSCEI Futures are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (6%-15%) of their value. The HSCEI Futures are registered, cleared and guaranteed by the HKFE Clearing Corporation Limited ("HKCC"), a subsidiary of HKEX. HKCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between HKCC participants.

The key specifications of the HSCEI Futures are as follows:

Underlying index	Hang Seng China Enterprises Index
Exchange	HKFE
Trading hours	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 11:45 p.m. (after-hours trading session) There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m. There is no after-hours trading session if it is a bank holiday in both

	the United Kingdom and the United States. Expiring contract month closes at 4:00 pm on the last trading day. There shall be no afternoon or after-hours trading session if the last trading day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve.
Contract months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Last trading day	The business day immediately preceding the last business day of the contract month
Contract size	HKD50 x Hang Seng China Enterprises Index
Tick size	1 point, representing a value of HKD50
Contract value (as at 22 February 2017)	HKD526,650 (Contract month of February 2017)
Margin (as at 22 February 2017)	• Initial margin: HKD30,450 • Maintenance margin: HKD24,350
Settlement method	Cash settlement
Final settlement price	The average of quotations taken at (i) five minute intervals from five minutes after the start of, and up to five minutes before the end of, the continuous trading session of SEHK; and (ii) the close of trading on SEHK on the last trading day.
Position limit	12,000 position delta for long or short (on a net basis) combined in all contract months. The position limit applies to a person such as the Manager, i.e. the Manager cannot hold or control HSCEI Futures over this limit.
Large Open Positions	The Securities and Futures (Contracts Limits and Reportable Position) Rules requires a person holding or controlling a reportable position (or a "large open position") of HSCEI Futures to notify the HKFE of that reportable position in writing. The large open position is as follows: • 500 open contracts, in any one contract month, per exchange participant for the exchange participant's own behalf; and • 500 open contracts, in any one contract month, per client
Volatility Control Mechanism (VCM)	A price limit VCM model is implemented for the HSCEI Futures market, under which a cooling-off period will be triggered by abrupt price volatility detected at the instrument level: • The VCM is triggered and a 5-minute cooling-off period will start if the price of a HSCEI Futures Contract deviates by more than 5% from the last traded price 5 minutes ago (the "VCM Reference Price"). • During the 5-minute cooling-off period, trading for the HSCEI Futures Contracts will continue within a fixed price band (±5% from the VCM Reference Price). • Normal trading without restriction will resume after the cooling-off period.

For more information, please refer to "Hang Seng China Enterprise Index Futures" under "Products

> Listed Derivatives > Equity Index > Hang Seng China Enterprise Index" on the HKEX website (the contents of which has not been reviewed by the SFC).

Futures liquidity

As of 21 September 2018, the daily average volume and open interest of the spot month (September 2018) HSCEI Futures for the year of 2018 are 116,040.76 and 226,769 respectively. The Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as a leveraged product tracking the Index.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Hang Seng China Enterprises Index (the "Index") measures the performance of the largest and most liquid mainland securities listed on the Main Board of the HKEX. A mainland security is defined as a Hong Kong-listed security that has at least 50% of its sales revenue (or profit or assets, if relevant) derived from the mainland. It includes the Primary or Secondary listed shares of companies and Real Estate Investment Trusts ("REITs"). It excludes Stapled Securities, Foreign Companies, Biotech Companies with stock names end with marker "B" and Investment Companies listed under Chapter 21 of the Listing Rules. The Index adopts a freefloat-adjusted market capitalisation weighted methodology. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As at 27 February 2026, it comprised 50 constituent securities with total market capitalization of approximately HKD 23,478.64 billion.

The Index was launched on 8 August 1994 and had a base level of 2000 on 3 January 2000.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK and its closing value is based on the official closing prices of stocks announced by the SEHK.

Index Methodology

The compilation of the Index is based on a free float-adjusted market capitalisation weighted formula with an 8% cap on individual stock weightings. Details are as follows:

(a) Freefloat adjustment: A Freefloat–Adjusted Factor ("FAF") is assigned to each constituent in index calculation.

(b) An 8% capping is applied on individual securities.

(c) Re-capping frequency: A re-capping exercise will normally be conducted at quarterly intervals to coincide with the regular update of the FAF.

(d) Adding WVRs (weighted voting rights companies) and Secondary-listed Companies to the Index universes

WVRs and secondary-listed companies coming from the Greater China region (i.e. Hong Kong, Chinese Mainland, Macau and Taiwan) will be included in the Index universes. The changes were implemented to the Index starting from the August 2020 index review.

Constituent Eligibility

The universe of securities ("Universe") of Index includes mainland securities listed on the Main Board of the HKEX only. A mainland security is defined as a Hong Kong-listed security that has at least 50% of its sales revenue (or profit or assets, if relevant) derived from the mainland.

A security is eligible for constituent selection if it fulfils the following eligibility criteria:

A. Listing History Requirement

Stocks should have been listed for at least one month, starting from the listing date to the review cut-off date (both dates inclusive). Listing history from overseas exchanges does not count.

B. Turnover Requirement

In order to be included in the Index, a stock should be listed for at least one month by the review cut-off date and pass the 0.1% turnover velocity minimum requirement. Turnover velocity in each of the past 12 months is calculated for each stock based on the following formula:

$$\text{Turnover velocity} = \frac{\text{Median of daily traded shares in specific calendar month}}{\text{Freefloat} - \text{adjusted issued shares at month end}}$$

Turnover velocity of a new constituent entering the Index must meet the minimum requirement for at least 10 out of the past 12 months and for all of the latest three months. Turnover velocity of an existing constituent of the Index must meet the minimum requirement for at least 10 out of the past 12 months.

Selection

Then, all eligible stocks are ranked by each of the following:

(i) Full market capitalisation, in terms of average month-end market capitalisation in the past 12 months.

(ii) Freefloat-adjusted market capitalisation, in terms of 12-month average market capitalisation after freefloat adjustment.

(iii) Average of the past month-end market capitalisation will be used for stocks with a listing history of less than 12 months.

(iv) Market capitalization is defined as Number of Issued Shares time Share Price. Number of Issued Shares refers to the number of shares as per that particular security. For secondary-listed companies, Number of Issued Shares refers to the number of shares registered in Hong Kong.

All eligible stocks are ranked by the combined market capitalisation ranking which is based on

the following formula:

$$\begin{matrix}\text{Combined Market} \\ \text{Capitalisation Ranking}\end{matrix} = \begin{matrix}50\% \text{ of Full Market} \\ \text{Capitalisation}\end{matrix} + \begin{matrix}50\% \text{ of Freefloat} - \text{adjusted} \\ \text{Market Capitalisation}\end{matrix}$$

The top 50 eligible stocks with the highest combined market capitalisation ranking will be selected as constituents of the Index.

Index Reviews

HSIL undertakes regular quarterly reviews of the index constituents with data cut-off dates of end of March, June, September and December each year. In each review, there may or may not be constituent additions or deletions.

Index Rebalancing

Regular rebalancing is usually implemented after market close on the first Friday in March, June, September and December, and comes into effect on the next trading day.

Ad hoc rebalancing will be conducted if a constituent's issued shares and/or FAF is substantially different from the production data. The Index will also be recapped in the event of constituent changes if the newly added component has a weighting that is higher than the index cap level. A minimum notice period of two trading days will be given to subscribers of data products issued by HSIL for any ad hoc rebalance.

Please refer to the Index Operation Guide (available on the website of HSIL) for further details about corporate actions adjustments and index rebalancing.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of the Index Provider at https://www.hsi.com.hk/eng/indexes/all-indexes/hscei (the contents of which have not been reviewed by the SFC).

Index Code

Bloomberg Code: HSCEI

Reuters Code: .HSCE

Comparison between the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

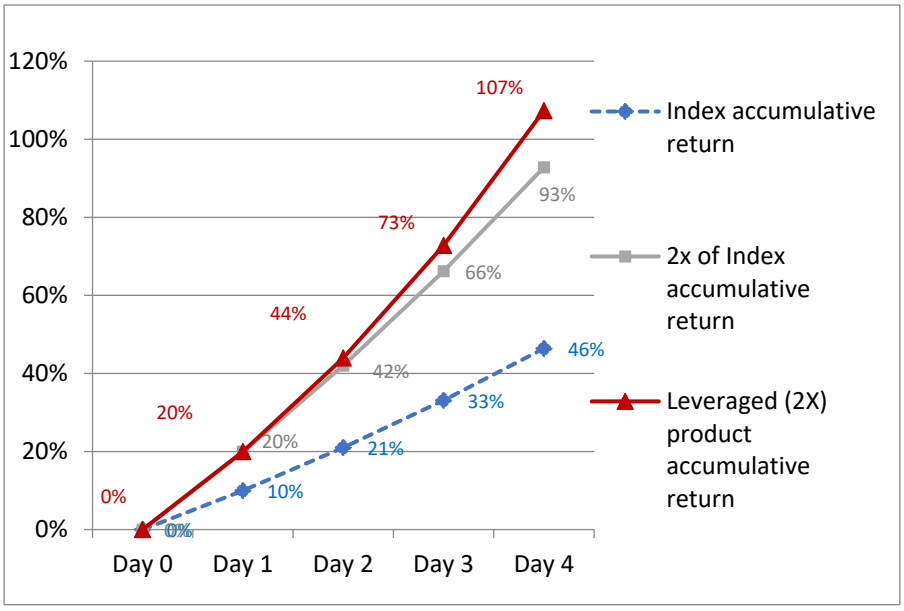
The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Index. As such, the Product's performance may not track twice the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.

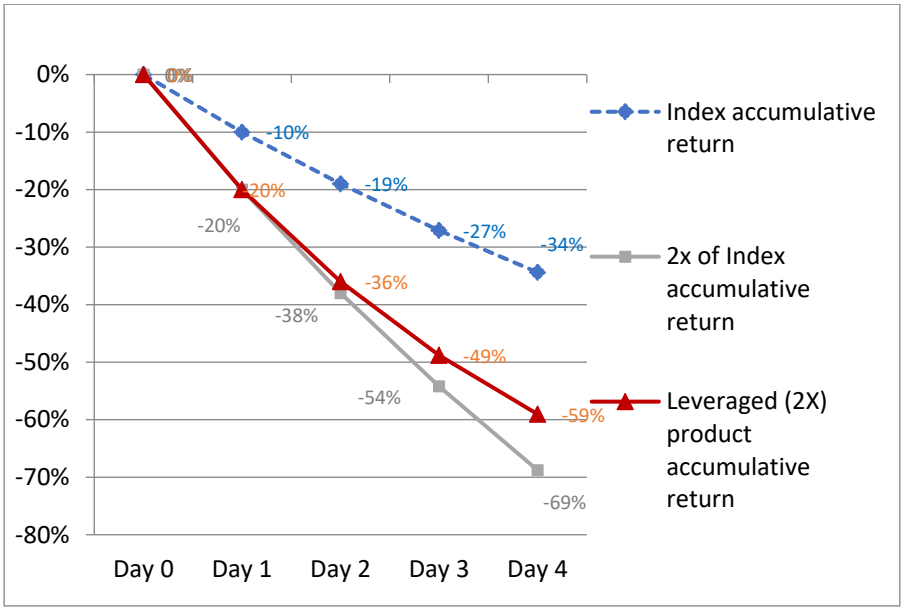


Scenario 2: Downward trending market

In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative Index loss. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.

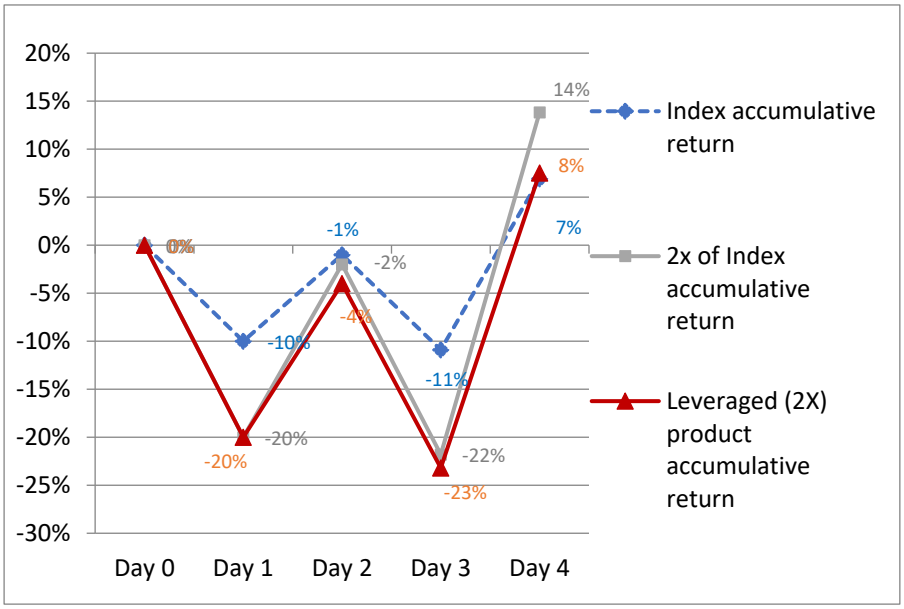


Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.

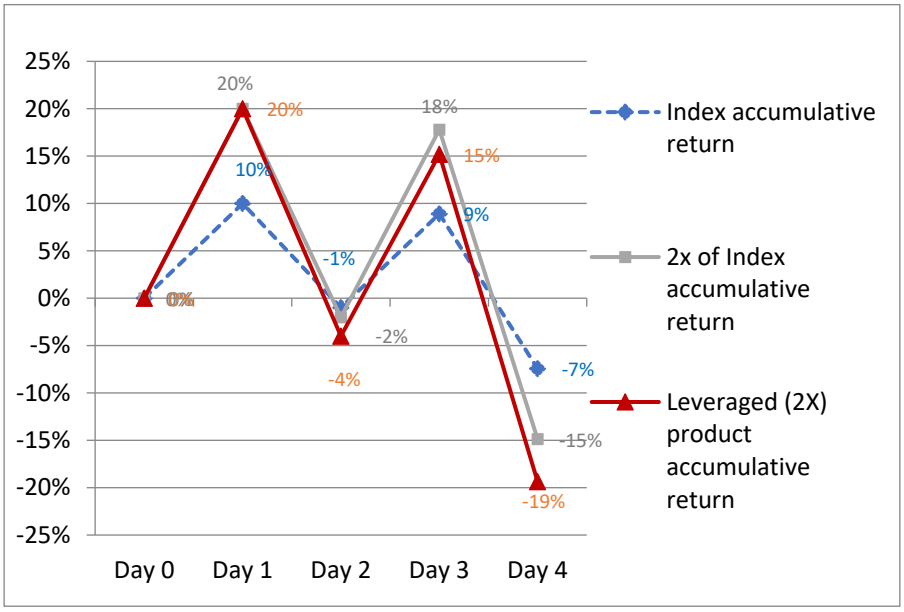


Scenario 4: Volatile downward trend

In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.

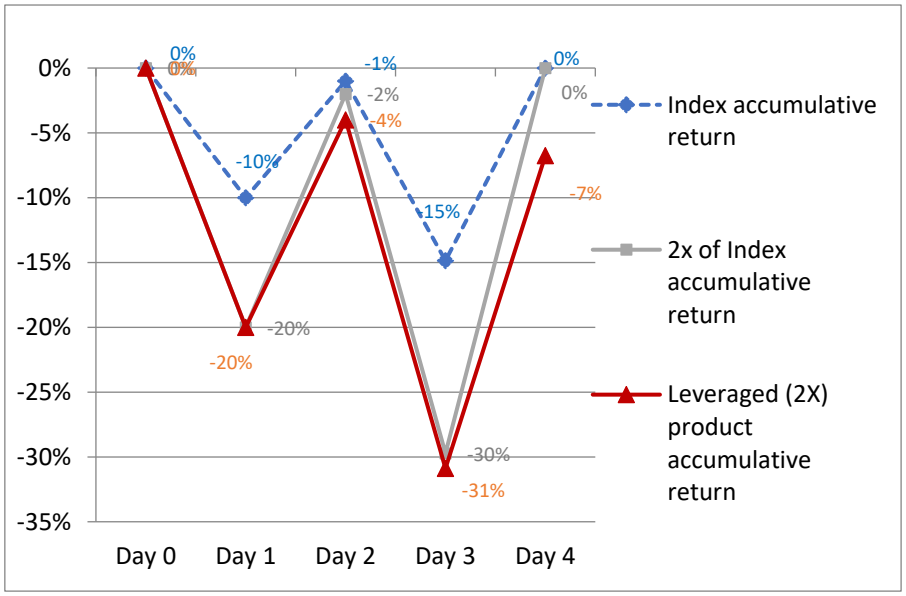


Scenario 5: Volatile market with flat index performance

In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the performance of the Index multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Index and may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/l-hscei, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily leveraged performance of the Index, when comparing the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Index will not be equal to the simple leveraged performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the leveraged performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (Index with a leverage factor of two)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Index. That is, the Net Asset Value of the Product will rise by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Index multiplied by two.

Index Licence Agreement

The licence of the Index commenced on 3 February 2017 and should continue until terminated by either the Manager or the Index Provider by giving the other party three months' prior written notice, or otherwise terminated in accordance with the provisions of the licence agreement.

Index Disclaimer

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The Offering Phases

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date (14 March 2017).

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 8:00 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

Exchange Listing and Trading (Secondary Market)

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 14 March 2017.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product’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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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/l-hscei.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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/l-hscei and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately HKD15 to HKD55 per Future Contract levied by the broker.

The above rates will amount to approximately 0.005%-0.01% per annum of the Net Asset Value and may increase to approximately 0.35% or more per annum of the Net Asset Value in the event

of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Index over that same period (e.g. the loss may be more than twice the fall in the Index). The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the leveraged performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying futures market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Contango Risk

The process of rolling will subject the Product to contango risks. For example, a Futures Contract may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in April by selling the March contract and purchasing the April contract. Excluding other considerations, if the market for these Futures Contracts is in "contango", where the prices are higher in the distant expiry months than in the nearer expiry months, the sale of the March contract would take place at a price that is lower than the price of the April contract. Accordingly sale proceeds when rolling (selling and then buying the Futures Contracts) will not be sufficient to purchase the same number of Futures Contracts which have a higher price, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

Margin Risk

Generally, most leveraged transactions, such as Futures Contracts, involve the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. Like other leveraged investments, a futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared

through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Holding of HSCEI Futures Restriction in Number Risk

The current restriction in the Securities and Futures (Contracts Limits and Reportable Position) Rules (the "Rules") made under the SFO limits the holding by a person for his own account, or for another person but which he controls, of futures contracts or stock options contracts. As such, not only are the positions held or controlled by the Product subject to the prescribed position limit, the positions held or controlled by the Manager, including the positions held for the Manager's own account or for the funds under its management (such as the Product) but controlled by the Manager, may also not in aggregate exceed the relevant maximum. Accordingly, the Product's ability to acquire further HSCEI Futures may be affected by other futures/option contracts held or controlled by the Manager (including Mini-Hang Seng China Enterprises Index futures contracts, Hang Seng China Enterprises Index options contracts and positions held or controlled for other funds/products). Because Unitholders will not themselves hold HSCEI Futures or control the Product, holdings of Units by a Unitholder will not render such Unitholder to be subject to the requirements of the Rules. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the Product grows significantly the restrictions under the Rules may prevent creations of Units due to the inability under the Rules of the Product to acquire further HSCEI Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Index Constituents and Futures Contracts Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to twice (2x) the Daily performance of the Index. Although the Index is an equity index, the Product invests in HSCEI Futures. The HKEX has adopted a volatility control mechanism ("VCM") for securities including constituents of the Index. During the continuous trading session of the constituents of the Index, the VCM is triggered if the price of a security is deviated more than ±10% away from the last traded price 5 minutes ago, and a 5 minutes cooling-off period will start. During the cooling off period, trading is allowed within a fixed price band (±10% of the last trading price). There will be a maximum of one VCM trigger in each trading session (morning session and afternoon session are counted as two separate trading sessions).

VCM also applies to the HSCEI Futures. If there is an attempt to trade a HSCEI Future at a price more than 5% away from its last traded price 5 minutes ago, it will trigger a 5-minute cooling-off period where trading of the HSCEI Futures can still continue but within a band (±5% of the last trading price). Normal trading without restriction will resume after the cooling-off period.

As a result, the price movement of the Index may be greater than the HSCEI Futures' price movement. If the VCM cooling-off period is triggered at or around the close of trading of the underlying futures market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The HKFE and the SEHK have different trading hours. As the HKFE may be open when Units in the Product are not priced, the value of the HSCEI Futures in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the HKFE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the HSCEI Futures so there may continue to be price movements for the HSCEI Futures when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the HSCEI Futures, which may prevent the Product from achieving its investment objective.

Leveraged Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than leveraged performance of an index. Should the value of the underlying Securities of the Index decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the Index (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the leveraged performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Index over a certain period may not be twice the point-to-point performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Index.

Concentration and Chinese Mainland Market Risk

The Product is subject to concentration risk as a result of tracking the inverse performance of a single geographical region or country (the PRC including Hong Kong). The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments.

The Index constituents are companies listed on the SEHK and primarily traded in Hong Kong, and have substantial business exposure to the PRC mainland, an emerging market. Investments of the Product may involve increased risks and special considerations not typically associated with investment 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.

Suspension of Creation Risk

There can be no assurance that there are sufficient HSCEI Futures in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the HSCEI Futures, and delay or disruption in execution of trades or in settlement of trades.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Appendix dated 15 July 2026

APPENDIX 4: CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index
Index	Hang Seng China Enterprises Index (the "Index")
Listing Date (SEHK)	14 March 2017
Exchange Listing	SEHK – Main Board
Stock Code	07588
Short Stock Name	FI2 CSOP HSCEI
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine

Management Fee	Currently 1.50% per year of the Net Asset Value
Financial Year End	31 December
Website	http://www.csopasset.com/en/products/i-2xhscei

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Index ("HSCEI Futures") subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

In entering the spot month HSCEI Futures, the Manager anticipates that no more than 30% of the Net Asset Value of the Product from time to time will be used as margin to acquire the HSCEI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 70% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

Other than HSCEI Futures, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the HKFE and the SEHK are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by decreasing exposure in response to the Index's two times inverse (-2x) Daily gains or increasing exposure in response to the Index's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to

have a futures exposure of -200 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the futures exposure of the Product -180. As the Product needs a futures exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial futures exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on futures	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Futures exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target futures exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the spot month HSCEI Futures into next month HSCEI Futures with the goal that, by one Business Day before the last trading day of the spot month HSCEI Futures, all roll-over activities would have occurred.

What are HSCEI Futures?

HSCEI Futures are Futures Contracts on the Hang Seng China Enterprises Index traded on the HKFE.

The HSCEI Futures are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (6%-15%) of their value. The HSCEI Futures are registered, cleared and guaranteed by the HKFE Clearing Corporation Limited ("HKCC"), a subsidiary of HKEX. HKCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between HKCC participants.

The key specifications of the HSCEI Futures are as follows:

Underlying index	Hang Seng China Enterprises Index
Exchange	HKFE
Trading hours	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 11:45 p.m. (after-hours trading session) There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m. There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States. Expiring contract month closes at 4:00 pm on the last trading day.

	There shall be no afternoon or after-hours trading session if the last trading day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve.
Contract months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Last trading day	The business day immediately preceding the last business day of the contract month
Contract size	HKD50 x Hang Seng China Enterprises Index
Tick size	1 point, representing a value of HKD50
Contract value (as at 15 March 2019)	HKD576,350 (Contract month of March 2019)
Margin (as at 15 March 2019)	• Initial margin: HKD45,153 • Maintenance margin: HKD36,122
Settlement method	Cash settlement
Final settlement price	The average of quotations taken at (i) five minute intervals from five minutes after the start of, and up to five minutes before the end of, the continuous trading session of SEHK; and (ii) the close of trading on SEHK on the last trading day.
Position limit	12,000 position delta for long or short (on a net basis) combined in all contract months. The position limit applies to a person such as the Manager, i.e. the Manager cannot hold or control HSCEI Futures over this limit.
Large Open Positions	The Securities and Futures (Contracts Limits and Reportable Position) Rules requires a person holding or controlling a reportable position (or a "large open position") of HSCEI Futures to notify the HKFE of that reportable position in writing. The large open position is as follows: • 500 open contracts, in any one contract month, per exchange participant for the exchange participant's own behalf; and • 500 open contracts, in any one contract month, per client
Volatility Control Mechanism (VCM)	A price limit VCM model is implemented for the HSCEI Futures market, under which a cooling-off period will be triggered by abrupt price volatility detected at the instrument level: • The VCM is triggered and a 5-minute cooling-off period

	will start if the price of a HSCEI Futures Contract deviates by more than 5% from the last traded price 5 minutes ago (the "VCM Reference Price"). • During the 5-minute cooling-off period, trading for the HSCEI Futures Contracts will continue within a fixed price band (±5% from the VCM Reference Price). • Normal trading without restriction will resume after the cooling-off period.

For more information, please refer to "Hang Seng China Enterprise Index Futures" under "Products > Listed Derivatives > Equity Index > Hang Seng China Enterprise Index" on the HKEX website (the contents of which has not been reviewed by the SFC).

Futures liquidity

As of 15 March 2019, the daily average volume and open interest of the spot month (e.g. March 2019) HSCEI Futures for the year of 2019 are 112,497 and 209,532 respectively. The Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as an inverse product tracking the Index.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Hang Seng China Enterprises Index (the "Index") measures the performance of the largest and most liquid mainland securities listed on the Main Board of the HKEX. A mainland security is defined as a Hong Kong-listed security that has at least 50% of its sales revenue (or profit or assets, if relevant) derived from the mainland. It includes the Primary or Secondary listed shares of companies and Real Estate Investment Trusts ("REITs"). It excludes Stapled Securities, Foreign Companies, Biotech Companies with stock names end with marker "B" and Investment Companies listed under Chapter 21 of the Listing Rules. The Index adopts a freefloat-adjusted market capitalisation weighted methodology. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As at 27 February 2026, it comprised 50 constituent securities with total market capitalization of approximately HKD 23,478.64 billion.

The Index was launched on 8 August 1994 and had a base level of 2000 on 3 January 2000.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK and its closing value is based on the official closing prices of stocks announced by the SEHK.

Index Methodology

The compilation of the Index is based on a free float-adjusted market capitalisation weighted formula with an 8% cap on individual stock weightings. Details are as follows:

(a) Freefloat adjustment: A Freefloat–Adjusted Factor ("FAF") is assigned to each constituent in index calculation.

(b) An 8% capping is applied on individual securities.

(c) Re-capping frequency: A re-capping exercise will normally be conducted at quarterly intervals to coincide with the regular update of the FAF.

(d) Adding WVRs (weighted voting rights companies) and Secondary-listed Companies to the Index universes

WVRs and secondary-listed companies coming from the Greater China region (i.e. Hong Kong, Chinese Mainland, Macau and Taiwan) will be included in the Index universes. The changes were implemented to the Index starting from the August 2020 index review.

Constituent Eligibility

The universe of securities ("Universe") of Index includes mainland securities listed on the Main Board of the HKEX only. A mainland security is defined as a Hong Kong-listed security that has at least 50% of its sales revenue (or profit or assets, if relevant) derived from the mainland.

A security is eligible for constituent selection if it fulfils the following eligibility criteria:

A. Listing History Requirement

Stocks should have been listed for at least one month, starting from the listing date to the review cut-off date (both dates inclusive). Listing history from overseas exchanges does not count.

B. Turnover Requirement

In order to be included in the Index, a stock should be listed for at least one month by the review cut-off date and pass the 0.1% turnover velocity minimum requirement. Turnover velocity in each of the past 12 months is calculated for each stock based on the following formula:

$$\text{Turnover velocity} = \frac{\text{Median of daily traded shares in specific calendar month}}{\text{Freefloat} - \text{adjusted issued shares at month end}}$$

Turnover velocity of a new constituent entering the Index must meet the minimum requirement for at least 10 out of the past 12 months and for all of the latest three months. Turnover velocity of an existing constituent of the Index must meet the minimum requirement for at least 10 out of the past 12 months.

Selection

Then, all eligible stocks are ranked by each of the following:

(i) Full market capitalisation, in terms of average month-end market capitalisation in the past 12 months.

(ii) Freefloat-adjusted market capitalisation, in terms of 12-month average market capitalisation after freefloat adjustment.

(iii) Average of the past month-end market capitalisation will be used for stocks with a listing history of less than 12 months.

(iv) Market capitalization is defined as Number of Issued Shares time Share Price. Number of Issued Shares refers to the number of shares as per that particular security. For secondary-listed companies, Number of Issued Shares refers to the number of shares registered in Hong Kong.

All eligible stocks are ranked by the combined market capitalisation ranking which is based on the following formula:

$$\begin{matrix}\textit{Combined Market}\\ \textit{Capitalisation Ranking}\end{matrix} = \begin{matrix}50\%\ of\ \textit{Full Market}\\ \textit{Capitalisation}\end{matrix} + \begin{matrix}50\%\ of\ \textit{Freefloat}-\textit{adjusted}\\ \textit{Market Capitalisation}\end{matrix}$$

The top 50 eligible stocks with the highest combined market capitalisation ranking will be selected as constituents of the Index.

Index Reviews

HSIL undertakes regular quarterly reviews of the index constituents with data cut-off dates of end of March, June, September and December each year. In each review, there may or may not be constituent additions or deletions.

Index Rebalancing

Regular rebalancing is usually implemented after market close on the first Friday in March, June, September and December, and comes into effect on the next trading day.

Ad hoc rebalancing will be conducted if a constituent's issued shares and/or FAF is substantially different from the production data. The Index will also be recapped in the event of constituent changes if the newly added component has a weighting that is higher than the index cap level. A minimum notice period of two trading days will be given to subscribers of data products issued by HSIL for any ad hoc rebalance.

Please refer to the Index Operation Guide (available on the website of HSIL) for further details about corporate actions adjustments and index rebalancing.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of the Index Provider at https://www.hsi.com.hk/eng/indexes/all-indexes/hscei (the contents of which have not been reviewed by the SFC).

Index Code

Bloomberg Code: HSCEI

Reuters Code: .HSCE

Comparison between the Index and the two-time inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Index. As such, the Product's performance may not track -2x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -200% generally will not

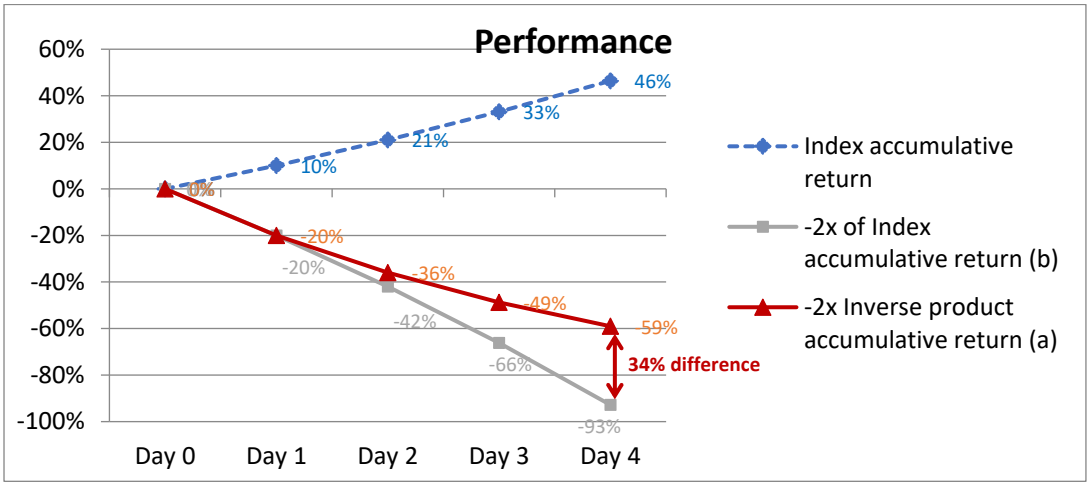
equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

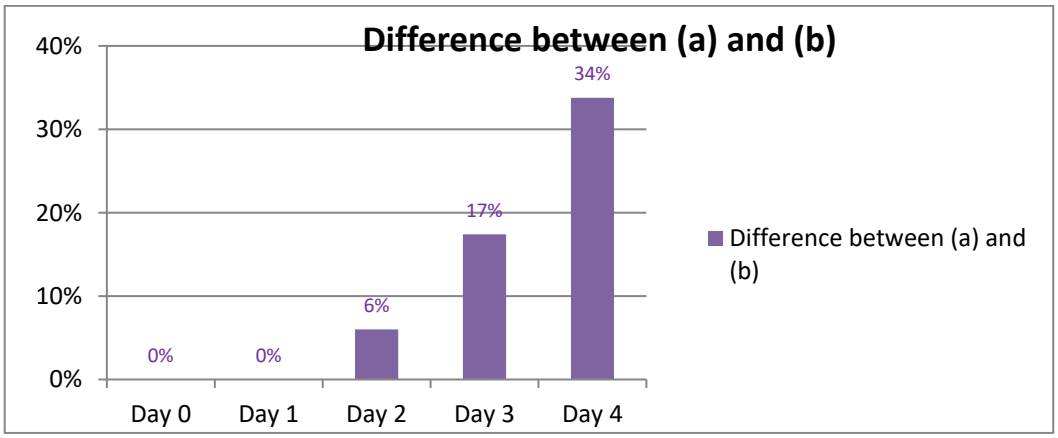
In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -**2**x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

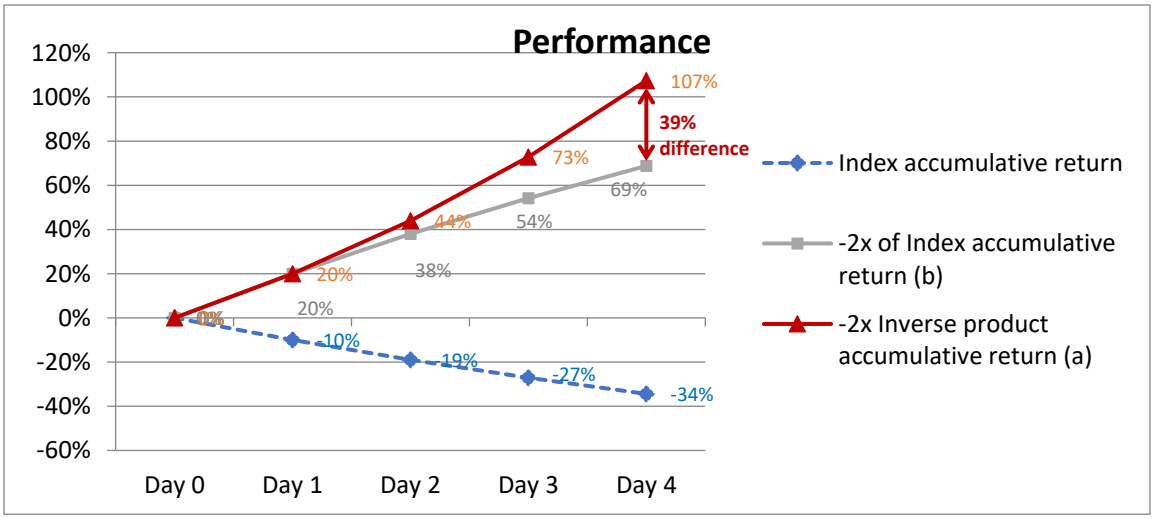


Scenario 2: Downward trending market

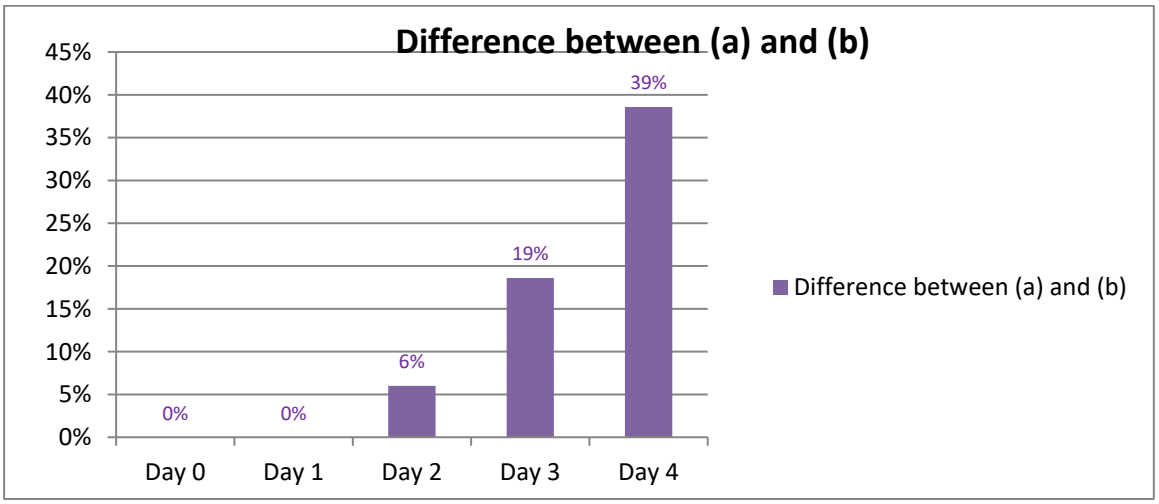
In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

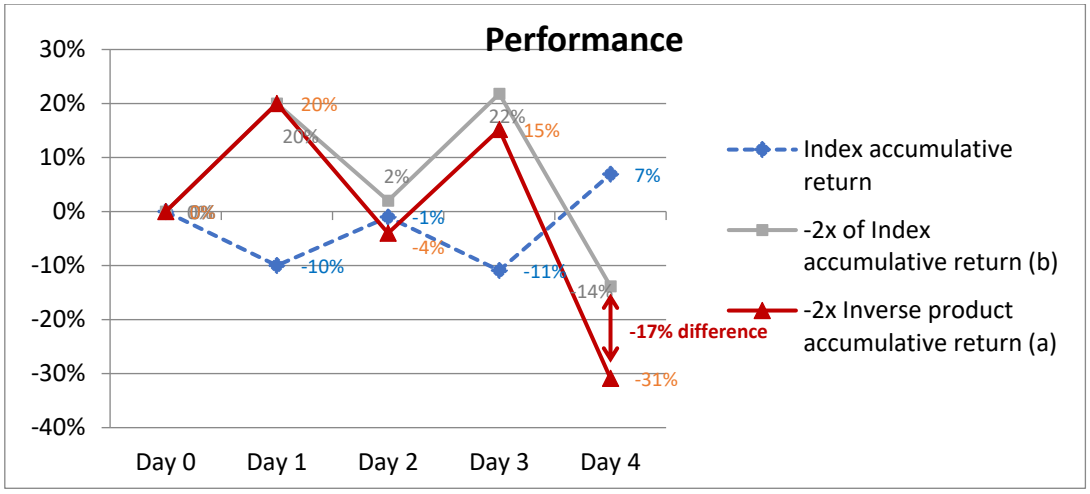


Scenario 3: Volatile upward trend

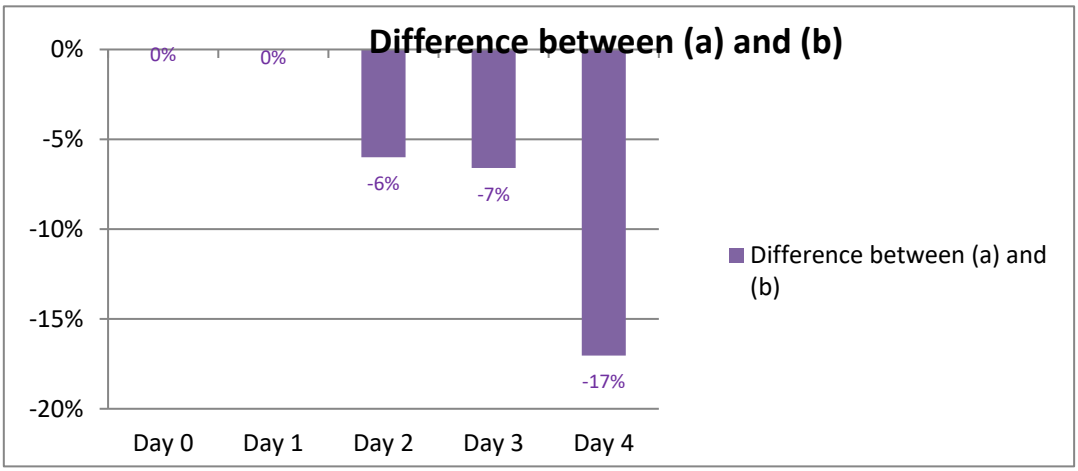
In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

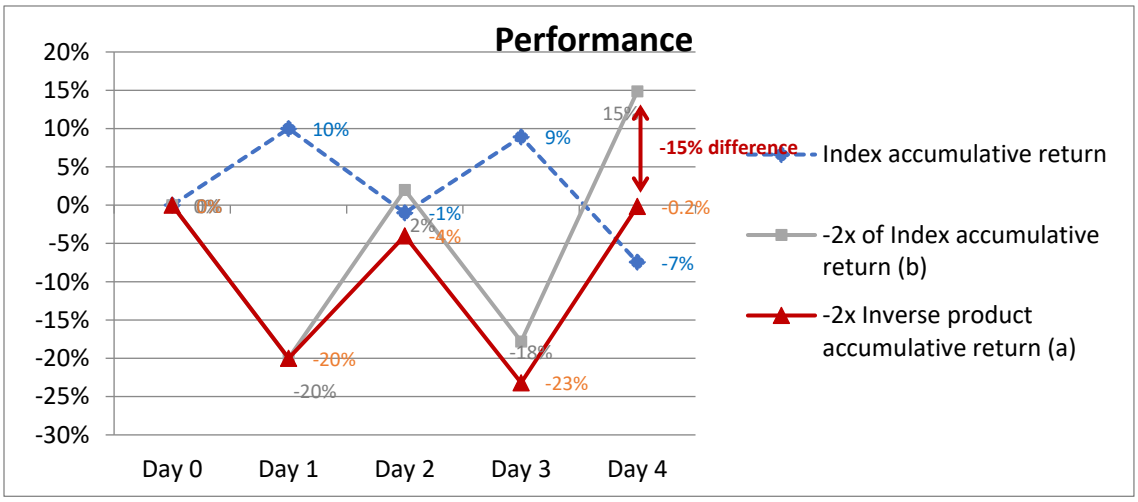


Scenario 4: Volatile downward trend

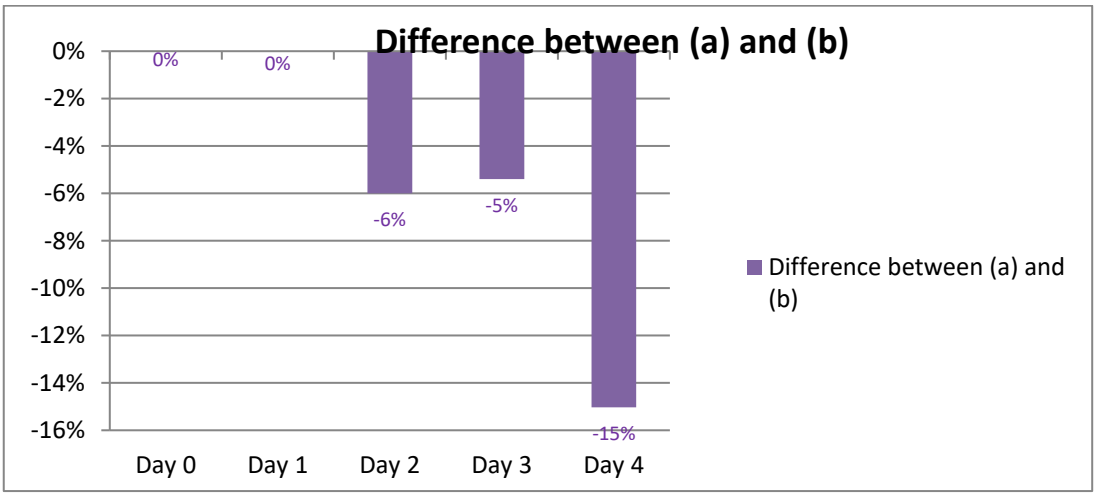
In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) **-2**x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

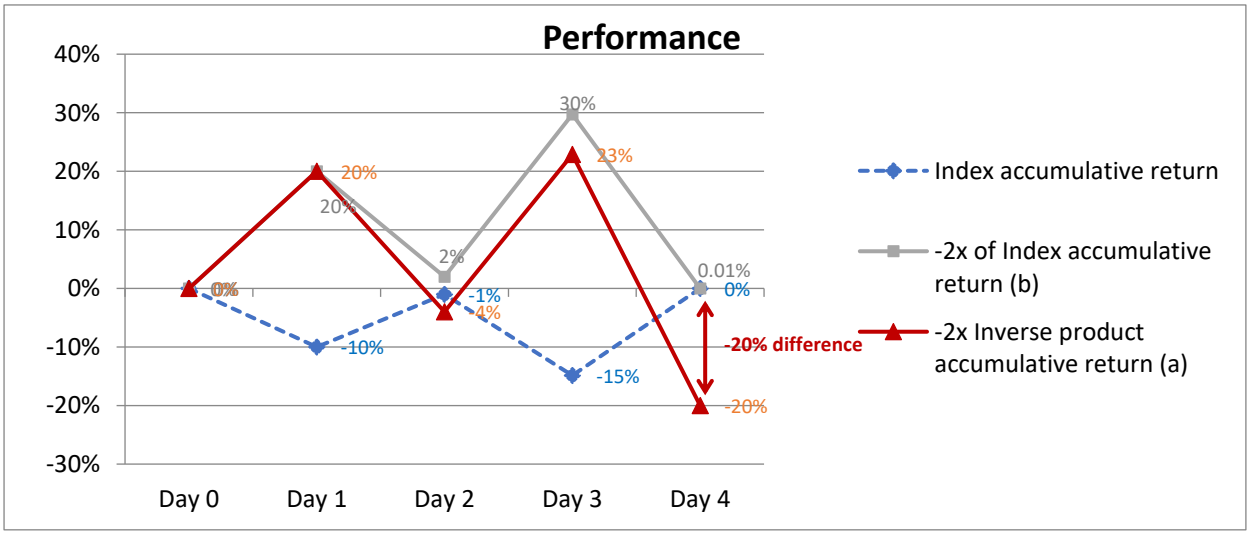


Scenario 5: Volatile market with flat index performance

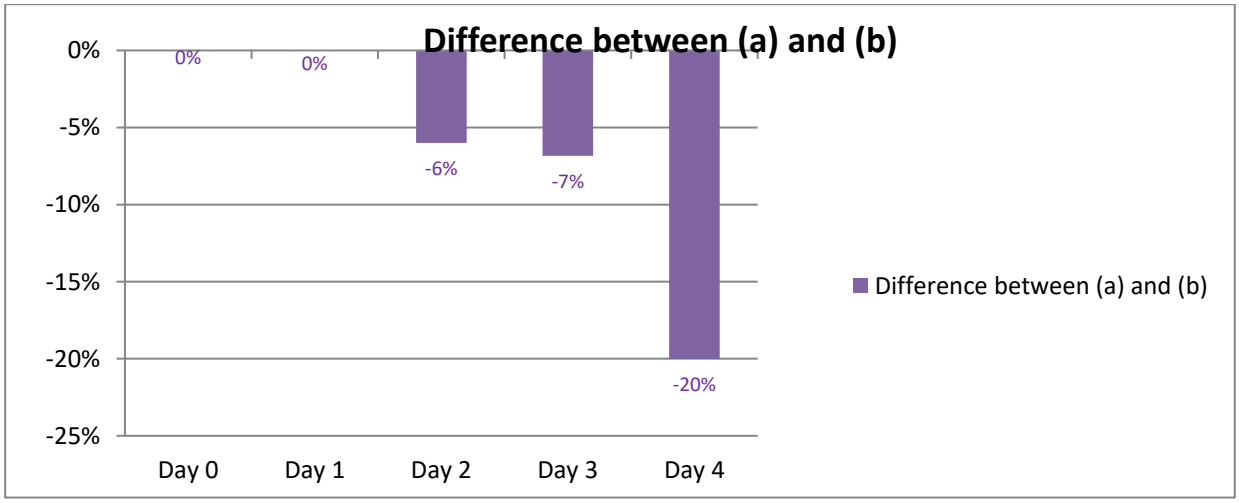
In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the two times inverse performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at http://www.csopasset.com/en/products/i-2xhscei, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily -2x performance of the Index, when comparing the Index and the -2x performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Index will not be equal to the simple -2x performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the -2x performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (2x Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Index. That is, the Net Asset Value of the Product will fall by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Index.

Index Licence Agreement

The licence of the Index commenced on 3 February 2017 and should continue until terminated by either the Manager or the Index Provider by giving the other party three months' prior written notice, or otherwise terminated in accordance with the provisions of the licence agreement.

Index Disclaimer

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The Offering Phases

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date (14 March 2017).

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 8:00 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

Exchange Listing and Trading (Secondary Market)

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 14 March 2017.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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 http://www.csopasset.com/en/products/i-2xhscei.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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 http://www.csopasset.com/en/products/i-2xhscei and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.50% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately HKD15 to HKD55 per Future Contract levied by the broker.

The above rates will amount to approximately 0.005%-0.01% per annum of the Net Asset Value and may increase to approximately 0.50% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the Index could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Index over that same period (e.g. the loss may be more than 2 times the increase in the Index). The effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the Index for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market, to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying futures market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. This effect may be more pronounced in products with higher leverage ratio. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Backwardation Risk

The process of rolling will subject the Product to backwardation risks. For example, a Futures Contract may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in April by buying the March contract and entering into a short position of the April contract. Excluding other considerations, if the market for these contracts is in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the closing of the March short position would take place at a price that is higher than the price of the April contract. Accordingly the closing out of the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is higher than the

price of the April contract, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

Margin Risk

Generally investment in Futures Contracts involves the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. A futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Holding of HSCEI Futures Restriction in Number Risk

The current restriction in the Securities and Futures (Contracts Limits and Reportable Position) Rules (the "Rules") made under the SFO limits the holding by a person for his own account, or for another person but which he controls, of futures contracts or stock options contracts. As such, not only are the positions held or controlled by the Product subject to the prescribed position limit, the positions held or controlled by the Manager, including the positions held for the Manager's own account or for the funds under its management (such as the Product) but controlled by the Manager, may also not in aggregate exceed the relevant maximum. Accordingly, the Product's ability to acquire further HSCEI Futures may be affected by other futures/option contracts held or controlled by the Manager (including Mini-Hang Seng China Enterprises Index futures contracts, Hang Seng China Enterprises Index options contracts and positions held or controlled for other funds/products). Because Unitholders will not themselves hold HSCEI Futures or control the Product, holdings of Units by a Unitholder will not render such Unitholder to be subject to the requirements of the Rules. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the Product grows significantly the restrictions under the Rules may prevent creations of Units due to the inability under the Rules of the Product to acquire further HSCEI Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Index Constituents and Futures Contracts Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to the two times inverse (-2x) Daily performance of the Index. Although the Index is an equity index, the Product invests in HSCEI Futures. The HKEX has adopted a volatility control mechanism ("VCM") for securities including constituents of the Index. During the continuous trading session of the constituents of the Index, the VCM is triggered if the price of a security is deviated more than ±10% away from the last traded price 5 minutes ago, and a 5 minutes cooling-off period will start. During the cooling off period, trading is allowed within a fixed price band (±10% of the last trading price). There will be a maximum of one VCM trigger in each trading session (morning session and afternoon session are counted as two separate trading sessions).

VCM also applies to the HSCEI Futures. If there is an attempt to trade a HSCEI Future at a price more than 5% away from its last traded price 5 minutes ago, it will trigger a 5-minute cooling-off period where trading of the HSCEI Futures can still continue but within a band (±5% of the last trading price). Normal trading without restriction will resume after the cooling-off period.

As a result, the price movement of the Index may be greater than the HSCEI Futures' price movement. If the VCM cooling-off period is triggered at or around the close of trading of the underlying futures market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The HKFE and the SEHK have different trading hours. As the HKFE may be open when Units in the Product are not priced, the value of the HSCEI Futures in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the HKFE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the HSCEI Futures so there may

continue to be price movements for the HSCEI Futures when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the HSCEI Futures, which may prevent the Product from achieving its investment objective.

Inverse Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than two times inverse performance of an index. Should the value of the underlying Securities of the Index increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily two times inverse results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily two times inverse performance of the Index over a certain period may not be equal to the point-to-point two times inverse performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such, the performance of the Product is not two times inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Index.

Concentration and Chinese Mainland Market Risk

The Product is subject to concentration risk as a result of tracking two times the inverse performance of a single geographical region or country (the PRC including Hong Kong). The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments.

The Index constituents are companies listed on the SEHK and primarily traded in Hong Kong, and have substantial business exposure to the PRC mainland, an emerging market. Investments of the Product may involve increased risks and special considerations not typically associated with investment 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.

Suspension of creation risk

There can be no assurance that there are sufficient HSCEI Futures in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the HSCEI Futures, and delay or disruption in execution of trades or in settlement of trades.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Past Performance Risk

As a result of the change in investment objective and strategy on 25 June 2019, past performance of the Product prior to such date was achieved under circumstances that no longer apply. Investors should exercise caution when considering the past performance of the Product prior to 25 June 2019.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Appendix dated 15 July 2026

APPENDIX 5: CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng Index Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index
Index	Hang Seng Index (the "Index")
Listing Date (SEHK)	28 May 2019
Exchange Listing	SEHK – Main Board
Stock Code	7500
Short Stock Name	FI2 CSOP HSI
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.50% per year of the Net Asset Value

Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2019. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2019 and 30 June 2019 respectively.)
Website	http://www.csopasset.com/en/products/i-2xhsi

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will use a combination of a futures-based replication strategy and a Swap-based synthetic replication strategy. To obtain the required exposure to the Index, the Manager may (i) adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Index ("HSI Futures") listed on the Hong Kong Futures Exchange Limited ("HKFE") subject to the rolling strategy discussed below and/or (ii) use a Swap-based synthetic replication strategy by investing in Swaps as discussed below.

All investments of the Product other than Swaps and HSI Futures will comply with 7.36 to 7.38 of the Code.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Futures-based replication strategy

In entering the spot month HSI Futures, the Manager anticipates that no more than 25% of the Net Asset Value of the Product from time to time will be used as margin to acquire the HSI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 50% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Manager may adopt a synthetic replication investment strategy, pursuant to which the Product will enter into one or more partially-funded Swaps (which are over-the counter financial derivative instruments entered into with one or more Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product

defaults and in return the Swap Counterparties will provide the Product with an exposure to the underlying futures (net of transaction costs).

No more than 25% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in the respective designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty. Under exceptional circumstances (e.g. increased Initial Amount requirement by the exchange in extreme market turbulence), the Initial Amount requirement may increase substantially. The expected maximum exposure to the Index from Swaps would be -200% of the Product's Net Asset Value.

Counterparty Exposure

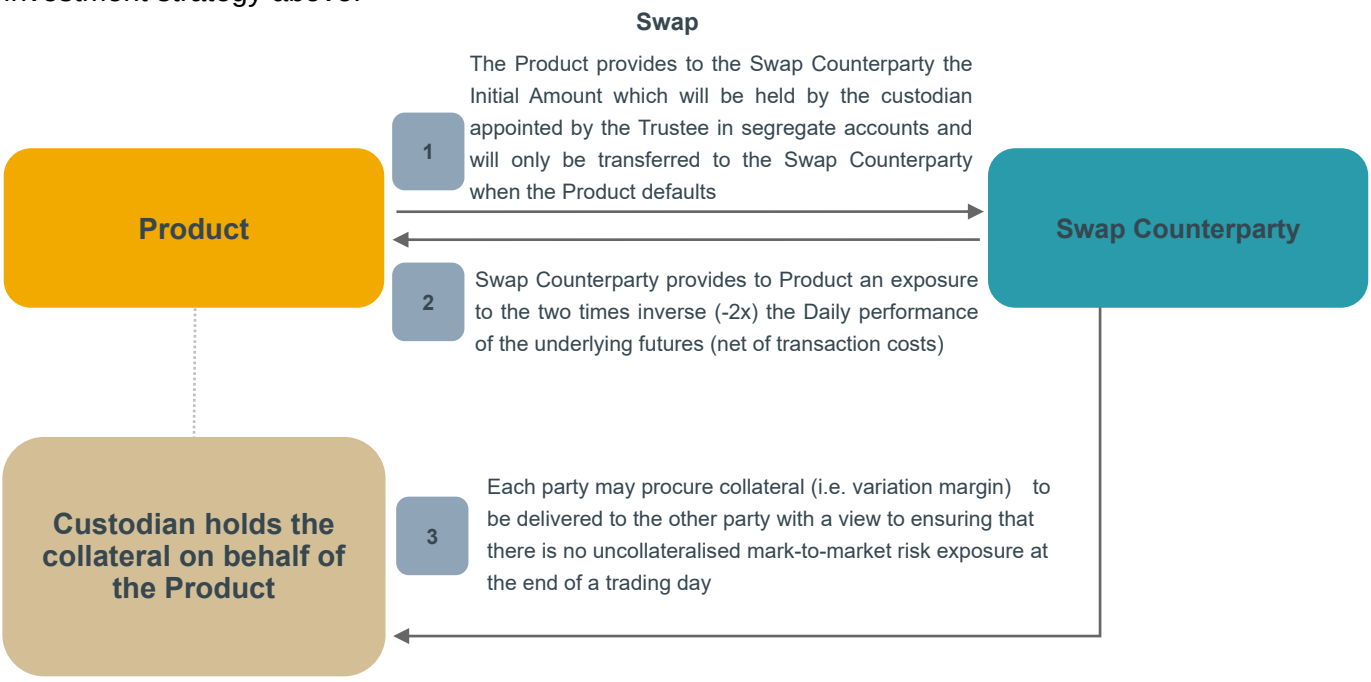
Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD 250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty or its guarantor (where relevant)**	**Standard & Poor's credit rating of the Swap Counterparty or its guarantor (where relevant)**

J.P. MORGAN SECURITIES PLC	United Kingdom	AA-
SOCIETE GENERALE	France	A
HSBC Bank Plc	England & Wales	A+
Goldman Sachs International	United Kingdom	A+
Nomura Singapore Limited	Singapore	A-
CITIC Securities International Capital Management Limited[#]	Hong Kong	A-

[#] The parent company of CITIC Securities International Capital Management Limited, CITIC Securities International Company Limited, has provided an unconditional and irrevocable guarantee as the guarantor of CITIC Securities International Capital Management Limited to guarantee the performance of the obligations of CITIC Securities International Capital Management Limited under the swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any swap transaction is outstanding.

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at http://www.csopasset.com/en/products/i-2xhsi (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of bonds, the market value of such bond collateral should represent at least 105% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collaterals and obtain full title thereof. In such instances, the Product's obligations to return the collaterals will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the UT Code and the collateral policy of the Trust and the Product are set out in in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at http://www.csopasset.com/en/products/i-2xhsi (which has not been reviewed by the SFC).

Other than HSI Futures and Swaps, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

Swap Fees

The swap fees, including all costs associated with Swap transactions, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the underlying futures. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 20bps per transaction on the notional amount of the Swap unwound.The Manager would disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

Where the Product invests directly the spot month HSI Futures, the Product will rebalance its position on a day when the HKFE and the SEHK are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by decreasing exposure in response to the Index's two times inverse (-2x) Daily gains or increasing exposure in response to the Index's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to

have a futures exposure of -200 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the futures exposure of the Product -180. As the Product needs a futures exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial futures exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on futures	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Futures exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target futures exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the spot month HSI Futures into next month HSI Futures with the goal that, by one Business Day before the last trading day of the spot month HSI Futures, all roll-over activities would have occurred.

What are HSI Futures?

HSI Futures are Futures Contracts on the Hang Seng Index traded on the HKFE.

The HSI Futures are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (6%-12%) of their value. The HSI Futures are registered, cleared and guaranteed by the HKFE Clearing Corporation Limited ("HKCC"), a subsidiary of HKEX. HKCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between HKCC participants.

The key specifications of the HSI Futures are as follows:

Underlying index	Hang Seng Index
Exchange	HKFE
Trading hours	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 11:45 p.m. (after-hours trading session) There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. –

	12:30 p.m. There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States. Expiring contract month closes at 4:00 pm on the last trading day. There shall be no afternoon or after-hours trading session if the last trading day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve.
Contract months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Tick size	1 point, representing a value of HKD50
Contract value (as at 4 February 2020)	HKD1,330,950 (Contract month of February 2020)
Margin (as at 4 February 2020)	• Initial margin: HKD110,988 • Maintenance margin: HKD88,790
Last trading day	The business day immediately preceding the last business day of the contract month
Contract size	HKD50 x Hang Seng Index
Settlement method	Cash settled contract of difference
Final settlement price	The average of quotations taken at (i) five minute intervals from five minutes after the start of, and up to five minutes before the end of, the continuous trading session of SEHK; and (ii) the close of trading on SEHK on the last trading day.
Position limit	10,000 position delta for long or short (calculated on a net basis) combined in all contract months. The position limit applies to a person such as the Manager, i.e. the Manager cannot hold or control HSI Futures over this limit.
Large Open Positions	The Securities and Futures (Contracts Limits and Reportable Position) Rules requires a person holding or controlling a reportable position (or a "large open position") of HSI Futures to notify the HKFE of that reportable position in writing. The large open position is as follows: • 500 open contracts, in any one contract month, per exchange participant for the exchange participant's own behalf; and • 500 open contracts, in any one contract month, per client
Volatility Control Mechanism (VCM)	A price limit VCM model is implemented for the HSI Futures market, under which a cooling-off period will be triggered by abrupt price volatility detected at the instrument level: • The VCM is triggered and a 5-minute cooling-off period will start if the price of a HSI Futures Contract deviates by more than 5% from the last traded price 5 minutes ago (the "VCM Reference Price"). • During the 5-minute cooling-off period, trading for the HSI Futures Contracts will continue within a fixed price band (±5% from the VCM Reference Price). • Normal trading without restriction will resume after the cooling-off period.

For more information, please refer to "Hang Seng Index Futures & Options" under "Products &

Services > Derivatives Products" on the HKEX website (the contents of which has not been reviewed by the SFC).

Futures liquidity

As of 4 February 2020, the daily average volume and open interest of the spot month (e.g. February 2020) HSI Futures for the year of 2020 are 186,424 and 131,060 respectively. The Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as an inverse product tracking the Index.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Hang Seng Index, commonly referred to as HSI (the "Index") measures the performance of the largest and most liquid companies listed in Hong Kong. It comprises a representative sample of stocks quoted on the SEHK.

The Index adopts a freefloat-adjusted market capitalisation weighted methodology, with a specified cap-level of 8% on individual non-foreign companies constituent, 4% on individual foreign companies constituent and 10% on aggregate foreign companies constituents. The Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As at 27 February 2026, it comprised 88 constituent stocks with a total market capitalisation of approximately HKD 31,636.12 billion.

The Index was launched on 24 November 1969 and had a base level of 100 on 31 July 1964.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK and its closing value is based on the official closing prices of stocks announced by the SEHK.

Index Methodology

Constituent stocks of the Index are selected by a rigorous process of detailed analysis, supported by extensive external consultation. The Index universe includes constituents of the Hang Seng Composite LargeCap & Midcap Index as of index review data cut-off date. It excludes secondary-listed Foreign Companies, Stapled Securities, Biotech Companies with stock names end with marker “B” and Specialist Technology Companies with stock names ended with marker “PC”.

The compilation of the Index is based on a free float-adjusted market capitalisation weighted formula. Details are as follows:

(a) Freefloat adjustment: A Freefloat–Adjusted Factor (“FAF”) is assigned to each constituent in index calculation.

(b) An 8% capping is applied on individual non-foreign companies securities, 4% capping on individual foreign companies constituent and 10% on aggregate foreign companies constituents.

(c) Re-capping frequency: A re-capping exercise will normally be conducted at quarterly intervals to coincide with the regular update of the FAF.

Constituent Eligibility

The universe of stocks (the “Universe”) for the Index includes constituents of the Hang Seng Composite LargeCap & Midcap Index as of index review data cut-off date. It excludes secondary-listed Foreign Companies, Stapled Securities, Biotech Companies with stock names end with marker “B” and Specialist Technology Companies with stock names ended with marker “PC”.

A security is eligible for constituent selection if it fulfils the following requirements:

- Market Value Requirements: As a Hang Seng Composite LargeCap & MidCap Index constituent.
- Geographical Requirements: Excludes secondary-listed “Foreign Companies”, which are classified as companies (i) incorporated outside Hong Kong; (ii) non-Chinese Mainland companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Chinese Mainland, or Taiwan.
- Listing History Requirements: Has at least 3 months (counting up to the index review meeting date).
- Turnover Requirements: To pass the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by HSIL).

Selection criteria

From the securities in the Index Universe satisfying the above eligibility requirements, final selections are based on the following:

Selection by Industry Group

Eligible candidates will be assigned to one of the below industry groups according to their industry classification of the Hang Seng Industry Classification System ("HSICS"):

Industry Group	**HSICS**	
	Code	**Industry**
1	50	Financials
2	70	Information Technology
3	23	Consumer Discretionary
	25	Consumer Staples
4	60	Properties & Construction
5	35	Telecommunications
	40	Utilities
6	28	Healthcare
7	00	Energy
	05	Materials
	10	Industrials
	80	Conglomerates

The combination of the industry group will be reviewed at least every two years.

Considerations for Deciding the Constituent Number for Each Industry Group

The number of constituents in each industry group will be decided by the below principles:

- Target to cover at least 50%, in terms of market capitalization, for each industry group;
- Characteristics of the industry group which include the distribution of the listed companies in terms of their size and number; and
- The industry group weighting in the index compared to the market.

The index will also maintain at least 20 constituents that are classified as "Hong Kong" Companies and this number will be reviewed at least every two years.

Principles of Constituent Selection

In general, eligible securities will be evaluated within each industry group according to the following considerations:

- Representativeness;
- Market capitalisation;
- Turnover; and
- Financial performance.

Cross-industry group constituent changes might take place to restore sectoral balance.

Number of Constituents

Target to reach 80 by mid-2022 and ultimately fixed at 100.

Index Reviews

HSIL undertakes regular quarterly reviews of the index constituents with data cut-off dates of end of March, June, September and December each year. In each review, there may or may not be constituent additions or deletions.

Index Rebalancing

Regular rebalancing is usually implemented after market close on the first Friday in March, June, September and December, and comes into effect on the next trading day.

Ad hoc rebalancing will be conducted if a constituent's issued shares and/or FAF is substantially different from the production data. The Index will also be recapped in the event of constituent changes if the newly added component has a weighting that is higher than the index cap level. A minimum notice period of two trading days will be given to subscribers of data products issued by HSIL for any ad hoc rebalance.

Please refer to the Index Operation Guide (available on the website of HSIL) for further details about corporate actions adjustments and index rebalancing.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of the Index Provider at https://www.hsi.com.hk/eng/indexes/all-indexes/hsi (the contents of which have not been reviewed by the SFC).

Index Code

Bloomberg Code: HSI
Reuters Code: .HSI

Comparison between the Index and the two-time inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Index. As such, the Product's performance may not track -2x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -200% generally will not

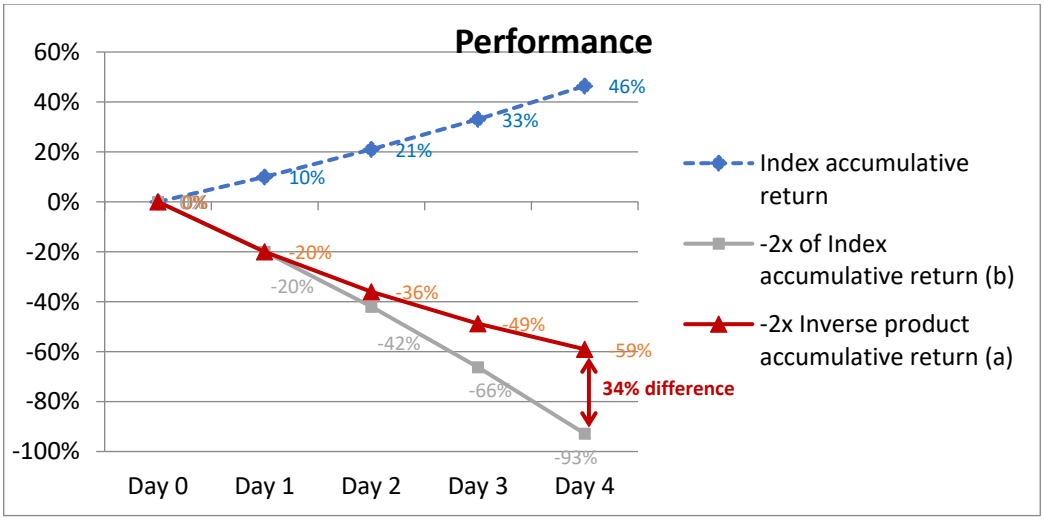
equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

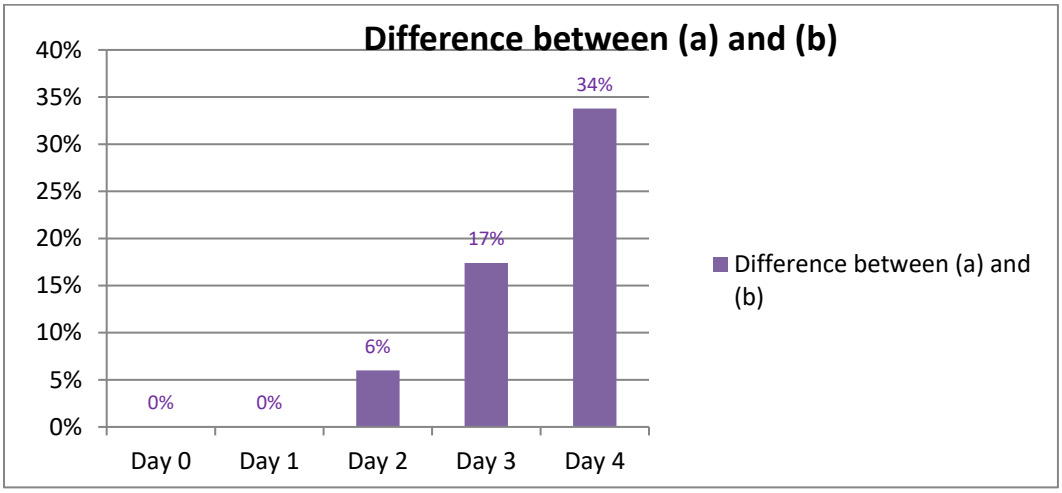
In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

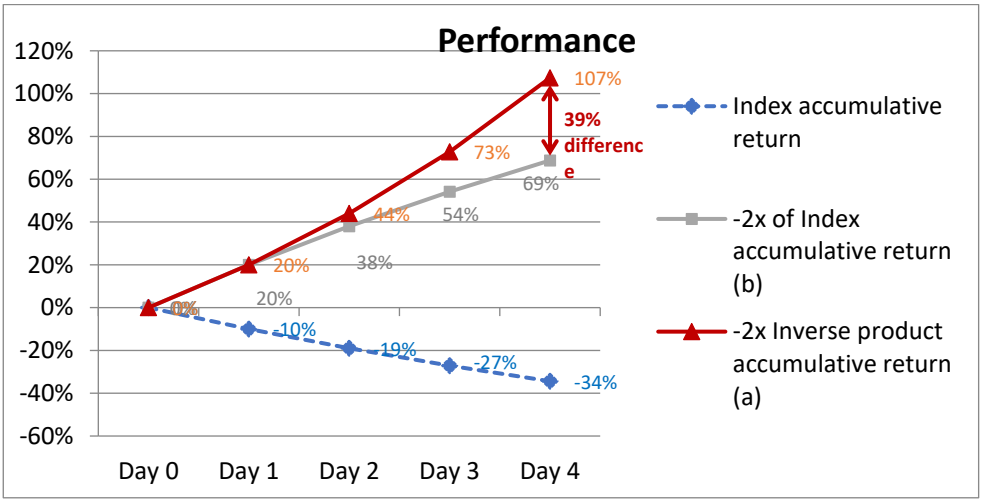

Difference between (a) and (b)
40%
35%
30%
25%
20%
15%
10%
5%
0%
0%
0%
6%
17%
34%
Day 0
Day 1
Day 2
Day 3
Day 4
Difference between (a) and (b)

Scenario 2: Downward trending market

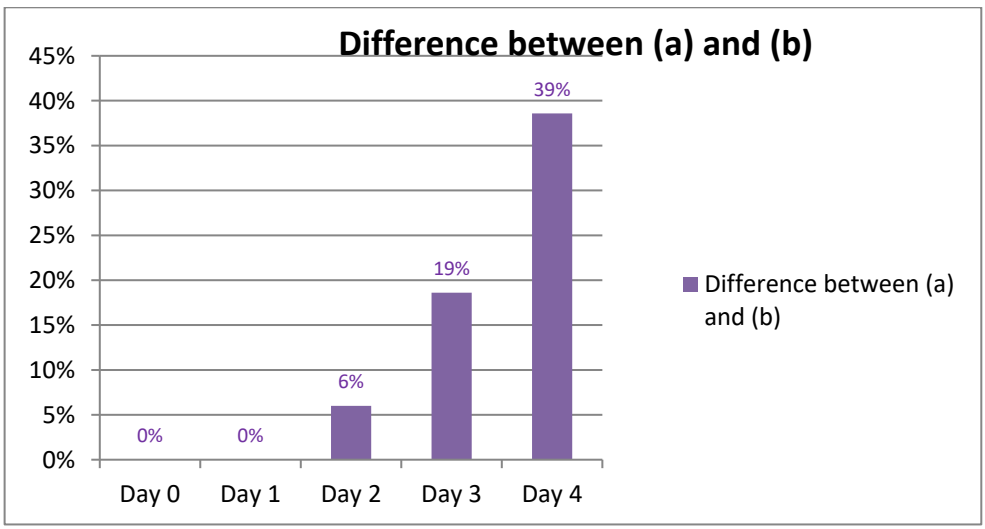
In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

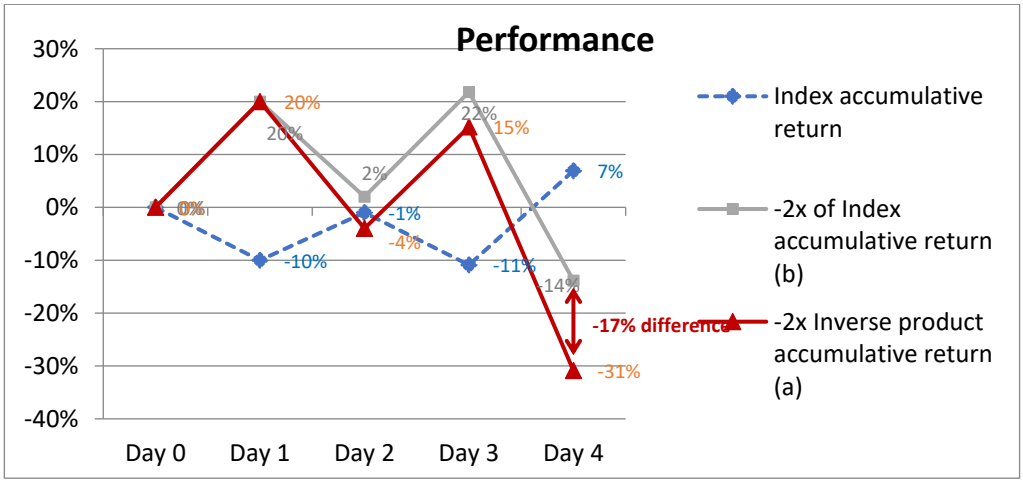


Scenario 3: Volatile upward trend

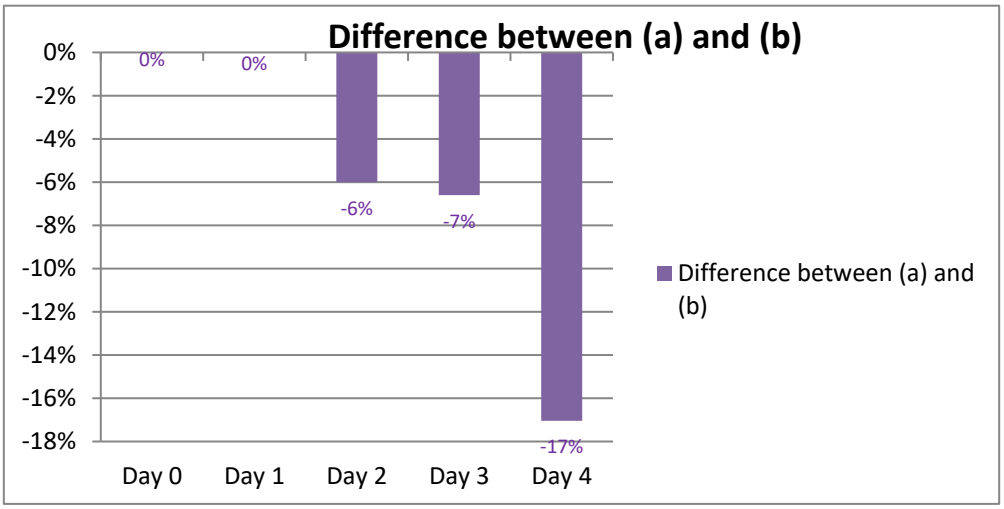
In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

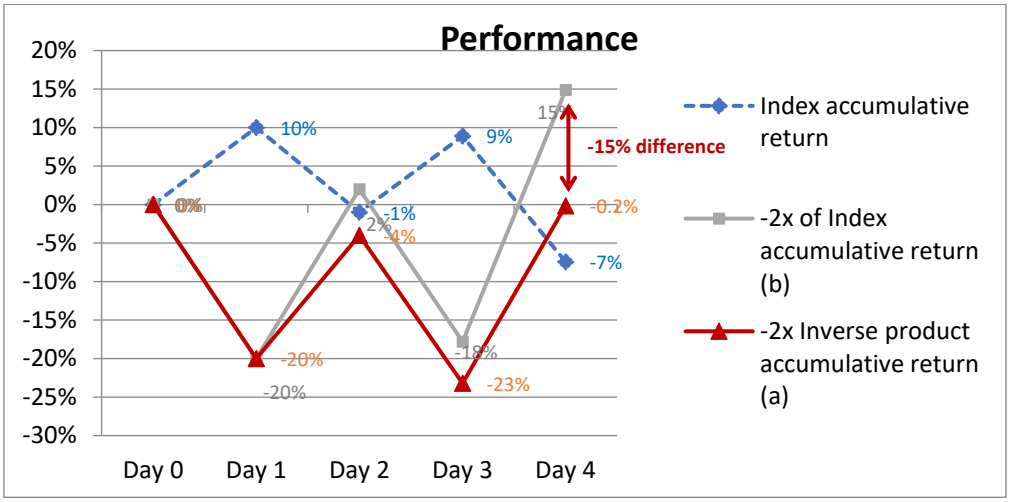


Scenario 4: Volatile downward trend

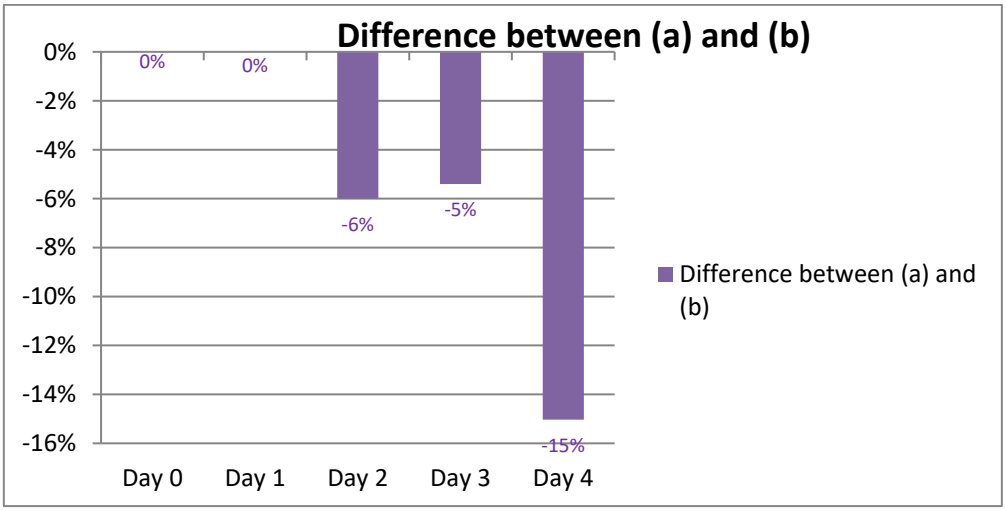
In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

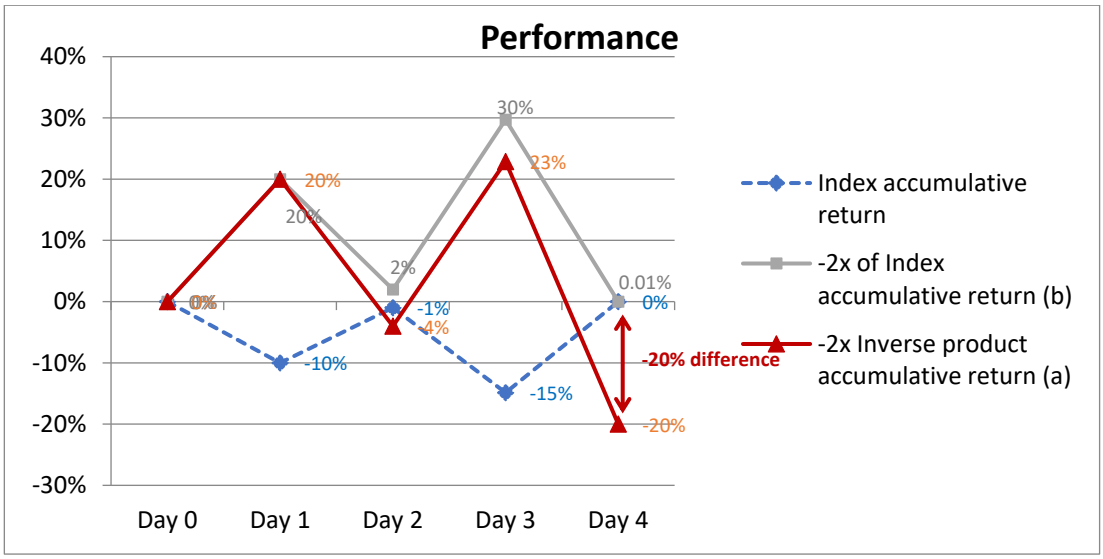


Scenario 5: Volatile market with flat index performance

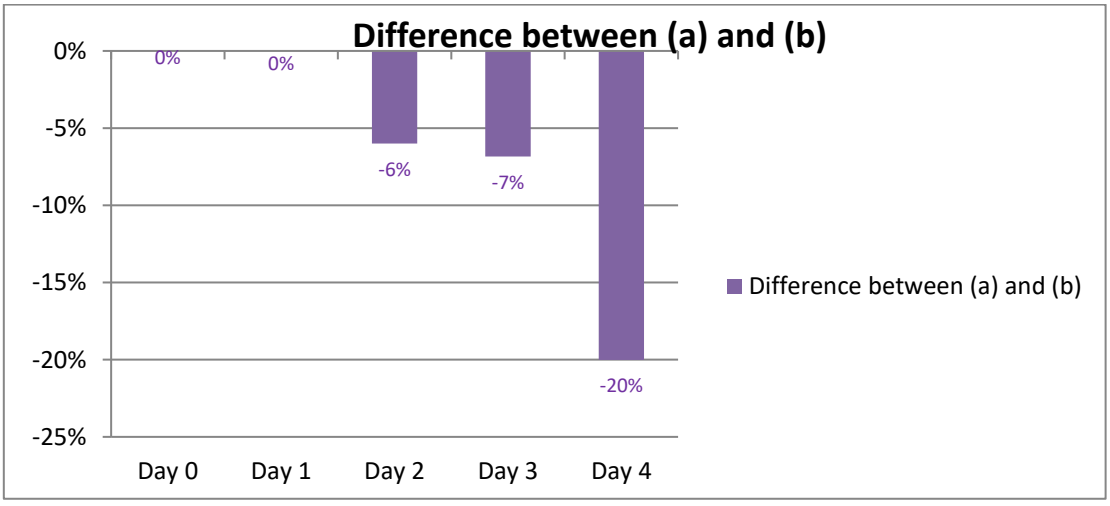
In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the two times inverse (-2x) performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at http://www.csopasset.com/l_HSI, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the two times inverse (-2x) Daily performance of the Index, when comparing the Index and the -2x performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Index will not be equal to the simple -2x performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the -2x performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (2x Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Index. That is, the Net Asset Value of the Product will fall by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Index.

Index Licence Agreement

The licence of the Index commenced on 15 May 2019 and should continue until terminated by either the Manager or the Index Provider by giving the other party three months' prior written notice, or otherwise terminated in accordance with the provisions of the licence agreement.

Index Disclaimer

The Hang Seng Index is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited ("HSDS"). The mark and name "Hang Seng Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng Index Daily (-2x) Inverse Product, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG INDEX DAILY (-2x) INVERSE PRODUCT OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG INDEX DAILY (-2x) INVERSE PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng Index Daily (-2x) Inverse Product in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng Index Daily (-2x) Inverse Product. Any broker, holder or other person dealing with CSOP Hang Seng Index Daily (-2x) Inverse Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

The Offering Phases

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date (28 May 2019).

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 8:00 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

Please note that the Manager does not expect to enter into or exit swap transaction(s) in order to effect a creation or redemption of Units. As such, swap fees (borne by the Product) (please refer to section "What is the Investment Strategy?") do not form part of the Duties and Charges payable by a Participating Dealer.

Exchange Listing and Trading (Secondary Market)

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 28 May 2019.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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 http://www.csopasset.com/en/products/i-2xhsi.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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 http://www.csopasset.com/en/products/i-2xhsi and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.50% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately HKD20 to HKD60 per Future Contract levied by the broker.

The above rates will amount to approximately 0.005%-0.01% per annum of the Net Asset Value and may increase to approximately 0.50% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the Index could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Index over that same period (e.g. the loss may be more than 2 times the increase in the Index). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the Index for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Index will increase, and the performance of the Product will generally be

adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying futures market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. This effect may be more pronounced in products with higher leverage ratio. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Backwardation Risk

The process of rolling will subject the Product to backwardation risks. For example, a Futures Contract may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in April by buying the March contract and entering into a short position of the April contract. Excluding other considerations, if the market for these contracts is in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the closing of the March short position would take place at a price that is higher than the price of the April contract. Accordingly the closing out of the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is higher than the price of the April contract, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

Margin Risk

Generally investment in Futures Contracts involves the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. A futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Holding of HSI Futures Restriction in Number Risk

The current restriction in the Securities and Futures (Contracts Limits and Reportable Position) Rules (the "Rules") made under the SFO limits the holding by a person for his own account, or for another person but which he controls, of futures contracts or stock options contracts. As such, not only are the positions held or controlled by the Product subject to the prescribed position limit, the positions held or controlled by the Manager, including the positions held for the Manager's own account or for the funds under its management (such as the Product) but controlled by the Manager, may also not in aggregate exceed the relevant maximum. Accordingly, the Product's ability to acquire further HSI Futures may be affected by other futures/option contracts held or controlled by the Manager (including Mini-Hang Seng Index futures contracts and options contracts, Hang Seng Index options contracts and positions held or

controlled for other funds/products). Because Unitholders will not themselves hold HSI Futures or control the Product, holdings of Units by a Unitholder will not render such Unitholder to be subject to the requirements of the Rules. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the Product grows significantly the restrictions under the Rules may prevent creations of Units due to the inability under the Rules of the Product to acquire further HSI Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the underlying Securities or Futures Contracts of the Index. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Index because of the limited availability of Swaps linked to the performance, the inverse performance of the underlying Securities or Futures Contracts of the Index, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the underlying index constituents, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Index. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

Increase of Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities or Futures Contracts. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Index Constituents and Futures Contracts Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to the two times inverse (-2x) Daily performance of the Index. Although the Index is an equity index, the Product invests in HSI Futures. The HKEX has adopted a volatility control mechanism ("VCM") for securities including constituents of the Index. During the continuous trading session of the constituents of the Index, the VCM is triggered if the price of a security is deviated more than ±10% away from the last traded price 5 minutes ago, and a 5 minutes cooling-off period will start. During the cooling off period, trading is allowed within a fixed price band (±10% of the last trading price). There will be a maximum of one VCM trigger in each trading session (morning session and afternoon session are counted as two separate trading sessions).

VCM also applies to the HSI Futures. If there is an attempt to trade a HSI Future at a price more than 5% away from its last traded price 5 minutes ago, it will trigger a 5-minute cooling-off period where trading of the HSI Futures can still continue but within a band (±5% of the last trading price). Normal trading without restriction will resume after the cooling-off period.

As a result, the price movement of the Index may be greater than the HSI Futures' price movement. If the VCM cooling-off period is triggered at or around the close of trading of the underlying futures

market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The HKFE and the SEHK have different trading hours. As the HKFE may be open when Units in the Product are not priced, the value of the HSI Futures in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the HKFE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the HSI Futures so there may continue to be price movements for the HSI Futures when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the HSI Futures, which may prevent the Product from achieving its investment objective.

Inverse Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than two times inverse performance of an index. Should the value of the underlying Securities of the Index increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Index over a certain period may not be equal to the point-to-point two times inverse performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such,

the performance of the Product is not two times inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Index.

Concentration Risk

To the extent that the index constituents concentrates in Hong Kong listed securities (including H-shares and red chip shares) of a particular sector or market, the investments of the Product may be similarly concentrated. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse conditions in such particular market/sector.

Suspension of Creation Risk

There can be no assurance that there are sufficient HSI Futures in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the HSI Futures, and delay or disruption in execution of trades or in settlement of trades.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

APPENDIX 6: CSOP NASDAQ-100 INDEX DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index
Index	NASDAQ-100 Index (the "Index")
Initial Offer Period	9:30 a.m. (Hong Kong time) of 16 September 2019 to 12:00 noon (Hong Kong time) of 17 September 2019, or such other date as the Manager may determine
Initial Issue Date	18 September 2019, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1
Listing Date (SEHK)	Expected to be 19 September 2019, but may be postponed by the Manager to a date no later than 23 October 2019
Exchange Listing	SEHK – Main Board
Stock Code	07568
Short Stock Name	FI2CSOPNASDAQ
Trading Board Lot Size	100 Units
Base Currency	USD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. All Units will receive distributions in the base currency (USD) only*.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)

Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.50% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2020. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2020 and 30 June 2020 respectively.)
Website	www.csopasset.com/en/products/i-2xndx

***** In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "USD Distributions Risk" below.

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the nearest quarter E-Mini NASDAQ 100 Futures ("E-mini NASDAQ 100 Futures") which are traded on the Chicago Mercantile Exchange ("CME"), subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

In entering into the E-mini NASDAQ 100 Futures, the Manager anticipates that no more than 40% of the Net Asset Value of the Product from time to time will be used as margin to acquire the E-mini NASDAQ 100 Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 60% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (USD) and other USD denominated investment products, such as deposits with banks in Hong Kong and USD denominated investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in USD from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in USD.

Other than E-mini NASDAQ 100 Futures, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK, the CME and the NASDAQ are open for trading (i.e. a Business Day). At or around the close of the trading of the E-mini NASDAQ 100 Futures on each Business Day, the Product will seek to rebalance its portfolio, by decreasing exposure in response to the Index's two times inverse (-2x) Daily gains or increasing exposure in response to the Index's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have a futures exposure of -200 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the futures exposure of the Product -180. As the Product needs a futures exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial futures exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on futures	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Futures exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target futures exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the nearest quarter E-mini NASDAQ 100 Futures into next quarter E-mini NASDAQ 100 Futures with the goal that, by one Business Day before the last trading day of the nearest quarter E-mini NASDAQ 100 Futures, all roll-over activities would have occurred. The roll will occur within a 8-calendar days period in the last calendar month of each quarter (between 8 calendar days before the last trading day of the nearest quarterly E-mini NASDAQ 100 Futures and one business day before the last trading day of the nearest quarterly E-mini NASDAQ 100 Futures). The Manager has full discretion of futures rolling execution to meet the Product's investment objective.

What are E-mini NASDAQ 100 Futures?

The E-mini NASDAQ 100 Futures are traded on the CME, which offer liquid benchmark contracts to manage exposure to the constituents of the Index.

The E-mini NASDAQ 100 Futures are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (5-20%) of their value. The E-mini NASDAQ 100 Futures are traded on the CME. CME clears, settles and guarantees all matched transactions in CME contracts occurring electronically or through its floor facilities. CME is registered with the US Securities and Exchange Commission as a for-profit shareholder corporation, and the markets are primarily regulated by the US Commodity Futures Trading Commission along with other US governmental bodies.

Key specifications of the E-mini NASDAQ 100 Futures are as follows:

Underlying index	NASDAQ-100 Index
Exchange	CME
Trading hours (Chicago Time)	Opening time at 5:00 p.m. (Sunday to Thursday) and closing time at 4:00 p.m. on the next day (Monday to Friday), with a trading halt from 3:15 p.m. – 3:30 p.m. (Monday to Friday)
Contract expiry	Quarterly Cycle (March, June, September, December) For example, as at 28 February 2019, March 2019, June 2019, September 2019 and December 2019 contracts are traded on the CME.
Last trading day	The third Friday of the contract month
Contract size	US$20 x NASDAQ-100 Index
Settlement method	Cash settlement
Final settlement price	The final settlement price of the E-mini NASDAQ 100 Futures shall be determined on the third Friday of the contract month or, if the Index is not scheduled to be published for that day, on the first earlier day for which the Index is scheduled to be published. The final settlement price shall be a Special Opening Quotation of the Index to be determined by the NASDAQ. If the NASDAQ does not open on the day scheduled for the determination of the final settlement price, then the final settlement price shall be the Special Opening Quotation of the first subsequent day on which NASDAQ does open. The "Special Opening Quotation" of the Index shall be based on the opening values of each of the component stocks at NASDAQ, namely the NASDAQ Official Opening Price (NOOP) of Index stocks. The NOOP is a single opening price that is reflective of supply and demand at the market open determined by the NASDAQ Opening Cross, which is a price discovery facility that cross orders at a single price.
Position limit	50,000 net long or short E-mini NASDAQ 100 Futures in all contract months combined. The position limit applies to a person such as the Manager, i.e. the Manager cannot hold or control E-mini NASDAQ 100 Futures over this limit. A person seeking an exemption from position limit for bona fide commercial purpose shall apply to the market regulation department of the CME on forms provided by the CME, and the market regulation department may grant qualified exemptions in its sole discretion.
Price limits	Non-U.S. Trading Hours: 5% price limit up and down Sunday – Thursday 5:00pm to 8:30 am: there shall be no trading for a given delivery month at any price that is either strictly lower than or strictly higher than the range defined by the 5% price limits on such trading day (based on the 3:00 pm reference price). U.S. Trading Hours: Monday – Friday 8:30 am – 2:25 pm: There are successive price limits corresponding to 7%, 13% and 20% declines below the previous trading day's reference price of the E-mini NASDAQ 100 Futures. Monday – Friday 2:25 pm – 3:00 pm: Trading in futures for a given delivery month shall be subject only to the corresponding 20% (decline) price limit.

	Monday – Friday 3:00 pm – 4:00 pm: There is a hard upside and downside limit of 5% price limits based on the 3:00 pm reference price of the E-mini NASDAQ 100 Futures. If the limit is reached, trading will continue within the ±5% range, provided that the 5% down limit shall not be lower than the 20% down limit applicable before 3:00 pm on the current trading day. Application of 7% price down limit If the E-mini NASDAQ 100 Futures is offered at the 7% down limit before 2:25 pm, a 2-minute monitoring period will commence. If a limit condition exists (i.e. the price still down 7% or more) at the end of the 2-minute monitoring period, futures trading shall halt for two (2) minutes, and shall then resume with price limits expanding to 13%. If a limit condition does NOT exist, trading will continue with price limits expanding to 13%. Application of 13% price down limit Similarly, if the E-mini NASDAQ 100 Futures is offered at the 13% down limit, a 2-minute monitoring period will commence, followed by (if a limit condition exists (i.e. the price still down 13% or more) at the end of the 2-minute monitoring period) a 2-minute trading halt occurs with price limits expanding to 20%. If a limit condition does NOT exist, trading will continue with price limits expanding to 20%. Application of 20% price down limit If the E-mini NASDAQ 100 Futures is offered at the 20% down limit before 2:25 pm, trading will continue at or above the 20% down limit for the remainder of the trading day. An offer entered with a price below the prevailing down limit will be rejected. For instance, if the prevailing circuit breaker is at the 7% limit, then orders below the 7% down limit will not be accepted. The order will be accepted, however, when the price limit is expanded to 13%, provided that it is offering at higher than the 13% limit. All times are Chicago times. Please refer to the website: http://www.cmegroup.com/trading/equity-index/faq-us-based-equity-index-price-limits.html for further information (this website has not been reviewed by the SFC)
Regulatory Trading Halts of the NASDAQ	A "Market Decline" means a decline in price of the S&P 500 Index between 9:30 am EST and 4:00 pm EST on a NASDAQ trading day (or between 9:30 am EST and 1:00 pm EST in case of any early scheduled close) as compared to the closing price of the S&P 500 Index for the immediately preceding NASDAQ trading day. If a Market Decline of 7% or 13% between 9:30 pm EST and (up to and including) 3:25 pm EST or in the case of an early scheduled close, 12:25 pm EST, trading of all US-listed equity securities (including the NASDAQ) shall halt for 15 minutes. The trading halt based on a Market Decline of 7% or 13% only once per NASDAQ trading day. The trading halt will not occur if a 7% Market Decline or a 13% Market Decline occurs after 3:25 pm EST or in the case of an early scheduled close, 12:25 pm EST. If a 20% Market Decline occurs at any time during the NASDAQ trading day, the NASDAQ shall halt trading until it opens the next trading day. There may also be unscheduled non-regulatory halts, for example due to

	bad weather or terrorist attack, on the NASDAQ. EST stands for Eastern Standard Time, which is 1 hour ahead of Chicago time. **When there is a trading halt on the NASDAQ as described above, trading of the E-mini NASDAQ 100 Futures shall halt at the same time.**

For more information, please refer to "E-mini NASDAQ 100 Futures Quotes" under "trading" on the CME Group website.

Futures Liquidity

As of 25 June 2019, the daily average volume and open interest of the spot month (June 2019) E-mini NASDAQ 100 Futures for the year of 2019 are USD 69 billion and USD 31 billion. The Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as an inverse product tracking the Index.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The NASDAQ-100 Index (the "Index") (Ticker: NDX) includes 100 of the largest non-financial companies listed on the NASDAQ Stock Market based on market capitalisation. It is a price return index, meaning that the performance of the Index is calculated on the basis that dividends are not reinvested, it is denominated in USD.

The Index began on 31 January 1985 at a base value of 125.00, as adjusted.

As at 27 February 2026, the Index had a total market capitalisation of USD 33,127.18 billion and 101 constituents (issued by 100 companies). An issuer may have more than one class of securities which are eligible for inclusion in the Index and which will be included as separate constituents.

Index Provider

The Index is compiled and managed by NASDAQ, Inc. (the "Index Provider").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Methodology

Security Eligibility Criteria

To be eligible for initial inclusion in Index, a security must meet the following criteria:

1) the issuer of the security must be primarily listed on a U.S. Nasdaq-affiliated exchange, excluding the Nasdaq Capital Market;

2) the security must be issued by a non-financial company according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license;

3) the security may not be issued by an issuer that has filed for bankruptcy or equivalent protection from creditor;

4) the security must have a three-month average daily traded value of at least $5 million (USD);

5) the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and

6) the security generally must have been listed and available for trading on any U.S. Nasdaq-affiliated exchange, NYSE, NYSE American and CBOE BZX for at least three full calendar months, excluding the month of initial listing (A security that was added to the Index as the result of a spin-off event will be exempt from this requirement).

If an issuer has listed multiple security classes, all such security classes are eligible, subject to meeting all of the above eligibility criteria.

There is no market capitalisation criteria.

Market Capitalisation Determination

For the purpose of constituent selection, each company's full market capitalisation is considered, and is determined as follows:

(i) For direct (non-American Depositary Receipt ("ADR")) listings and companies represented by Primary ADRs (defined below), full market capitalisation includes both listed and unlisted shares.

(ii) For companies represented by Non-Primary ADRs (defined below), full market capitalisation is the total value of the depositary shares listed, as reported by the depositary banks. Foreign-listed underlying shares and unlisted shares are not included.

For any company represented by more than one security, the company's full market capitalisation is the combined full market capitalisation of those securities.

"Primary ADR" is defined as an ADR that serves as a company's primary global listing (i.e., the underlying shares are not listed or available for trading elsewhere).

"Non-Primary ADR" is defined as a more traditional ADR (i.e., the underlying shares, rather than the ADR, serve as the primary global listing and are listed on a foreign market).

Modified Market Capitalisation Determination

For the purpose of weight calculations, modified market capitalisation will be utilised. Only the market capitalisation of eligible listed share classes will be considered. Foreign-listed and unlisted shares are disregarded. In addition, in order to preserve investability for low-float securities, each low-float security's Total Shares Outstanding ("TSO") will be capped at three times the number of its free-floating shares. Modified market capitalisation is therefore determined as follows:

(i) For direct (non-ADR) listings, modified market capitalisation is determined using the security's price along with the lesser of the reported TSO, or three times the number of free-floating shares.

(ii) For Primary or Non-Primary ADRs, modified market capitalisation is determined using the security's price along with the lesser of the listed ADR shares reported by the depositary banks, or three times the number of free-floating ADR shares.

For any company represented by more than one security, the company's modified market capitalisation is the combined modified market capitalisation of those securities.

Fast Entry

A security that is not already an index constituent may be added to the Index on an expedited basis ("Fast Entry") if its full market capitalisation ranks within the top 40 current Index constituents. A Fast Entry inclusion will not require the removal of another security, and may temporarily increase the constituent count to more than 100.

Annual Reconstitution and Rebalance

The Index Securities are reviewed annually in December. The above eligibility criteria are applied and all eligible securities are ranked (based on full market capitalisation) using market data and total shares outstanding as of the last trading day of November (the "Reconstitution Reference Date"). During the annual review process, those issuers that are ranked within the top 75 of all eligible issuers at the annual review are retained in the Index, and the remaining issuers ranked within the top 100 which are currently Index constituents are also retained in the Index. In the event that fewer than 100 issuers pass the foregoing criteria, the Index will be filled by those, in order, ranked between 101 and 125 which were in the top 100 at the previous annual review or were added subsequent to the previous annual review. Thereafter, if fewer than 100 issuers have been included in the Index, the index will be filled by those, in order, ranked within the top 100 which are not currently Index constituents.

Annual index reconstitutions become effective after the close of trading on the third Friday in December.

Once the constituent selection is complete, initial weights for each security are determined based on the modified market capitalization, as of the Reconstitution Reference Date. If any company's initial weight exceeds 24%:

<u>Company-Level Weighting Constraints</u>

Stage 1: The weights are adjusted such that no company's weight exceeds 20%.

Stage 2: Any resulting company weights that exceed 4.5% are added together. If the sum of those weights is 48% or greater, then that group of companies will have its aggregate weight adjusted down to 40%. In order to preserve the rank order of the initial company weights, companies whose initial weights were below 4.5% may also experience a downward adjustment.

If either company-level constraint remains breached after application of this two-stage process, then the process is repeated until the weights satisfy both constraints.

<u>Security-Level Weighting Constraints</u>

Weights resulting from the application of company-level constraints are further adjusted to satisfy the following security-level constraints:

Stage 1: If any security's initial weight exceeds 15%, then the weights are adjusted such that no security's weight exceeds 14%.

Stage 2: The five largest resulting security weights are added together. If their sum is 40% or greater, then that group of securities will have its aggregate weight adjusted down to 38.5%. In order to preserve the rank order of the security weights, the final index weight of any security

outside the five largest will be capped at the lesser of 4.4% or the weight of the fifth-largest security.

If either security-level constraint remains breached after application of this two-stage process, then the process is repeated until the weights satisfy both constraints.

March, June, and September Rebalance

A Rebalance is conducted in March, June, and September. Index constituents ranked by the full market capitalization outside the top 125 will be removed from the Index based on:

1. The lowest ranked company outside the top 125 is removed first.

2. If the resulting number of constituents is less than 100, the removed company will be replaced by the company with the largest full market capitalization that meets all the eligibility criteria.

After all index constituents ranked outside of the top 125 have been removed from the Index and replaced, any additional remaining companies ranked within the top 40 of the full market capitalization of current index constituents, that were not added in Step 2 above, will be added to the Index without requiring additional removals. This may temporarily increase the constituent count to more than 100.

Once these adjustments are completed, initial weights are calculated based on the modified market capitalization, and the following company-level weighting constraints are applied:

Company-Level Weighting Constraints

Stage 1: If any company's initial weight exceeds 24%, then the weights are adjusted such that no company's weight exceeds 20%.

Stage 2: Any resulting weights exceeding 4.5% are added together. If their sum is 48% or greater, then that cohort of companies will have its aggregate weight adjusted down to 40%. In order to preserve the rank order of the initial company weights, companies whose initial weights were below 4.5% may also experience a downward adjustment.

If either company-level constraint remains breached after application of this two-stage process, then the process is repeated until the weights satisfy both constraints.

Index Security Removal and Replacement

If at any time other than during the above rebalancing process, the Index Provider determines that a security is ineligible for inclusion in the Index, such security will be removed from the Index as soon as possible. Circumstances under which such removal may occur include: (1) the security is listed on an ineligible exchange; (2) the security is classified as a financial company.

Where there is such removal, securities may also be added to the Index. Where an issuer is removed in its entirety from the Index, its securities are replaced as soon as practicable with the issuer with the largest full market capitalisation and that meets all eligibility criteria as of the prior month end which is not in the Index.

Index Constituents

You can obtain the most updated list of the constituents of the Index and their respective weightings from the website https://business.nasdaq.com/intel/indexes/research/nasdaq-global-index-policies/index.html.

Additional information of the Index including the index methodology and the closing level of the Index can be obtained from the website www.nasdaq.com. (These websites have not been reviewed by the SFC).

Index Code

Bloomberg: NDX

Comparison between the Index and the two-time inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

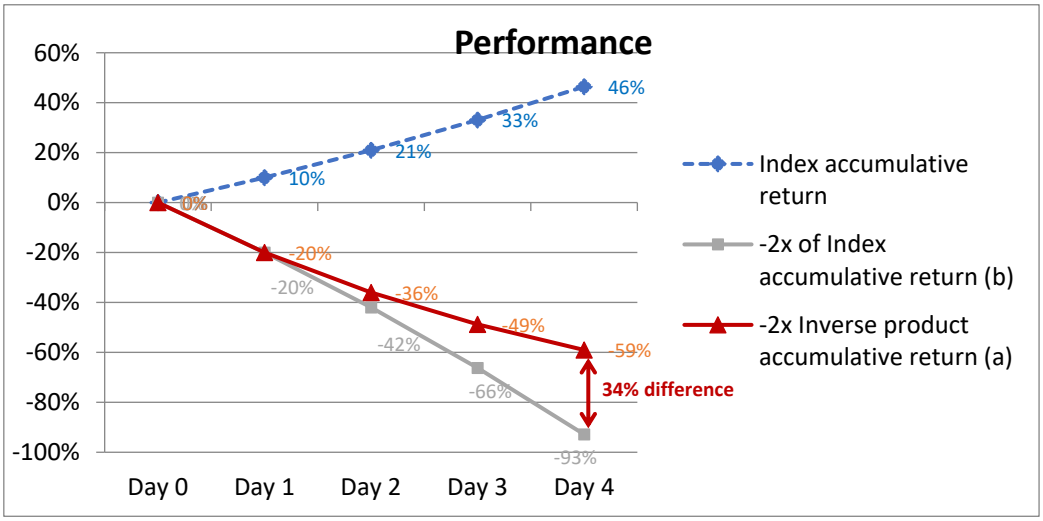
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Index. As such, the Product's performance may not track -2x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

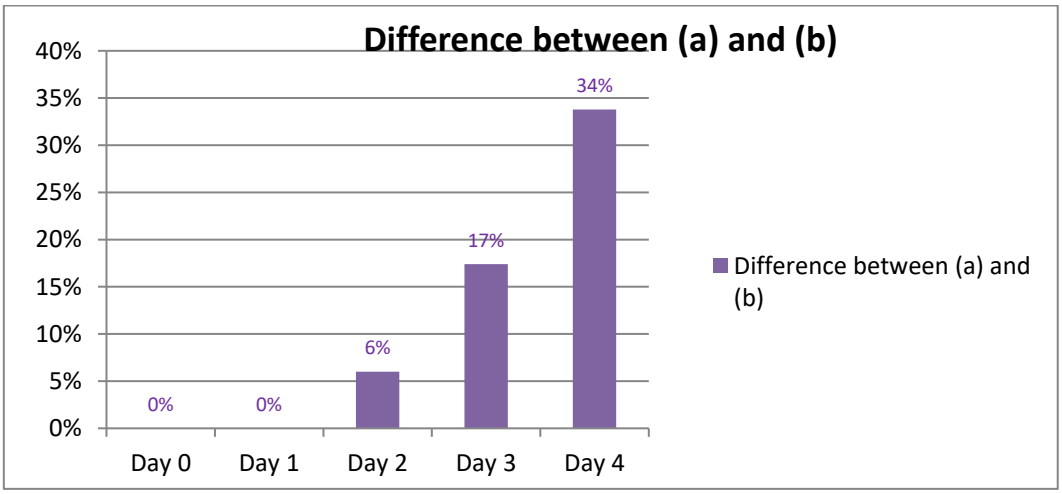
In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

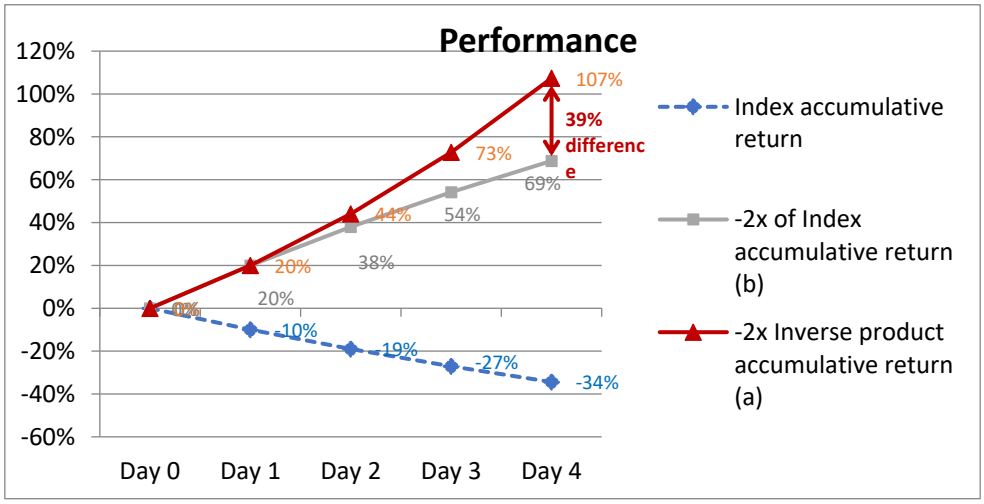


Scenario 2: Downward trending market

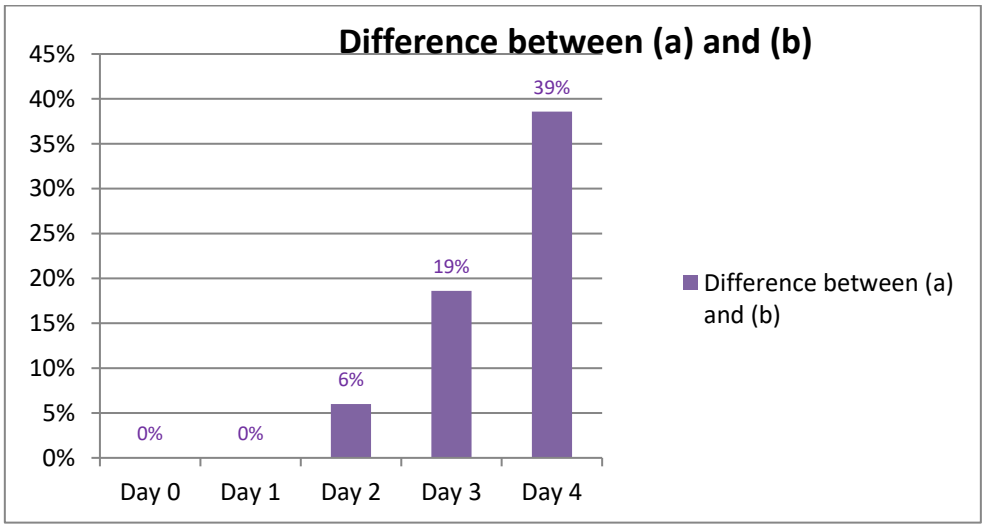
In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

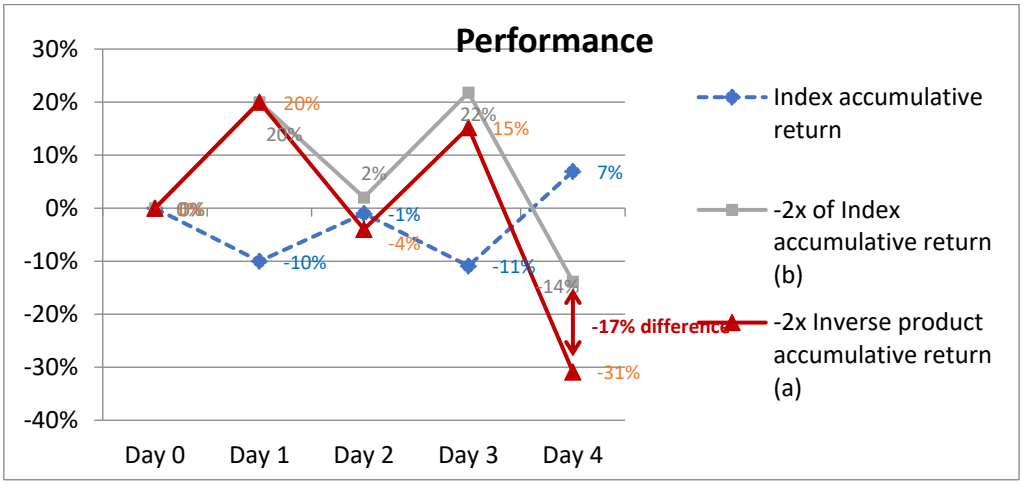


Scenario 3: Volatile upward trend

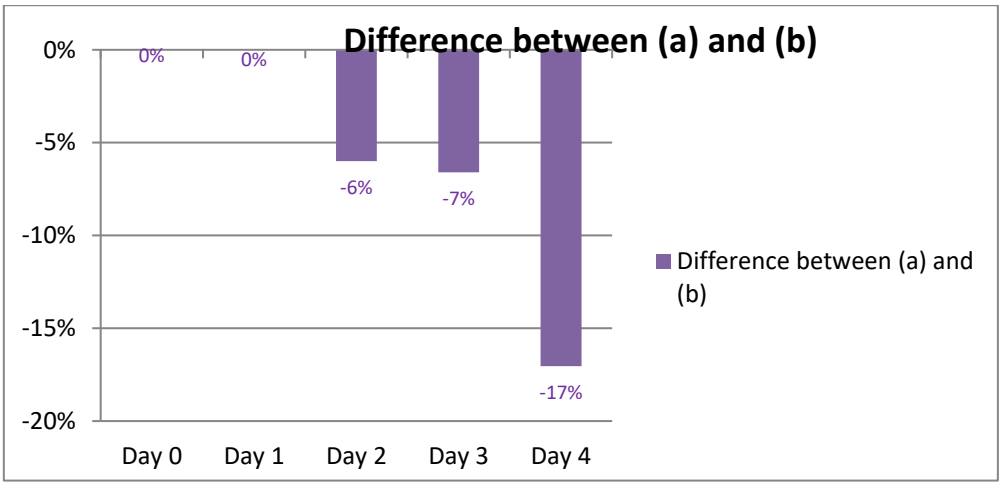
In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

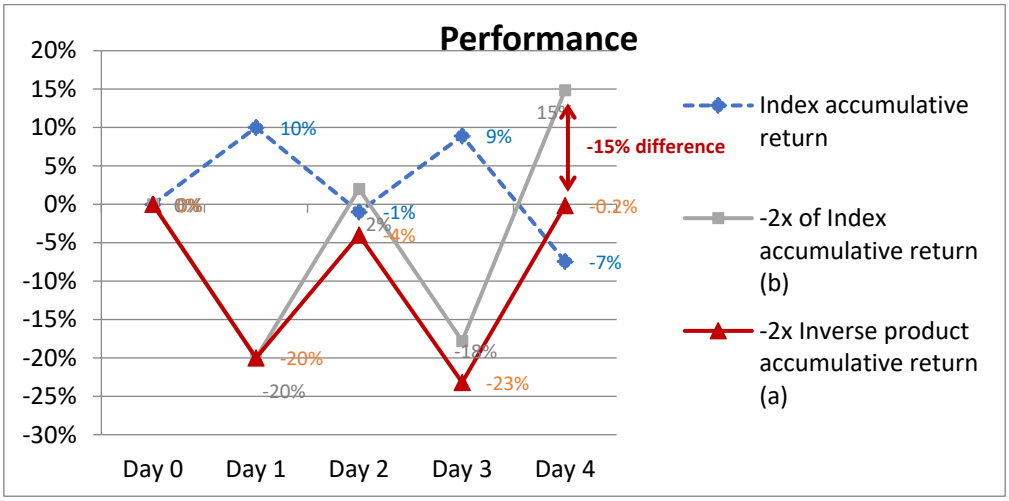


Scenario 4: Volatile downward trend

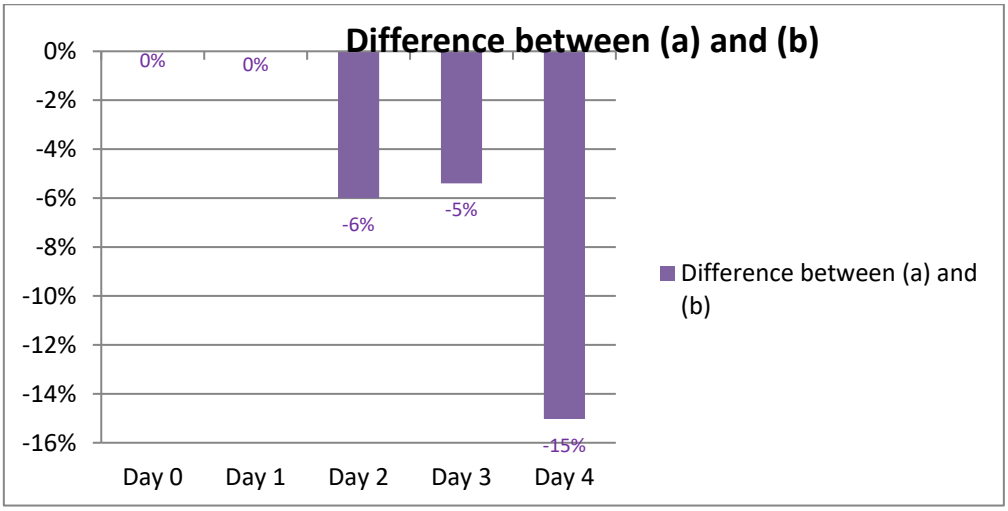
In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

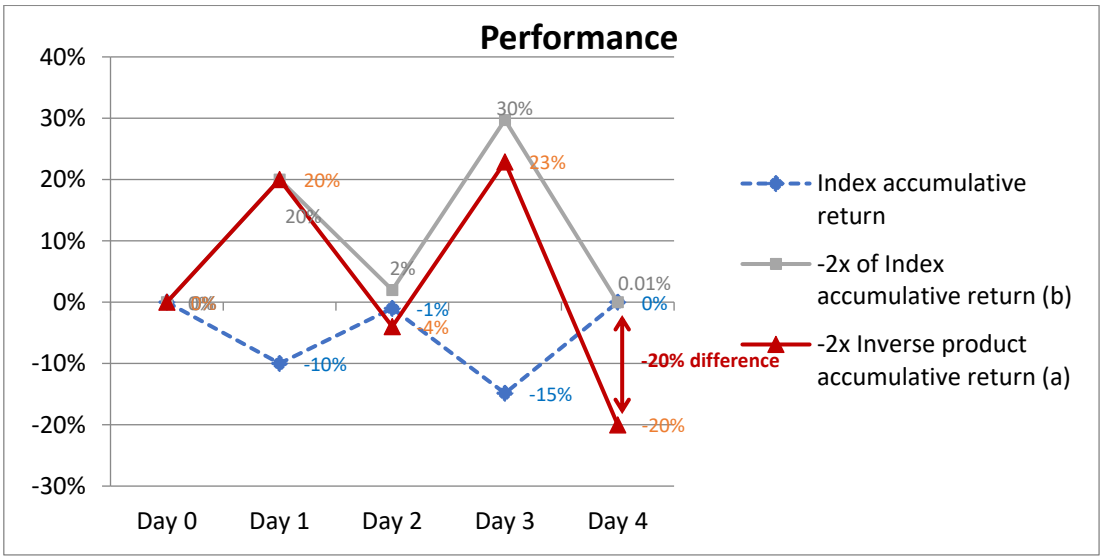


Scenario 5: Volatile market with flat index performance

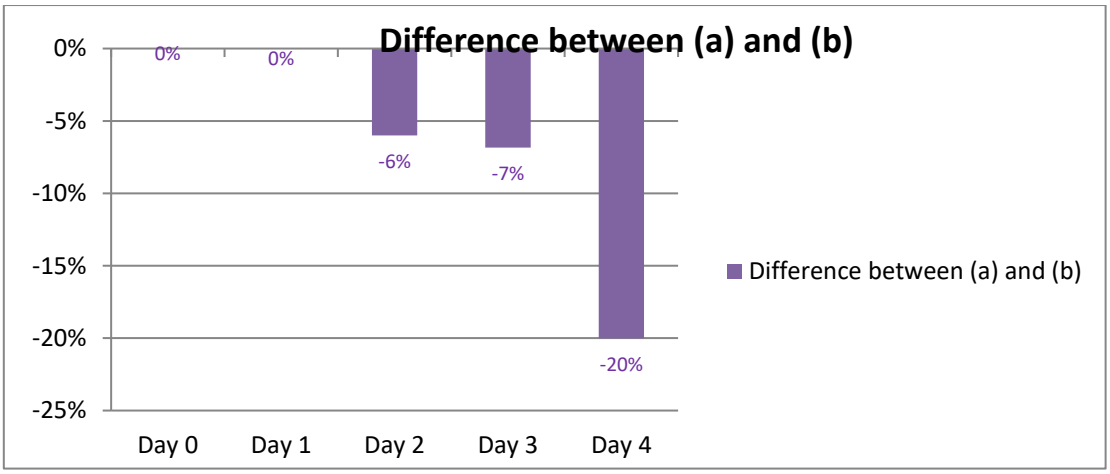
In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Index over a period longer than 1

Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the two times inverse (-2x) performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at www.csopasset.com/en/products/i-2xndx which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the two times inverse (-2x) Daily performance of the Index, when comparing the Index and the -2x performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Index will not be equal to the simple -2x performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the -2x performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (2x Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Index. That is, the Net Asset Value of the Product will fall by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Index.

Index Licence Agreement

The licence of the Index commenced on 25 July 2019 and should continue for 1 year. After the expiration of the initial term, the licence will be automatically renewed for successive terms of 1 year unless either party gives at least 90 days' notice of termination 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 Disclaimer

The CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (the "Product") is not sponsored, endorsed, sold or promoted by NASDAQ, Inc.. or its affiliates (Nasdaq, with its affiliates, is referred to as "NASDAQ"). NASDAQ has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Product. NASDAQ makes no representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the Index to track general stock market performance. NASDAQ's only relationship to the Product and CSOP Asset Management Limited ("CSOP") is in the licensing of certain trademarks and trade names of NASDAQ and the use of the Index which is determined, composed and calculated by NASDAQ without regard to CSOP or the Product. NASDAQ has no obligation to take the needs of CSOP or its affiliates or the owners of the Product into consideration in determining, composing or calculating the Index. NASDAQ is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. NASDAQ has no liability in connection with the administration, marketing or trading of the Product.

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The Offering Phases

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK will commence on the Listing Date, which is 19 September 2019.

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 9:30 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 on their behalf.

Please refer to the section on "The Offering Phases" in Part 1 for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

After listing (period commences on the Listing Date)	

• All investors may start trading 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	• 9:30 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD is expected to begin on 19 September 2019.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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 www.csopasset.com/en/products/i-2xndx.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website www.csopasset.com/en/products/i-2xndx and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD to HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.50% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately USD3-5 per Future Contract levied by the broker.

The above rates will amount to approximately 0.10% per annum of the Net Asset Value and may increase to approximately 0.30% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the Index could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the

Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Index over that same period (e.g. the loss may be more than 2 times the increase in the Index). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the Index for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities and the leverage effect.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading at or around the close of the trading of the E-mini NASDAQ 100 Futures on each Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Price Limit Risk

If the price of the E-mini NASDAQ 100 Futures included in the Product's portfolio and/or or the price of constituents of the NASDAQ hit certain price limits, depending on the time of the day and the limit being reached, the trading of the E-mini NASDAQ 100 Futures may be limited within the set price limits, suspended for a short period of time, or suspended for the remainder of the trading day. This may affect the Product's tracking of the two-times inverse performance of the Index, and, if a trading halt takes place near the end of a trading day, may result in imperfect Daily rebalancing.

Difference in Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to the two-times inverse (-2x) Daily performance of the Index. Although the Index is an equity index, the Product invests in E-mini NASDAQ 100 Futures. The daily price limit for the NASDAQ (which is triggered when the price of the S&P 500 Index drops 20% in a day) and the daily price limit for the E-mini NASDAQ 100 Futures (which may be triggered by 7%, 13%, 20% declines or 5% up and down changes of the price of the E-mini NASDAQ 100 Futures, depending on the time of the day) are different, as they are triggered at different price changes. Please refer to the section "What are E-mini NASDAQ 100 Futures?" above for further details of the price limits for the E-mini NASDAQ 100 Futures. As such, should the Index's daily price movement be greater than the price limit of the E-mini NASDAQ 100 Futures, the Product may not be able to achieve its investment objective as the E-mini NASDAQ 100 Futures are unable to deliver a return beyond their price limit.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Time Differences Risk

As the CME may be open when Units in the Product are not priced, the value of the E-mini NASDAQ 100 Futures in the Product's portfolio, or the value of constituents in the Index to which such futures contracts are linked, may change on days when investors will not be able to purchase or sell the Product's Units. Differences in trading hours between the CME and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

The NASDAQ and the CME have different trading hours. Trading of the Index constituents closes earlier than trading of the E-mini NASDAQ 100 Futures. There may be imperfect correlation

between the value of the Index constituents and the E-mini NASDAQ 100 Futures, which may prevent the Product from achieving its investment objective.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. This effect may be more pronounced in products with higher leverage ratio. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Contango and Backwardation Risk

The process of rolling will subject the Product to "contango" and backwardation risks. As the E-mini NASDAQ 100 Futures come to expiration, they are replaced by contracts that have a later expiration. For example, a Futures Contract may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in June by buying the March contract and entering into a short position of the June contract. Excluding other considerations, if the market for these contracts is in "contango", where the prices are higher in the distant expiration months than in the nearer expiration months, the purchase of the March contract would take place at a price that is lower than the price of the June contract. Accordingly proceeds from closing out the March short position when rolling (buying and then selling the E-mini NASDAQ 100 Futures) would take place at a price that is lower than the price of the June contract, thereby creating a positive "roll yield". By contrast, if the market for these contracts is in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the closing of the March short position would take place at a price that is higher than the price of the June contract. Accordingly the closing out of the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is higher than the price of the June contract, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

Margin Risk

Generally investment in Futures Contracts involves the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. A futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction

against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Holding of Futures Contracts Restriction Risk

The holding by a person for his own account, or for another person but which he controls, of particular type of Futures Contracts or stock options contracts may be limited by regulation. A person shall not hold more than 50,000 E-mini NASDAQ 100 Futures net long or short in all contract months combined, which is the initial limit and any extension is subject to approval. As such, the positions held by a Product and controlled by the Manager (i.e. of other products) may not in aggregate exceed the relevant maximum. Because Unitholders do not themselves hold Futures Contracts or control the Product, holdings of Units by a Unitholder will not render such Unitholder to be subject to the requirements of the relevant regulation. Whilst the Manager does not anticipate that this will have any immediate effect on a Product, if the Net Asset Value of a Product grows significantly the restrictions under the relevant regulation may prevent creations of Units due to the inability under the relevant regulation of the Product to acquire further Futures Contracts. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Inverse Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than two times inverse performance of an index. Should the value of the underlying Securities of the Index increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely

correspond to the two times inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Index over a certain period may not be equal to the point-to-point two times inverse performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such, the performance of the Product is not two times inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Index.

Concentration Risk, US Markets Risk and NASDAQ-100 Constituents Risk

Due to the concentration of the Index in the technology sector, which is characterised by relatively higher volatility in price performance when compared to other economic sectors, the performance of the Index may be more volatile when compared to other broad-based stock indexes. The price volatility of the Product may be greater than the price volatility of exchange traded funds tracking more broad-based indices.

The Product's investments will be concentrated in the US. The US securities markets may be more volatile than other securities markets, which may adversely affect the Product.

Technology companies are characterised by periodic new product introductions, innovations and evolving industry standards, and, as a result, face intense competition, which may have an adverse effect on profit margins. Companies in the technology sector are often smaller and less experienced companies and may be subject to greater risks than larger companies; these risks may be heightened for technology companies in non-US markets. Technology companies may have limited product lines, markets, financial resources or personnel. The products of technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, changes in consumer and business purchasing patterns, unpredictable changes in growth rates and competition for the services of qualified personnel. In addition, a rising interest rate environment tends to negatively affect companies in the technology sector because, in such an environment, those companies with high market valuations may appear less attractive to investors, which may cause sharp decreases in the companies' market prices. Companies in the technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies. The technology sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors. Finally, while all companies may be susceptible to network security breaches, certain companies in the technology sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Suspension of Creation Risk

There can be no assurance that there are sufficient E-mini NASDAQ 100 Futures in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the E-mini NASDAQ 100 Futures, and delay or disruption in execution of trades or in settlement of trades.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive

investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Foreign Exchange Risk

The Product's Base Currency is in USD but has Units traded in HKD. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading units in the secondary market.

USD Distributions Risk

Investors should note that Unitholders will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 7: CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index
Index	Hang Seng TECH Index (the "Index")
Initial Offer Period	9:30 a.m. (Hong Kong time) of 8 December 2020 to 4:00 p.m. (Hong Kong time) of 8 December 2020, or such other date as the Manager may determine
Initial Issue Date	9 December 2020, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	HKD 7.75
Listing Date (SEHK)	Expected to be 10 December 2020, but may be postponed by the Manager to a date no later than 22 January 2021
Exchange Listing	SEHK – Main Board
Stock Code	7226
Short Stock Name	XL2CSOPHSTECH
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital.

	All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 400,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2021. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2021 and 30 June 2021 respectively.)
Website	http://www.csopasset.com/en/products/hk-hst-l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will use a Swap-based synthetic replication strategy by investing in Swaps as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Other than Swaps, the Manager may invest in financial derivative instruments (mainly forwards) for hedging purposes, including the currency hedging demand. The Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for non-hedging (i.e. investment) purposes.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code on Unit Trusts and Mutual Funds (the "**Code**").The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Manager intends to adopt a Swap-based synthetic replication strategy to achieve the investment objective of the Product, pursuant to which the Product will enter into more than one partially-funded Swap (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparty) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Index (net of transaction costs).

No more than 40% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps. Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Not less than 50% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

No more than 10% of the Net Asset Value may be invested in collective investment scheme which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. Any investments in ETFs 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. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit.

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

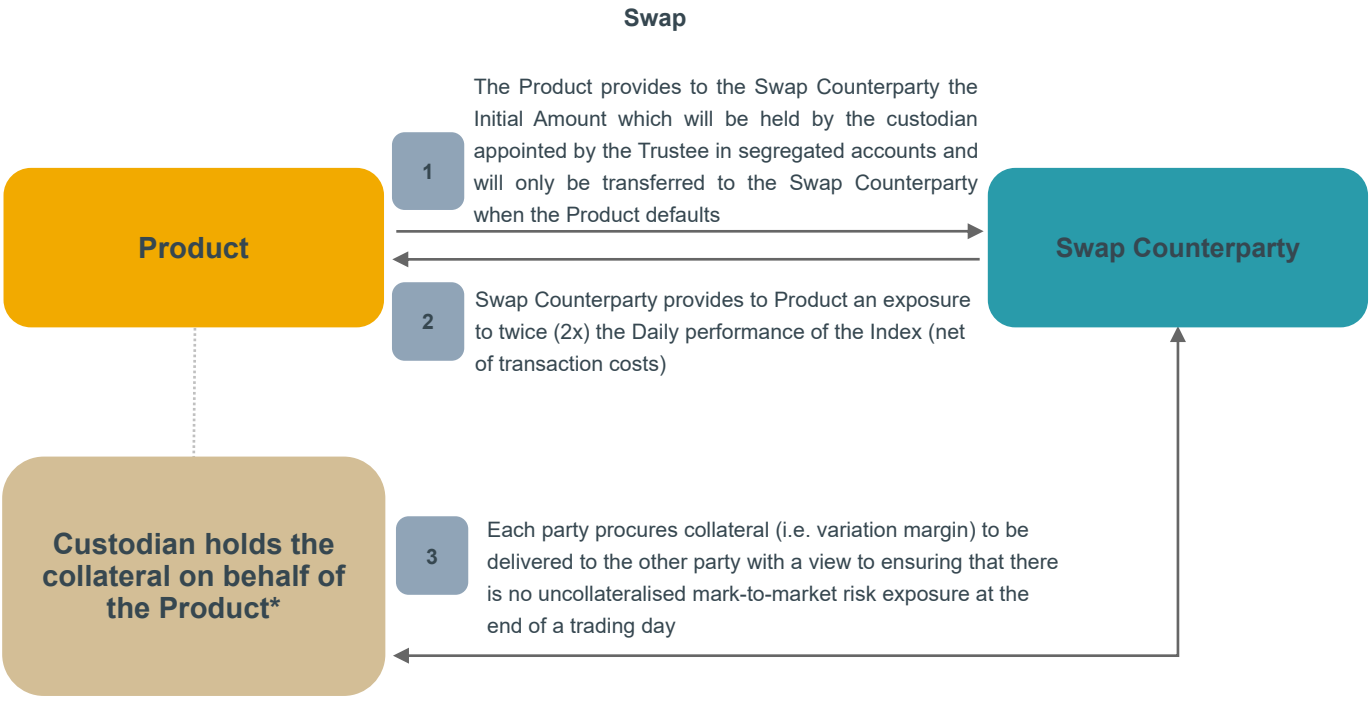
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the

difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product)

has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. MORGAN SECURITIES PLC	United Kingdom	AA-
SOCIETE GENERALE	France	A
CICC FINANCIAL TRADING LIMITED#	Hong Kong	BBB+
CITIGROUP GLOBAL MARKETS LIMITED	United Kingdom	A+
BNP PARIBAS	France	A+
HSBC Bank Plc	England & Wales	A+
Nomura Singapore Limited	Singapore	A-

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the

Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at http://www.csopasset.com/en/products/hk-hst-l (which has not been reviewed by the SFC).

The parent company of CICC Financial Trading Limited, China International Capital Corporation (International) Limited, has provided an unconditional and irrevocable guarantee as the guarantor of CICC Financial Trading Limited to guarantee the performance of the obligations of CICC Financial Trading Limited under the Swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any Swap transaction is outstanding. Both CICC Financial Trading Limited and China International Capital Corporation (International) Limited are wholly owned subsidiaries of China International Capital Corporation Limited, which is prudentially regulated and supervised by the CSRC.

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at http://www.csopasset.com/en/products/hk-hst-l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing,

unless due to market movements.

Swap Fees

The swap fees, including all costs associated with Swap transactions, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the relevant Index. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK is open for trading (i.e. a Business Day). At or around the close of trading of the SEHK on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Index's Daily gains or reducing exposure in response to the Index's Daily losses, so that its Daily leveraged exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the Index by the end of trading of the SEHK. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the Index increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the Index falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily Index change (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The objective of the Index is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, ecommerce, digital, or autonomous.

The Index adopts a free float-adjusted market capitalisation weighted methodology, with a 8% cap on individual non-foreign companies constituent, 4% cap on individual foreign companies constituent and 10% cap on aggregate foreign companies constituents. The weighting of a constituent may exceed the cap level after the rebalancing date due to price movement. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As of 27 February 2026, it had a total free-float market capitalisation of HKD 3,571.28 Billion and 30 constituents.

The Index was launched on 27 July 2020 and had a base level of 3,000 on 31 December 2014.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK.

Constituent Eligibility

The universe of securities of the Index includes securities of companies listed on the Main Board of the SEHK, but excludes secondary-listed Foreign Companies and investment companies listed under Chapter 21 of the SEHK's Main Board Listing Rules.

"**Foreign Companies**" are companies which are (i) incorporated outside Hong Kong; (ii) non-Chinese Mainland companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Chinese Mainland, or Taiwan.

A security is eligible for constituent selection if it fulfils the following eligibility criteria:

(A) Turnover requirements – Velocity Test for Tradable Indexes

A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month.

For each security, its turnover velocity in each of the past 12 months is calculated using the following formula:

$$\text{Velocity} = \frac{\text{Median of Daily Traded Shares in Specific Calendar Month}}{\text{Freefloat} - \text{adjusted Issued Shares at Month-end}}$$

For the denominator used in velocity calculation, freefloat-adjusted issued shares at the end of each month is used.

(1) For new constituents:

A security should fulfil the following criteria:

- velocity is a minimum of 0.1% for at least 10 out of the past 12 months, and
- velocity is a minimum of 0.1% in for the latest three months.

(2) For existing constituents:

A security should fulfil the following criteria:

(a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months

(b) if a constituent fails to meet the turnover requirement as mentioned in (a), a supplementary turnover test will be applied for those months in which its velocity was less than 0.1%:

(i) calculate the monthly aggregate turnover of the constituent;

(ii) if the monthly aggregate turnover is among the top 90th percentile of the total market*, the constituent passes the monthly turnover test for that month.

(c) the constituent will be regarded as meeting the turnover requirement if (a) is fulfilled after applying (b) as a supplementary test.

* Total market includes securities in the universe of the Hang Seng Composite Index.

(3) For a security with a trading history of less than 12 months, or a security which has been suspended for any complete month(s), or a security that has transferred from GEM to the Main Board in the past 12 months before the review data cut-off date, the following requirements replace those in sections (1) and (2):

Trading Record	**Measurements^**
< **6 months**	attain a minimum velocity of 0.1% for all trading months
≥ 6 months	(1) no more than one month in which security has failed to attain a velocity of at least 0.1% AND

	(2)	attained 0.1% for the latest three months if it is not an existing constituent

^ For existing constituents, the supplementary turnover test as described in section (2) (b) also applies

(B) Sector Requirements

The constituent should be classified in one of the following industries in the Hang Seng Industry Classification System: Industrials, Consumer Discretionary, Healthcare, Financials, Information Technology.

(C) Theme Requirements

The constituent should have high business exposure to at least one of the below Tech Themes: Internet (including Mobile), FinTech, Cloud, E-commerce, Digital, or Autonomous.

(D) Innovation Screening

The constituent should meet at least one of the below criteria:

- Technology-enabled business (e.g. via internet/ mobile platform); or
- Research & Development Expense to Revenue Ratio >=5%; or
- YoY Revenue Growth >=10%

The requirements under (B) to (D) are reviewed at least annually.

Constituent Selection

Selection Criteria: The top 30 securities with the highest MV Rank (as described below) will be selected as constituents.

The market value ("MV") of eligible securities will be used for ranking. It does not include other listed share classes of the same company. For example, MV of an H-shares security is calculated only based on the H-shares.

The MV of a security refers to the average market value of the past 12 month-ends of any review period. For securities with a listing history of less than 12 months, the MV refers to the average of the past month-ends since the securities listed.

The MV will be sorted in descending order to get the MV Rank.

Buffer Zone: Existing constituents ranked lower than 36th will be removed from the Index, while non-constituents ranked 24th or above will be included;

Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30.

Index Reviews

HSIL undertakes regular quarterly reviews of the Index Constituents with data cut-off dates of end of March, June, September and December each year.

A newly listed security will be added to Index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. For ad-hoc removal, the outgoing constituent will be replaced by the highest ranked candidate from last regular review.

Index Securities of the Index

You can obtain the most updated list of the Index Constituents with their respective weightings and additional information of the Index from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hstech.

Index Code

Bloomberg: HSTECH

Comparison between the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

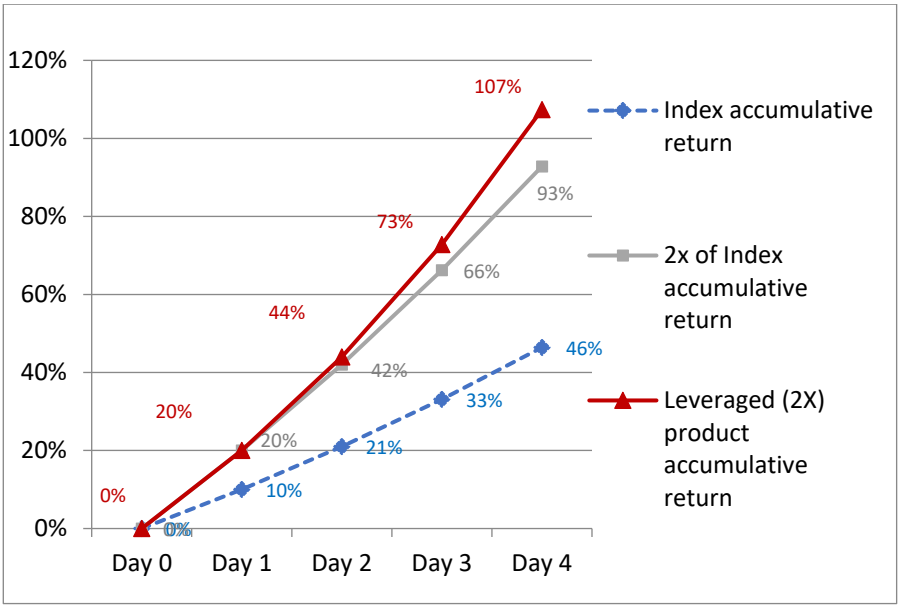
The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Index. As such, the Product's performance may not track twice the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.

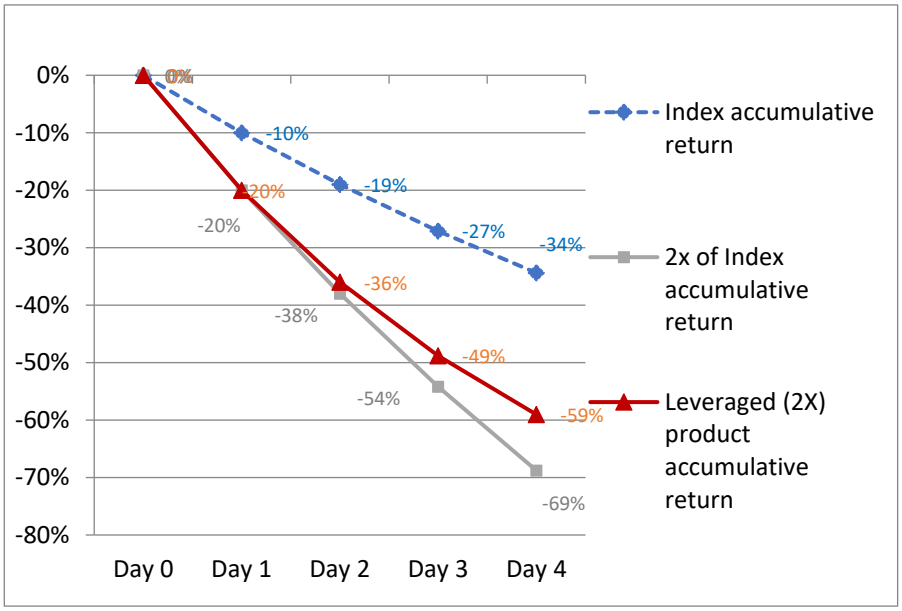


Scenario 2: Downward trending market

In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative Index loss. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.

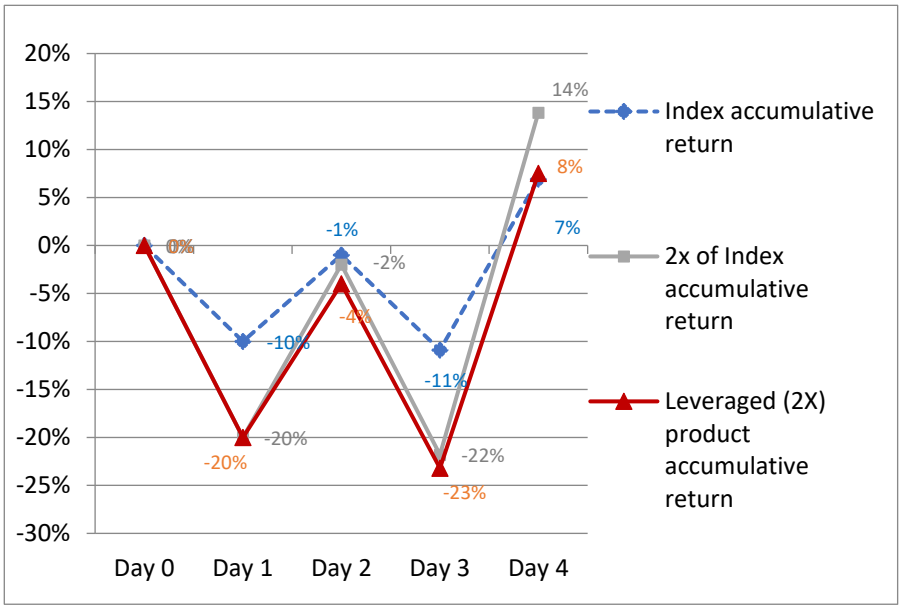


Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.

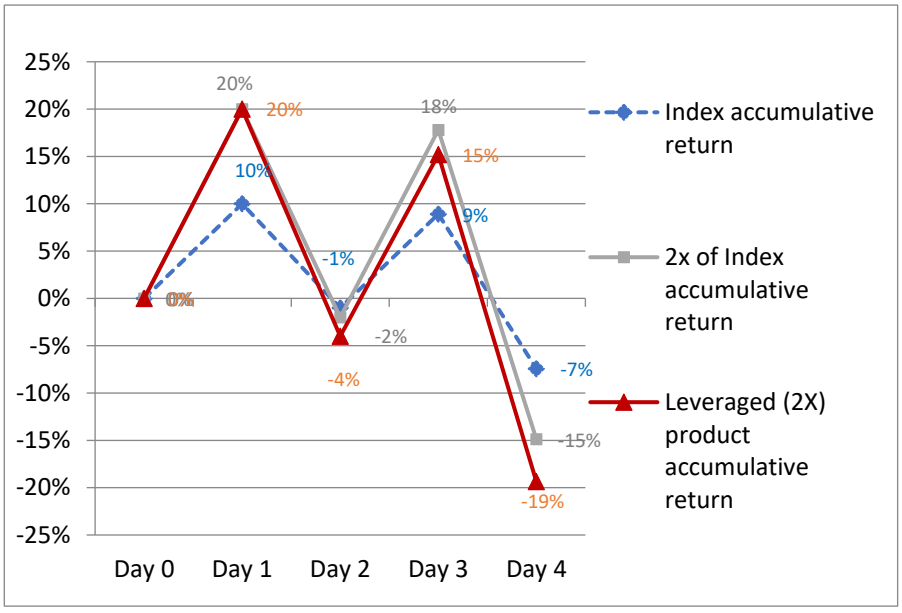


Scenario 4: Volatile downward trend

In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.

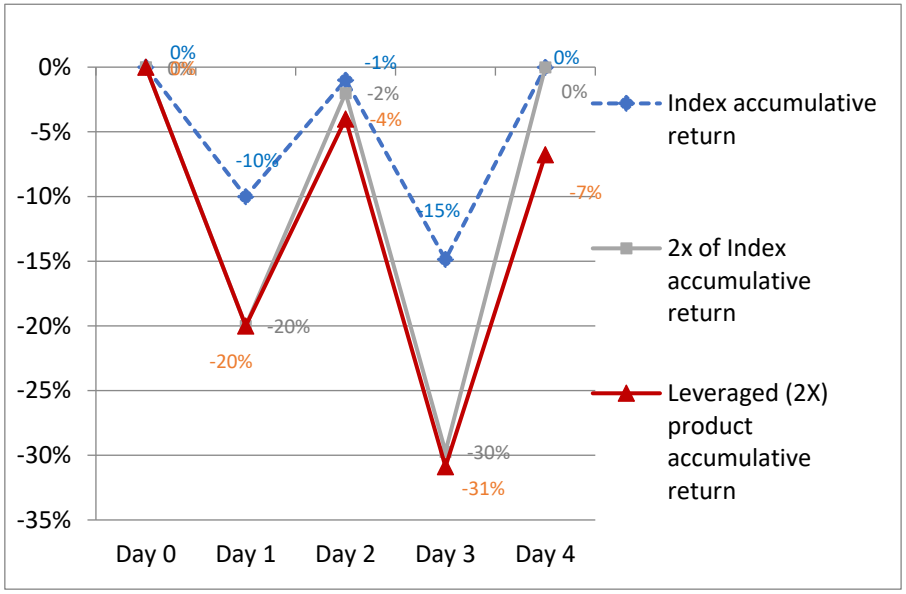


Scenario 5: Volatile market with flat index performance

In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the performance of the Index multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Index and may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at http://www.csopasset.com/en/products/hk-hst-l, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily leveraged performance of the Index, when comparing the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Index will not be equal to the simple leveraged performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the leveraged performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (Index with a leverage factor of two)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Index. That is, the Net Asset Value of the Product will rise by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Index multiplied by two.

Index Licence Agreement

The Manager has been granted a non-exclusive, non transferable licence pursuant to index licence agreement dated 24 November 2020 (the "Licence Agreement") entered into between the Manager and HSIL, to use the Index in connection with the issue, operation, marketing, promotion and distribution of the Product.

The Licence Agreement takes effect from its date and shall continue until terminated by either party under the circumstances listed below:

(a) HSIL may terminate the Licence Agreement forthwith if:

(i) the Manager breaches any of the provisions under the Licence Agreement and has not, in the case of a remediable breach, remedied the breach within 15 days of receiving notice in writing from HSIL and/or Hang Seng Data Services Limited ("HSDS") specifying the breach and requiring the same to be remedied;

(ii) the Manager is convicted of any criminal offence relating to the Product or to the trading of the Units of the Product;

(iii) the Manager is found by any governmental or other regulatory authority or organization to

be in breach of any law or any of the material rules of that authority or organization applicable from time to time to the Manager;

(iv) a resolution shall be adopted for the winding up of the Manager or the Manager shall be wound up compulsorily (otherwise than for the purpose of and followed by a voluntary amalgamation or reconstruction), or an encumbrancer shall take possession, or a receiver, administrator or like person shall be appointed, of the whole or any part of the undertaking or assets of the Manager, or the Manager shall be unable to pay its debts within the meaning of any applicable insolvency or similar legislation, or the Manager shall compound with or convene a meeting of its creditors or take or suffer similar action which, in the opinion of HSDS and/or HSIL, means that the Manager may be unable to pay its debts; or

(v) HSIL and/or HSDS are required by any applicable law or any applicable governmental body or regulatory authority not to grant or continue to grant the licence pursuant to this Agreement in respect of any Product.

(b) Either party may terminate the Licence Agreement if at least 3 months' prior written notice is given to the other party.

Index Disclaimer

The Hang Seng TECH Index is published and compiled by HSIL pursuant to a licence from HSDS. The mark and name "Hang Seng TECH Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng TECH Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng TECH Index Daily (2x) Leveraged Product, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG TECH INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG TECH INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng TECH Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG TECH INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG TECH INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG TECH INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng TECH Index Daily (2x) Leveraged Product in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng TECH Index Daily (2x) Leveraged Product. Any broker, holder or other person dealing with CSOP Hang Seng TECH Index Daily (2x) Leveraged Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:30 a.m. (Hong Kong time) on 8 December 2020 and ends at 4:00 p.m. (Hong Kong time) on 8 December 2020, or such other date as the Manager may determine.

The Listing Date is expected to be on 10 December 2020 but may be postponed by the Manager to a date no later than 22 January 2021.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 9:30 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

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	• 9:30 a.m. (Hong Kong time) on 8 December 2020 but may be postponed by the Manager to no later than 9:30 a.m. (Hong Kong time) on 20 January 2021
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 8 December 2020 but may be postponed by the Manager to no later than 4:00 p.m. (Hong Kong time) on 20 January 2021
After listing (period commences on the Listing Date)	

• All investors may start trading 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 December 2020, but may be postponed by the Manager to a date no later than 22 January 2021 • 9:30 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD are expected to begin on 10 December 2020.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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 http://www.csopasset.com/en/products/hk-hst-l.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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 http://www.csopasset.com/en/products/hk-hst-l and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" under the section in this Appendix.

Risk Factors Specific to the Product

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 Product.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Index over that same period (e.g. the loss may be more than twice the fall in the Index). The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the leveraged performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance increases or is flat.

New Index Risk

The Index is a new index. The Product may be riskier than other products tracking more established indices with longer operating history.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the underlying Securities of the Index. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Index because of the limited availability of Swaps linked to the performance, the leveraged performance of the underlying Securities of the Index, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the underlying index constituents, the Product may suffer losses potentially equal to, or greater than,

the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Index. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Index for the Product. Accordingly, the Product's exposure to the Index may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's

limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the constituents of the Index or Securities relating to the Index for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of Securities, in particular Securities relating to the Index, may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Leveraged Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than leveraged performance of an index. Should the value of the underlying Securities of the Index decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the Index (which has a leverage factor of

1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Index over a certain period may not be twice the point-to-point performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Index.

Concentration Risk

To the extent that the index constituents concentrates in Hong Kong listed securities (including H-shares and red chip shares) of a particular sector or market, the investments of the Product may be similarly concentrated. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse conditions in such particular market/sector.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Appendix dated 15 July 2026

APPENDIX 8: CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index
Index	Hang Seng TECH Index (the "Index")
Initial Offer Period	9:30 a.m. (Hong Kong time) of 8 December 2020 to 4:00 p.m. (Hong Kong time) of 8 December 2020, or such other date as the Manager may determine
Initial Issue Date	9 December 2020, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	HKD 7.75
Listing Date (SEHK)	Expected to be 10 December 2020, but may be postponed by the Manager to a date no later than 22 January 2021
Exchange Listing	SEHK – Main Board
Stock Code	7552
Short Stock Name	XI2CSOPHSTECH
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital.

	All Units will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 400,000 Units (or multiples thereof)
Dealing Deadline	4:10 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2021. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2021 and 30 June 2021 respectively.)
Website	http://www.csopasset.com/en/products/hk-hst-2i

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will use a Swap-based synthetic replication strategy by investing in Swaps as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Other than Swaps, the Manager may invest in financial derivative instruments (mainly forwards) for hedging purposes, including the currency hedging demand. The Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for non-hedging (i.e. investment) purposes.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code on Unit Trusts and Mutual Funds (the "**Code**").

The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Manager intends to adopt a Swap-based synthetic replication strategy to achieve the investment objective of the Product, pursuant to which the Product will enter into more than one partially-funded Swap (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparty) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Index (net of transaction costs).

No more than 40% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps. Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Not less than 50% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD or USD.

No more than 10% of the Net Asset Value may be invested in collective investment scheme which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. Any investments in ETFs 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. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit.

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

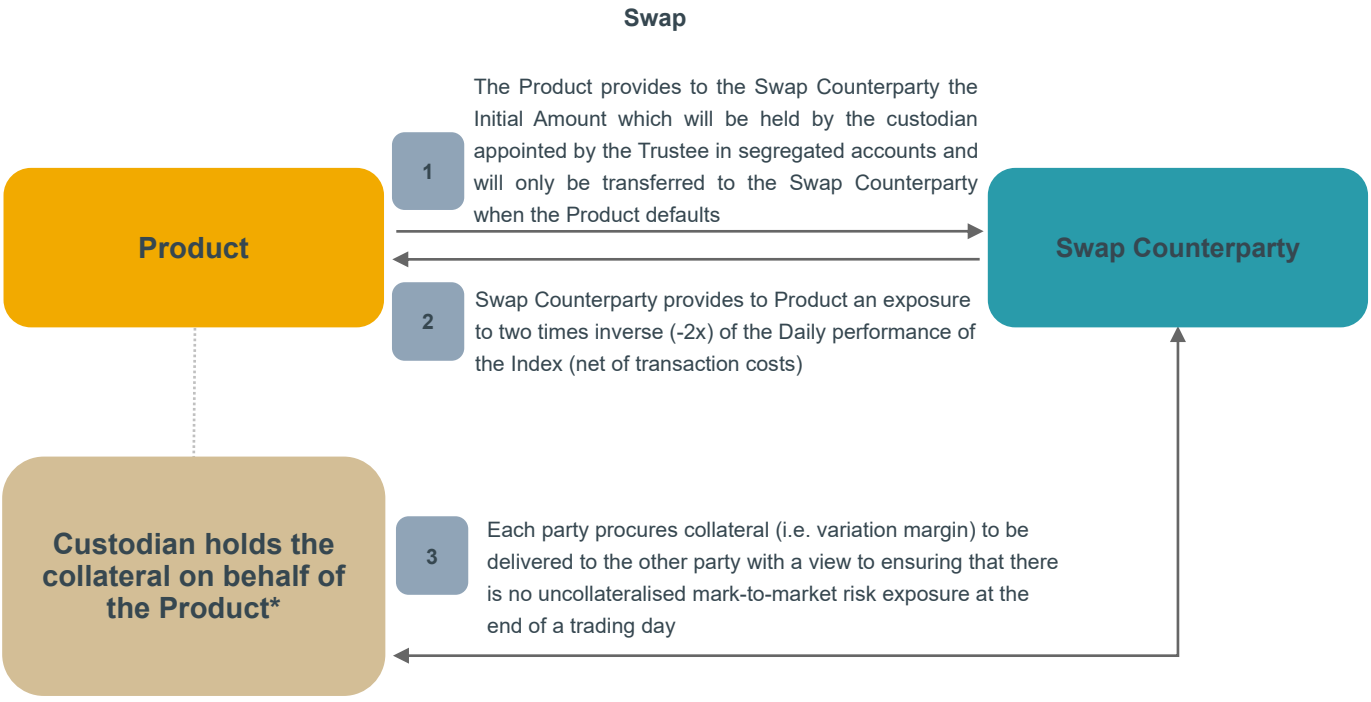
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the

difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or

"Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. MORGAN SECURITIES PLC	United Kingdom	AA-
SOCIETE GENERALE	France	A
CICC FINANCIAL TRADING LIMITED#	Hong Kong	BBB+
CITIGROUP GLOBAL MARKETS LIMITED	United Kingdom	A+
BNP PARIBAS	France	A+
HSBC Bank Plc	England & Wales	A+
Nomura Singapore Limited	Singapore	A-

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on

the Manager's website at http://www.csopasset.com/en/products/hk-hst-2i (which has not been reviewed by the SFC).

The parent company of CICC Financial Trading Limited, China International Capital Corporation (International) Limited, has provided an unconditional and irrevocable guarantee as the guarantor of CICC Financial Trading Limited to guarantee the performance of the obligations of CICC Financial Trading Limited under the Swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any Swap transaction is outstanding. Both CICC Financial Trading Limited and China International Capital Corporation (International) Limited are wholly owned subsidiaries of China International Capital Corporation Limited, which is prudentially regulated and supervised by the CSRC.

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at http://www.csopasset.com/en/products/hk-hst-2i (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The swap fees, including all costs associated with Swap transactions, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the relevant Index. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK is open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the SEHK, by decreasing exposure in response to the Index's two times inverse (-2x) Daily gains or increasing exposure in response to the Index's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the SEHK. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -200 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs an exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption

requests or defraying operating expenses.

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 on the Index

The objective of the Index is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, ecommerce, digital, or autonomous.

The Index adopts a free float-adjusted market capitalisation weighted methodology, with a 8% cap on individual non-foreign companies constituent, 4% cap on individual foreign companies constituent and 10% cap on aggregate foreign companies constituents. The weighting of a constituent may exceed the cap level after the rebalancing date due to price movement. The Index is a price return index without adjustments for cash dividends or warrant bonuses.

As of 27 February 2026, it had a total free-float market capitalisation of HKD 3,571.28 Billion and 30 constituents.

The Index was launched on 27 July 2020 and had a base level of 3,000 on 31 December 2014.

The Index is denominated in HKD.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Index is calculated on a 2-second basis during trading hours of the SEHK.

Constituent Eligibility

The universe of securities of the Index includes securities of companies listed on the Main Board of the SEHK, but excludes secondary-listed Foreign Companies and investment companies listed under Chapter 21 of the SEHK's Main Board Listing Rules.

"**Foreign Companies**" are companies which are (i) incorporated outside Hong Kong; (ii) non-Chinese Mainland companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Chinese Mainland, or Taiwan.

A security is eligible for constituent selection if it fulfils the following eligibility criteria:

(A) Turnover requirements – Velocity Test for Tradable Indexes

A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month.

For each security, its turnover velocity in each of the past 12 months is calculated using the following formula:

$$\text{Velocity} = \frac{\text{Median of Daily Traded Shares in Specific Calendar Month}}{\text{Freefloat} - \text{adjusted Issued Shares at Month-end}}$$

For the denominator used in velocity calculation, freefloat-adjusted issued shares at the end of each month is used.

(1) For new constituents:

A security should fulfil the following criteria:

- velocity is a minimum of 0.1% for at least 10 out of the past 12 months, and
- velocity is a minimum of 0.1% in for the latest three months.

(2) For existing constituents:

A security should fulfil the following criteria:

(a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months

(b) if a constituent fails to meet the turnover requirement as mentioned in (a), a supplementary turnover test will be applied for those months in which its velocity was less than 0.1%:

(i) calculate the monthly aggregate turnover of the constituent;

(ii) if the monthly aggregate turnover is among the top 90th percentile of the total market*, the constituent passes the monthly turnover test for that month.

(c) the constituent will be regarded as meeting the turnover requirement if (a) is fulfilled after applying (b) as a supplementary test.

* Total market includes securities in the universe of the Hang Seng Composite Index.

(3) For a security with a trading history of less than 12 months, or a security which has been suspended for any complete month(s), or a security that has transferred from GEM to the Main Board in the past 12 months before the review data cut-off date, the following requirements replace those in sections (1) and (2):

Trading Record	**Measurements^**
< **6 months**	attain a minimum velocity of 0.1% for all trading months

≥ 6 months	(1)	no more than one month in which security has failed to attain a velocity of at least 0.1%
	AND	
	(2)	attained 0.1% for the latest three months if it is not an existing constituent

^ For existing constituents, the supplementary turnover test as described in section (2) (b) also applies

(B) Sector Requirements

The constituent should be classified in one of the following industries in the Hang Seng Industry Classification System: Industrials, Consumer Discretionary, Healthcare, Financials, Information Technology.

(C) Theme Requirements

The constituent should have high business exposure to at least one of the below Tech Themes: Internet (including Mobile), FinTech, Cloud, E-commerce, Digital, or Autonomous.

(D) Innovation Screening

The constituent should meet at least one of the below criteria:

- Technology-enabled business (e.g. via internet/ mobile platform); or
- Research & Development Expense to Revenue Ratio >=5%; or
- YoY Revenue Growth >=10%

The requirements under (B) to (D) are reviewed at least annually.

Constituent Selection

Selection Criteria: The top 30 securities with the highest MV Rank (as described below) will be selected as constituents.

The market value ("MV") of eligible securities will be used for ranking. It does not include other listed share classes of the same company. For example, MV of an H-shares security is calculated only based on the H-shares.

The MV of a security refers to the average market value of the past 12 month-ends of any review period. For securities with a listing history of less than 12 months, the MV refers to the average of the past month-ends since the securities listed.

The MV will be sorted in descending order to get the MV Rank.

Buffer Zone: Existing constituents ranked lower than 36th will be removed from the Index, while non-constituents ranked 24th or above will be included;

Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30.

Index Reviews

HSIL undertakes regular quarterly reviews of the Index Constituents with data cut-off dates of end of March, June, September and December each year.

A newly listed security will be added to Index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. For ad-hoc removal, the outgoing constituent will be replaced by the highest ranked candidate from last regular review.

Index Securities of the Index

You can obtain the most updated list of the Index Constituents with their respective weightings and additional information of the Index from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hstech.

Index Code

Bloomberg: HSTECH

Comparison between the Index and the two-time inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

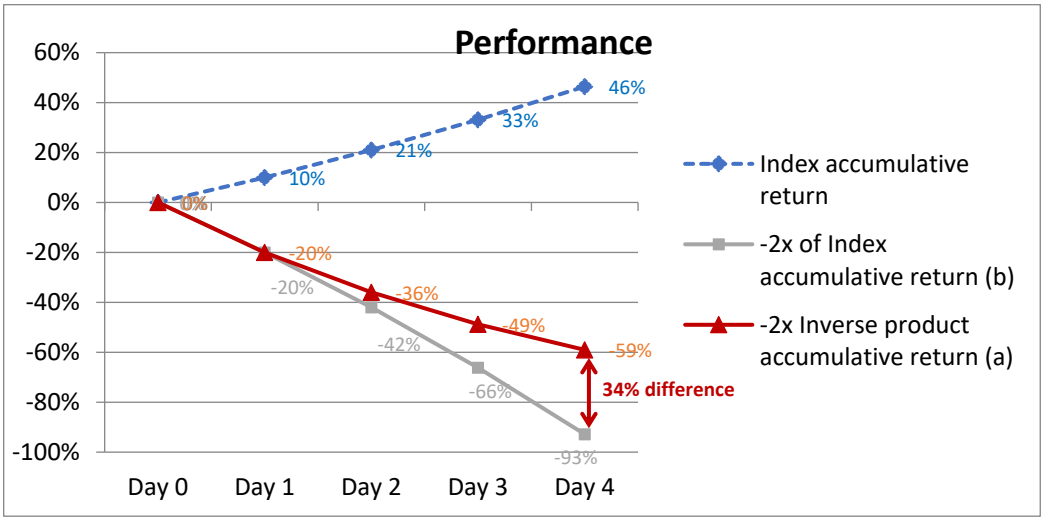
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Index. As such, the Product's performance may not track -2x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

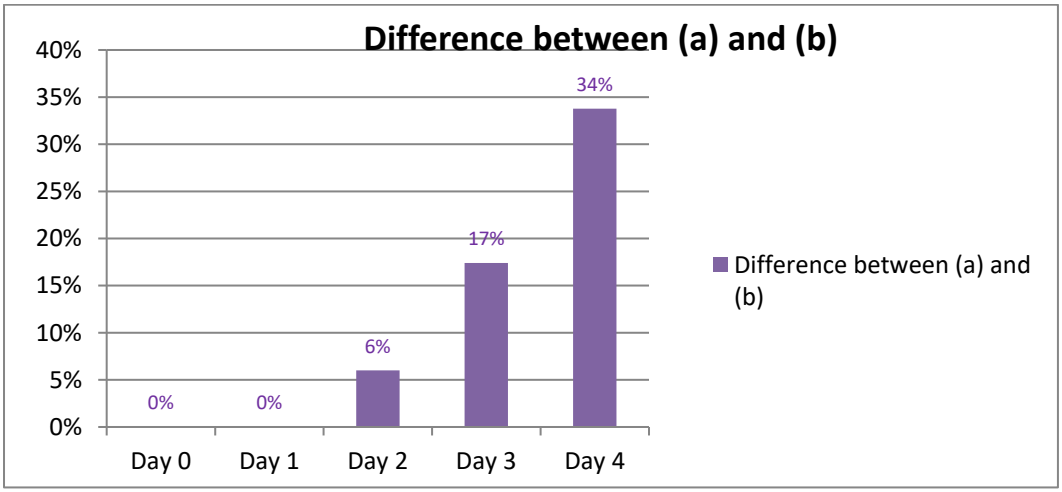
In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

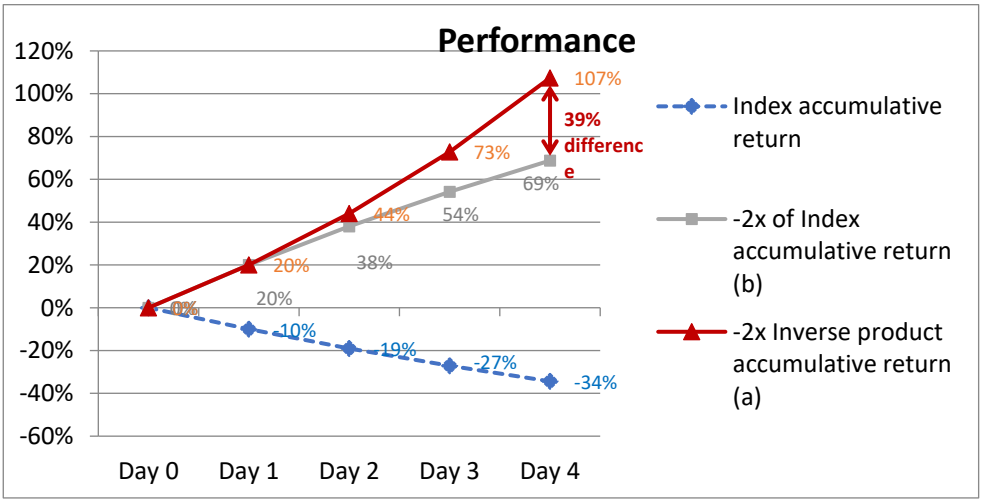


Scenario 2: Downward trending market

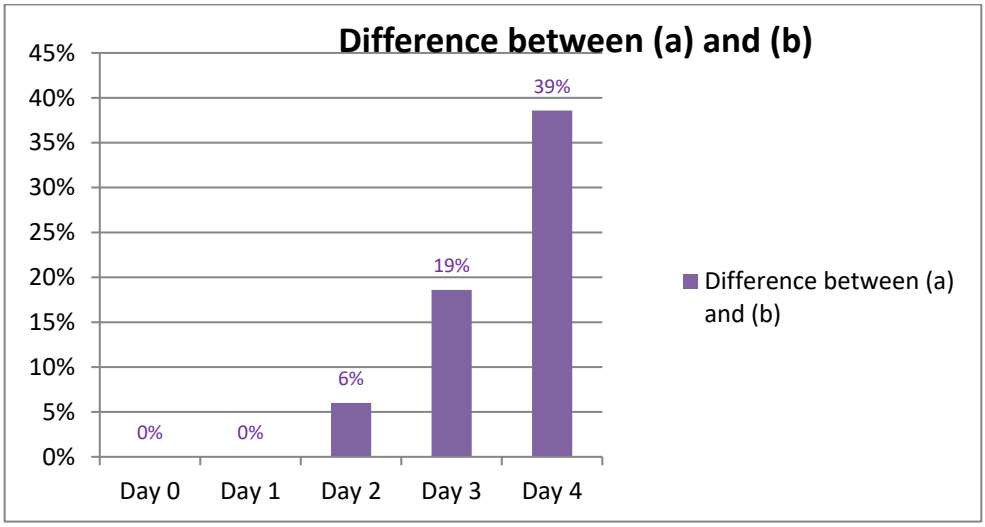
In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



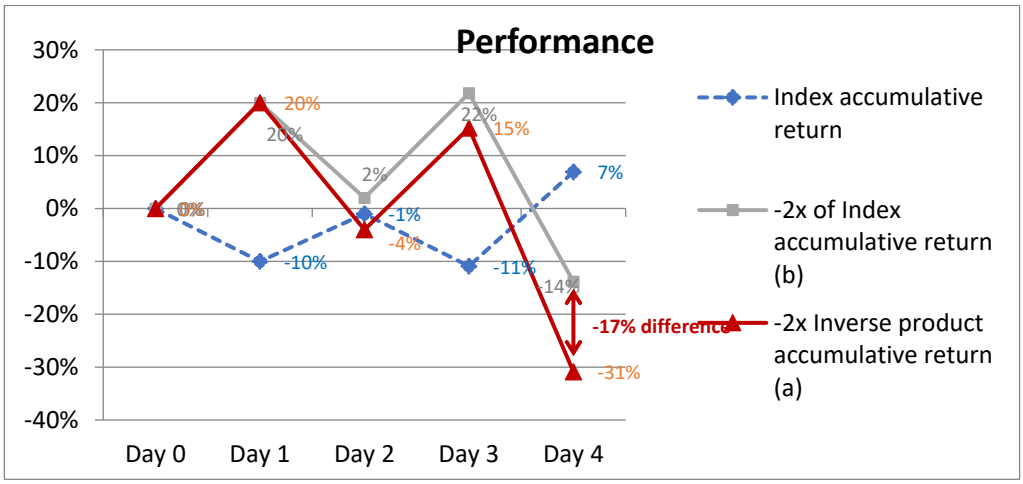
Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative Index return.

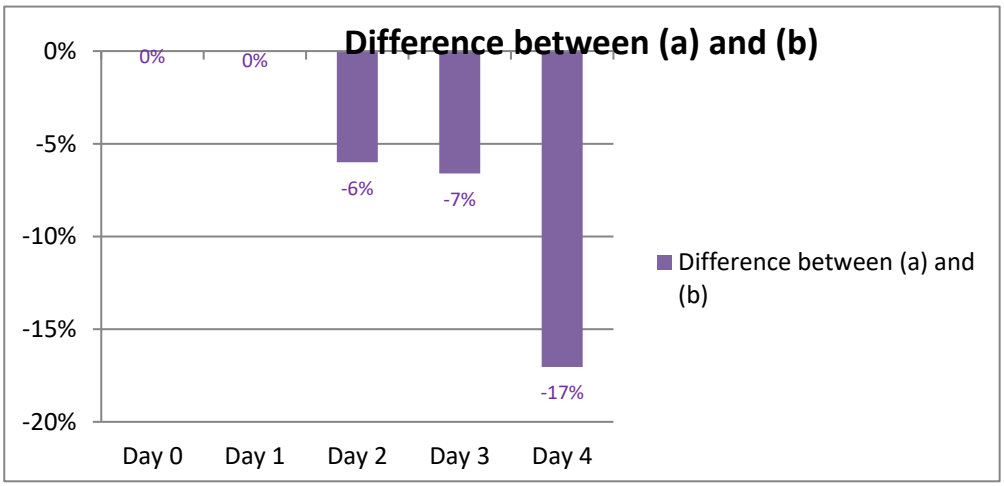
	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over

a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

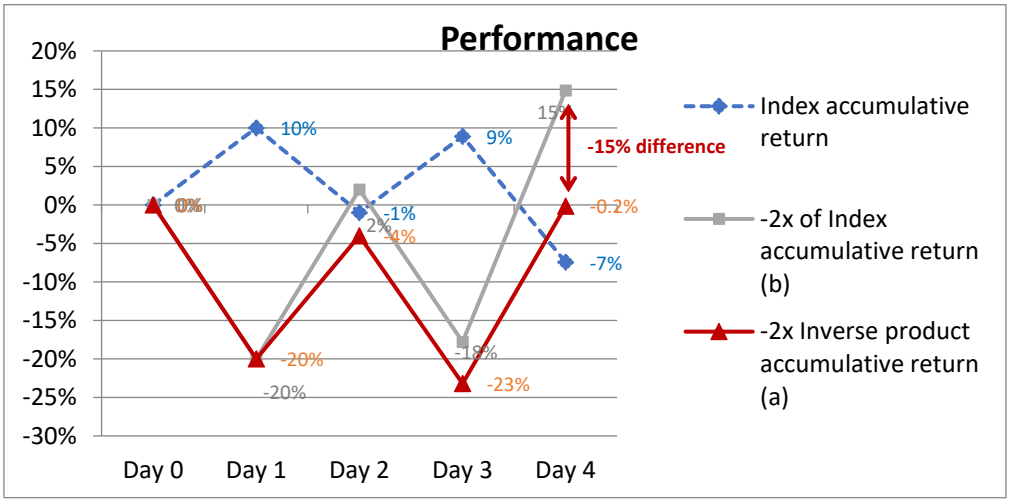


Scenario 4: Volatile downward trend

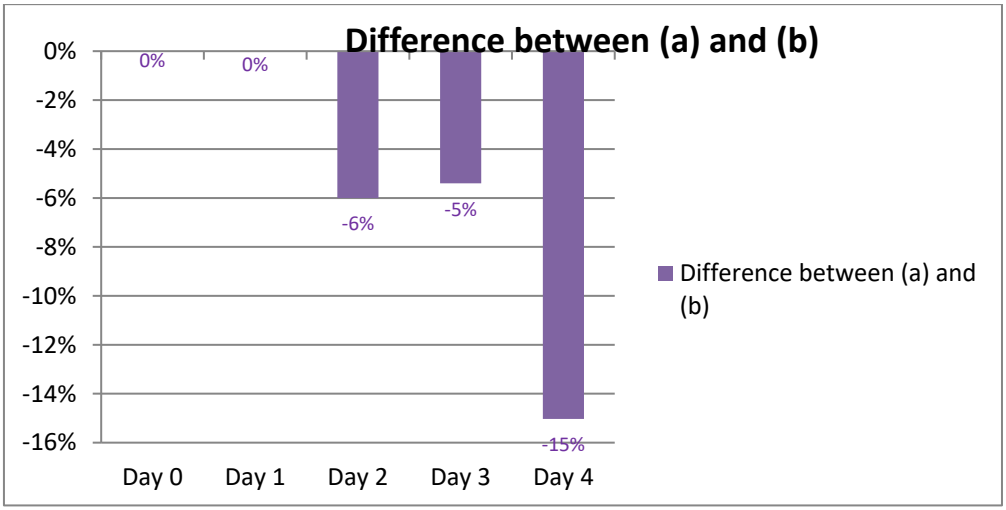
In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



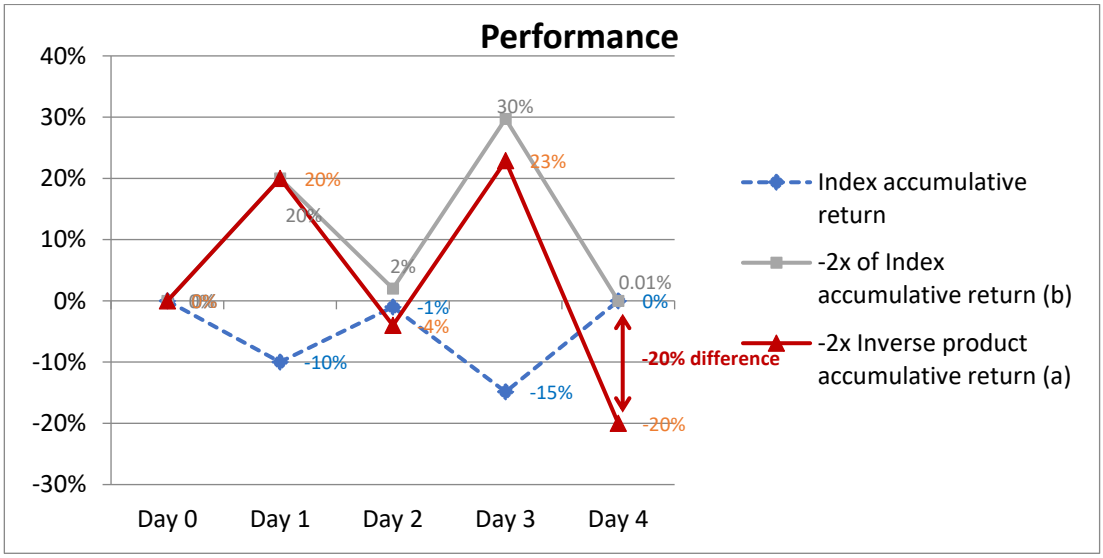
Scenario 5: Volatile market with flat index performance

In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

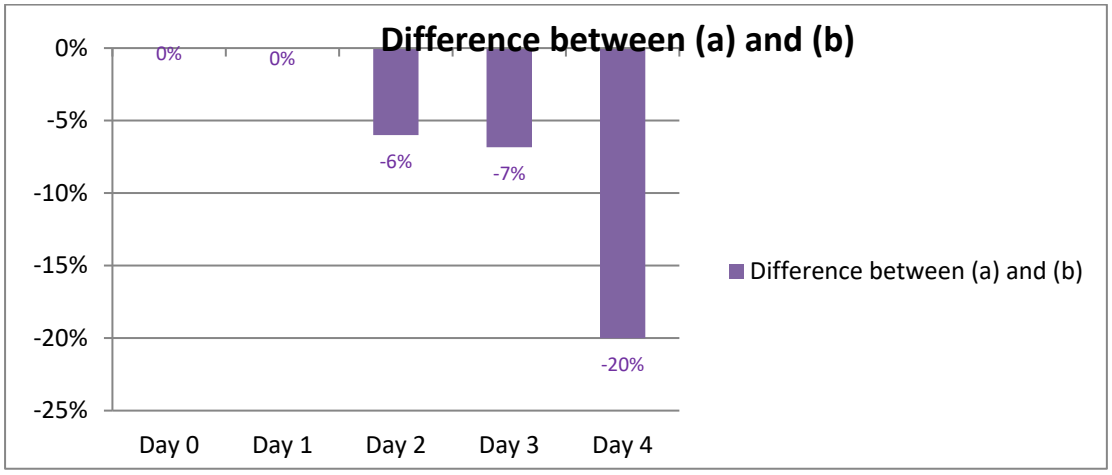
	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index

performance over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the two times inverse (-2x) performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at http://www.csopasset.com/en/products/hk-hst-2i, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the two times inverse

(-2x) Daily performance of the Index, when comparing the Index and the -2x performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Index will not be equal to the simple -2x performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the -2x performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (-2x Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Index. That is, the Net Asset Value of the Product will fall by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Index.

Index Licence Agreement

The Manager has been granted a non-exclusive, non transferable licence pursuant to index licence agreement dated 24 November 2020 (the "Licence Agreement") entered into between the Manager and HSIL, to use the Index in connection with the issue, operation, marketing, promotion and distribution of the Product.

The Licence Agreement takes effect from its date and shall continue until terminated by either party under the circumstances listed below:

(a) HSIL may terminate the Licence Agreement forthwith if:

(i) the Manager breaches any of the provisions under the Licence Agreement and has not, in the case of a remediable breach, remedied the breach within 15 days of receiving notice in writing from HSIL and/or Hang Seng Data Services Limited ("HSDS") specifying the breach and requiring the same to be remedied;

(ii) the Manager is convicted of any criminal offence relating to the Product or to the trading of the Units of the Product;

(iii) the Manager is found by any governmental or other regulatory authority or organization to be in breach of any law or any of the material rules of that authority or organization applicable from time to time to the Manager;

(iv) a resolution shall be adopted for the winding up of the Manager or the Manager shall be wound up compulsorily (otherwise than for the purpose of and followed by a voluntary amalgamation or reconstruction), or an encumbrancer shall take possession, or a receiver,

administrator or like person shall be appointed, of the whole or any part of the undertaking or assets of the Manager, or the Manager shall be unable to pay its debts within the meaning of any applicable insolvency or similar legislation, or the Manager shall compound with or convene a meeting of its creditors or take or suffer similar action which, in the opinion of HSDS and/or HSIL, means that the Manager may be unable to pay its debts; or

(v) HSIL and/or HSDS are required by any applicable law or any applicable governmental body or regulatory authority not to grant or continue to grant the licence pursuant to this Agreement in respect of any Product.

(b) Either party may terminate the Licence Agreement if at least 3 months' prior written notice is given to the other party.

Index Disclaimer

The Hang Seng TECH Index is published and compiled by HSIL pursuant to a licence from HSDS. The mark and name "Hang Seng TECH Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng TECH Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng TECH Index Daily (-2x) Inverse Product, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG TECH INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG TECH INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng TECH Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG TECH INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG TECH INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG TECH INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG TECH INDEX DAILY (-2x) INVERSE PRODUCT OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG TECH INDEX DAILY (-2x) INVERSE PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng TECH Index Daily (-2x) Inverse Product in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng TECH Index Daily (-2x) Inverse Product. Any broker, holder or other person dealing with CSOP Hang Seng TECH Index Daily (-2x) Inverse Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:30 a.m. (Hong Kong time) on 8 December 2020 and ends at 4:00 p.m. (Hong Kong time) on 8 December 2020, or such other date as the Manager may determine.

The Listing Date is expected to be on 10 December 2020 but may be postponed by the Manager to a date no later than 22 January 2021.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 9:30 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day.

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	• 9:30 a.m. (Hong Kong time) on 8 December 2020 but may be postponed by the Manager to no later than 9:30 a.m. (Hong Kong time) on 20 January 2021
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 8 December 2020 but may be postponed by the Manager to no later than 4:00 p.m. (Hong Kong time) on 20 January 2021
After listing (period commences on the Listing Date)	

• All investors may start trading 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 December 2020, but may be postponed by the Manager to a date no later than 22 January 2021 • 9:30 a.m. (Hong Kong time) to 4:10 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD are expected to begin on 10 December 2020.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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 http://www.csopasset.com/en/products/hk-hst-2i.

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. HKD). 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

http://www.csopasset.com/en/products/hk-hst-2i and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in HKD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix

Risk Factors Specific to the Product

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 Product.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the Index could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Index over that same period (e.g. the loss may be more than 2 times the increase in the Index). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the Index for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

New Index Risk

The Index is a new index. The Product may be riskier than other products tracking more established indices with longer operating history.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Volatility risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the underlying Securities of the Index. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Index because of the limited availability of Swaps linked to the performance, the inverse performance of the underlying Securities of the Index, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the underlying index constituents, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Index. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.
The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-

case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Index for the Product. Accordingly, the Product's exposure to the Index may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the constituents of the Index or Securities relating to the Index for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of Securities, in particular Securities relating to the Index, may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its

investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Inverse Performance of Index

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than two times inverse performance of an index. Should the value of the underlying Securities of the Index increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Index over a certain period may not be equal to the point-to-point two times inverse performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such, the performance of the Product is not two times inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Index.

Concentration Risk

To the extent that the index constituents concentrates in Hong Kong listed securities (including H-shares and red chip shares) of a particular sector or market, the investments of the Product may be similarly concentrated. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse conditions in such particular market/sector.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. 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 Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Appendix dated 15 July 2026

APPENDIX 9: CSOP NIKKEI 225 DAILY (2X) LEVERAGED PRODUCT

Key Information

*Set out below is a summary of key information in respect of CSOP Nikkei 225 Daily (2x) Leveraged Product (the "**Product**") which should be read together with the full text of this Appendix and the Prospectus.*

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index
Index	Nikkei Stock Average (the "**Index**")
Initial Offer Period	9:00 a.m. (Hong Kong time) on 27 May 2024 to 4:00 p.m. (Hong Kong time) on 27 May 2024, or such other date as the Manager may determine
Initial Issue Date	28 May 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10 or its equivalent in Japanese Yen ("**JPY**")
Listing Date (SEHK)	Expected to be 29 May 2024, but may be postponed by the Manager to a date no later than 8 July 2024
Exchange Listing	SEHK – Main Board
Stock Code	7262
Short Stock Name	FL2 CSOP NIKKEI
Trading Board Lot Size	10 Units
Base Currency	JPY
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital, or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any). All Units will receive distributions in HKD only.

Creation/Redemption Policy	Cash (in USD or JPY) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	2:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Product will be for the period from the fund launch to the year ending 31 December 2024 and from 1 January 2025 to the half year ending 30 June 2025 respectively.)
Website	https://www.csopasset.com/en/products/hk-nik-l (this website has not been reviewed by the SFC)

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day.**

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the nearest quarter futures contracts on the Index traded on the Osaka Exchange, Inc. (the "**OSE**") in Japan ("**Nikkei 225 Futures**") (and/or nearest quarter Nikkei 225 mini futures traded on the OSE ("**Nikkei 225 mini**"), which may also be used as an ancillary tool to this strategy where the Manager believes such investments will help the Product better track the Index) subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

In entering into the Nikkei 225 Futures (and/or Nikkei 225 mini), the Manager anticipates that no more than 40% of the Net Asset Value of the Product from time to time will be used as margin to acquire the Nikkei 225 Futures (and/or Nikkei 225 mini). Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 60% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (JPY, HKD or USD) and other JPY or HKD or USD denominated investment products, such as deposits with banks in Hong Kong and JPY or HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in JPY or HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder (if declared) will be distributed by the

Manager to the Unitholders in HKD only.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds 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. For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

Other than Nikkei 225 Futures (and/or Nikkei 225 mini), the Product may acquire FDIs (such as FX forwards) for hedging purposes.

The Product's net derivative exposure to FDIs will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, and (ii) between Daily rebalancing, unless due to market movements.

The Manager has no current intention to enter into any securities lending, sale and repurchase, reverse repurchase or similar transactions in respect of the Product.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the OSE are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by increasing exposure in response to the Index's Daily gains or reducing exposure in response to the Index's Daily losses, so that its Daily leveraged exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have a futures exposure of 200 to meet the objective of the Product. If the Index increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs a futures exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the Index falls by 5% on the subsequent day. Day 2 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily Index change (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Futures exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target futures exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the nearest quarter

Nikkei 225 Futures (and/or nearest quarter Nikkei 225 mini) into next quarter Nikkei 225 Futures (and/or next quarter Nikkei 225 mini) with the goal that, by one Business Day before the last trading day of the nearest quarter Nikkei 225 Futures (and/or nearest quarter Nikkei 225 mini), all roll-over activities would have occurred.

In respect of Nikkei 225 Futures and Nikkei 225 mini, the roll will occur within a 8-calendar days period in the last calendar month of each quarter (between 8 calendar days before the last trading day of the nearest quarter Nikkei 225 Futures or Nikkei 225 mini (as applicable) and one business day before the last trading day of the nearest quarter Nikkei 225 Futures or Nikkei 225 mini (as applicable)).

The Manager has full discretion over futures rolling execution to meet the Product's investment objective.

What are Nikkei 225 Futures and Nikkei 225 mini?

Nikkei 225 Futures and Nikkei 225 mini are Futures Contracts on the Nikkei Stock Average, traded on the OSE.

Nikkei 225 Futures and Nikkei 225 mini are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (5%-15%) of their value. Nikkei 225 Futures and Nikkei 225 mini are registered, cleared and guaranteed by the Japan Securities Clearing Corporation ("**JSCC**"). JSCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between JSCC participants.

The key specifications of the Nikkei 225 Futures and Nikkei 225 mini are as follows:

Underlying index	Nikkei Stock Average
Exchange	OSE
Trading hours (Japan Standard Time)	Day session: 8:45 a.m. (opening auction) 8:45 a.m. – 3:40 p.m. (regular session) 3:45 p.m. (closing auction) Night session: 5:00 p.m. (opening auction) 5:00 p.m. – 5:55 a.m. (regular session) 6:00 a.m. (closing auction)
Contract months	**Nikkei 225 Futures:** Quarterly contract months (available for a period up to 8 years) • June and December: Nearest 16 contract months • March and September: Nearest 3 contract months **Nikkei 225 mini^**: (1) Quarterly contract months (available for a period up to 5 years) • June and December: Nearest 10 contract months • March and September: Nearest 3 contract months (2) Monthly contract months (available for a period up to 5 months) • nearest 3 contract months ^ *For the avoidance of doubt, the Product will invest in Nikkei 225 mini with quarterly contract months only*.
Last trading day	The business day preceding the second Friday of each contract month (When the second Friday is a non-business day, it shall be the preceding business day.)

	Trading in a new contract month begins on the business day following the last trading day.
Special Quotation ("SQ") day	The business day following the last trading day.
Contract unit	**Nikkei 225 Futures:** Nikkei 225 × JPY1,000 **Nikkei 225 mini:** Nikkei 225 × JPY100
Tick size	**Nikkei 225 Futures:** JPY10 (value per tick: JPY10,000 per contract) **Nikkei 225 mini:** JPY5 (value per tick: JPY500 per contract)
Settlement method	Cash settlement
Final settlement price	Special Quotation (SQ) (SQ calculation is based on the total opening prices of each component stock of Nikkei 225 on the business day following the last trading day.)
Position limit	Nil. There is no position limit for Nikkei 225 Futures or Nikkei 225 mini.
Price limit	1. The price limit range shall be calculated by multiplying the reference price of price limits by the following rates: • Normal: 8% • 1st expansion: 12% • 2nd expansion: 16% The reference price of the price limits is the settlement price of the previous day. The price limits will be expanded to the 1st expansion of price limits, and then to the 2nd expansion of price limits when a circuit breaker is triggered (see "Circuit breaker rule" below). Only price limits in one direction, up or down, will be expanded. 2. Immediately Executable Price Range Rule ("**DCB**"): Last Traded Price ("**LTP**") ±0.8% However, the DCB Price Range for Opening Auction and Closing Auction will be ±3.0% and ±1.5% respectively.
Circuit breaker rule	The circuit breaker rule is applied to temporarily halt trading in order to allow investors to calm down when the market is overly volatile. In the case where a buy (sell) order is placed (or executed) at the upper (lower) price limit for the central contract month of a futures contract, the trading of futures whose underlying is the same as this central contract month will be suspended and the upper (lower) daily price limit range will be expanded. Where the foregoing criteria for triggering a circuit breaker are met, trading in all contract

	months will also be suspended. The conditions for exception of application of the circuit breaker rule are as follows: • In the case where the above criteria is met within 20 minutes before the end of the regular session of the day (afternoon) or night session. • In the case where the criteria is triggered again after the daily price limits has been expanded to the 2nd expansion range. • In cases where the OSE deems that a trading suspension would not be appropriate in consideration of the trading conditions, etc. Price limits will be expanded during the trading halt. The trading halt will commence from the time that OSE determines on each occasion immediately after the criteria for triggering a circuit breaker are met and will last for more than 10 minutes. After the duration for a trading halt, trading will be resumed with the price limit expanded.

For more information, please refer to the websites: (in respect of Nikkei 225 Futures) https://www.jpx.co.jp/english/derivatives/products/domestic/225futures/index.html and (in respect of Nikkei 225 mini) https://www.jpx.co.jp/english/derivatives/products/domestic/225mini/index.html (the contents of which have not been reviewed by the SFC).

Futures liquidity

As of 29 March 2024, the daily average value traded and open interest of the nearest quarter month Nikkei 225 Futures for the year of 2024 are JPY2.37 trillion and JPY8.45 trillion respectively.

As of 29 March 2024, the daily average value traded and open interest of the nearest quarter month contract of Nikkei 225 mini for the year of 2024 are JPY3.45 trillion and JPY10.66 trillion respectively.

The Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as a leveraged product tracking the Index.

Borrowing Policy and Restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Index, which is also known as Nikkei 225, is an adjusted price-weighted equity index with highly liquid and representative stocks that consists of 225 stocks listed on the Prime Market of

the Tokyo Stock Exchange. In a price-weighted index, constituents are weighted by their price per share, and the Index is an average of the share prices of all the constituents. For more details, please refer to the section “Index calculation method” below.

The Index is denominated and quoted in JPY.

The Index is a price return index, which means that the performance of the Index is calculated on the basis that dividends are not reinvested.

The Index was launched on 7 September 1950 and had a base level of 176.21 as of 16 May 1949. As of 27 February 2026, the Index had a total market capitalisation of JPY 992,790 billion and 225 constituents.

Index Provider

The Index is compiled and managed by Nikkei Inc. (the “**Index Provider**”).

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Selection of constituents

The Index is calculated with 225 market representative stocks from the Prime Market of the Tokyo Stock Exchange. To be listed on the Prime Market of the Tokyo Stock Exchange, amongst other listing criteria, companies need to have a market capitalisation of tradable shares of at least JPY10 billion, at least 800 shareholders, tradeable shares of at least 20,000 units, and a tradeable share ratio of at least 35%.

However, non-ordinary shares such as ETFs, REITs, preferred stocks, preferred securities or tracking stocks are excluded.

By calculating with highly liquid stocks, the Index is aimed at fulfilling two objectives, one is to maintain its long-term continuity and the other is to reflect the changes in the industry structure of the Japanese stock market.

Constituents of the Index are reshuffled based on two types of changes in the constituents, namely (i) periodic review (“**Periodic Review**”), which is conducted twice a year, and (ii) extraordinary replacement (“**Extraordinary Replacement**”), where the vacancies of the constituents created by delisting or other reasons are filled.

Periodic Review

Constituents are reviewed twice a year as evaluated at the end of January and July (the “**base dates**”) in accordance with the following rules. Results of the review become effective on the first trading day of April and October.

The maximum number of constituents reshuffled at a Periodic Review is 3. However, constituent change due to corporate reorganisation near the time of Periodic Review is not included in the foregoing limit of 3.

(1) *Assessment of liquidity*

Highly liquid stocks from the Prime Market of the Tokyo Stock Exchange are selected and grouped as the “High Liquidity Group”.

The measures to assess liquidity are (a) trading value of the preceding 5 years and (b) magnitude of price fluctuation by trading value (defined as *(high price / low price) / trading value)* in the preceding 5 years. Top 450 (double the constituent count for the Index) of the most liquid stocks ranked in descending order of liquidity in terms of the two measures

constitute the “High Liquidity Group”.

(2) *Deletion of low liquidity constituents*

Those constituents not in the High Liquidity Group (ranked 451st or lower) are deleted from the Index.

(3) *Addition of high liquidity stocks*

The “High Liquidity Group” stocks which are ranked 75th or higher and are not currently in the list of the constituents are added to the Index.

(4) *Deletion/Addition based on the sector balance*

The 450 most liquid issues will be categorised into six industrial sectors –Technology, Financials, Consumer Goods, Industrial Materials, Capital Goods/Others and Transportation/Utilities.

After considering the results of steps (2) and (3) above, a rebalancing is conducted if any of the sectors are over-represented or under-represented so as to make the total number of the constituents to be 225. Degree of representation is evaluated by comparing the actual number of constituents in the sector against the “Appropriate number”, which is defined as half of the number of stocks in each sector in the “High Liquidity Group”.

For over-represented sectors, current constituents in the sector are deleted in the order of the liquidity (low liquidity first) to correct the overage. For under-represented sectors, non-constituent stocks are added from the “High Liquidity Group” in the order of the liquidity (high liquidity first) to correct the shortage.

<u>Extraordinary Replacement</u>

Extraordinary Replacement is intended to fill the vacancy made by deletion due to a specific event.

(1) *Deletion for special reasons*

Constituents which meet the following criteria are deleted from the Index:

(i) designated as “Securities to be Delisted” or “Securities on Alert”;
(ii) delisted due to corporate restructuring such as merger, share exchange or share transfer;
(iii) transfer to a market other than the Prime Market.

A constituent designated as a “Security under Supervision” remains to be a constituent at the time of designation. However, the Index Provider may replace such a constituent with a pre-announcement when it is highly inappropriate to keep the stock as a constituent, e.g. probability of delisting is extremely high.

(2) *Procedure to add new constituents*

When a constituent is deleted for the reasons in step (1) above, a stock to be added will be selected, in principle, from the same sector in the “High Liquidity Group” in the descending order of liquidity.

Notwithstanding the preceding paragraph, the following rules may apply depending on the timing and circumstances of the deletion where a deletion is known in advance:

(i) when such deletion is scheduled close to the Periodic Review, additional stocks may be selected in a part of the Periodic Review process;

(ii) when multiple deletions are scheduled in a season other than the Periodic Review, additions may be selected using steps (3) and (4) of the rules for Periodic Review described above by assessing the liquidity and the balance of the sector.

(3) *Special rules for additions*

Notwithstanding the above, the procedures as exemplified below may be applied to choose the stocks to be added in case of corporate restructuring. Application of these special rules is determined for each case.

(i) Under the following cases, a stock of a company which will succeed the substance of the delisting company will be added in principle, provided such company must be listed or will be listed within a short period on the Prime Market of the Tokyo Stock Exchange:

- stock of a surviving company in mergers where a constituent is merged and delisted;
- stock of a newly established parent company by share transfer or a new parent company receiving shares from a constituent by exchange.

(ii) When a company is split and multiple companies maintain listing on the Prime Market of the Tokyo Stock Exchange, a stock of a company which succeeds the major operation will become a constituent.

(4) Timing of the constituent change

In principle, for each reason under step (1) above, constituents are deleted and added with the effective date as follows:

(i) designated as “Securities to be Delisted” or “Securities on Alert” – five business days after the designation;
(ii) delisted due to corporate restructuring such as merger, share exchange or share transfer – effective date of the relevant event;
(iii) transfer to the market other than the Prime Market – effective date of the relevant event.

In case that a constituent designated as a “Security under Supervision” is deemed as highly inappropriate and will be deleted, the announcement will be made approximately two weeks before its effective date. Even if such a constituent is designated as a stock to be delisted before the pre-announced effective date, the pre-announced effective date prevails.

<u>Implementation of constituent change</u>

For both Periodic Reviews and Extraordinary Replacements, deletions and additions are made effective on the same day to keep the number of constituents at 225.

However, when necessary, as exemplified below, additions are made after the deletions and during such period, the Index may be calculated with less than 225 constituents. Divisor is adjusted at times when constituents are deleted or added to warrant the continuity.

A constituent company may be delisted when it establishes a parent company by a share transfer or becomes a subsidiary of an unlisted company by a share exchange. If a new parent company is deemed to be succeeding the business of the delisted company, such a new company may become a new constituent if it becomes listed. In such a case, during the period between delisting of the original company and listing of the new succeeding company, the Index may be calculated with constituents less than 225.

After consultation with academics and market professionals, the Index Provider will decide and announce the list of deleting and adding stocks.

Index calculation method

The Index is calculated as a weighted price average where the sum of the constituent stock prices adjusted by the price adjustment factor is divided by the divisor.

*Adjusted stock price = Stock price x Price adjustment factor**

Index = Sum of adjusted stock price / Divisor

* For a constituent to which a capping ratio is applied, price adjustment factor will be replaced by "capped price adjustment factor".

Selection of the prices

Prices to be used for the calculation are selected in the following order of priority: (1) special quote or sequential trade quote, (2) traded price and (3) base price.

A special quote is declared by the Tokyo Stock Exchange. It is indicated whenever prices look likely to jump beyond a certain price range (special quote renewal price interval) from the last execution price. It is indicated if there is any likelihood of inappropriate price fluctuations, for example, as a result of a major order imbalance between bids and offers, to prevent short-term wild price fluctuations. Special offer quotes are indicated when the next price is anticipated to be at a price lower than the given renewal price interval and special bid quotes are indicated when the next price is anticipated to be at a price higher than the given renewal price interval.

Special quote described above is indicated when price is anticipated to jump beyond a certain range without execution. In high-speed order matching and executing however, sequential buying-up or selling-down with execution may result in instantaneous and sharp price fluctuations without a special quote being displayed at all. If there is sequential execution that is likely to move beyond twice the special quote renewal price interval from the reference execution price, after execution up to the "reference price + (renewal price interval x 2)" (or in the case of offers, down to the "reference price - (renewal price interval x 2)"), a sequential trade quote will be displayed at this price for one minute.

Following the order of priority mentioned above, if a constituent stock closes trading with special quote, such special quote is used to calculate the closing index even if it had a traded price intraday. Where there are no prices by the definition of "special quote or sequential trade quote" and "traded price", then the base price is used. Base price is obtained based on the priority order of ex-rights theoretical price, the last special quote price or sequential trade quote price, and the latest traded price up to the preceding day. In most cases, the price used for the calculation of the closing index on the preceding day becomes the "base price".

Price adjustment factor

Price adjustment factor ("**PAF**") is a number which adjusts price of the constituents. PAFs are set and revised as follows.

(1) *Setting PAF*

The PAF of a stock to be added to the Index is 1. However, the value other than 1 (0.1 to 0.9) may be assigned provided that the price of such stock on the base dates (i.e. end of January and July) exceeds 1% of the sum of constituent prices. It is set at the highest value which does not exceed 1% of the sum of the prices by 0.1 interval.

PAF = sum of adjusted stock price of the constituents x 1% / the stock price of the new constituent

Note: PAF is evaluated on the base date and rounded down to the nearest 0.1.

When a stock of a newly established holding company is added replacing the delisting original company, value other than 1 may be set in accordance with the ratio of stock transfer, etc. in the establishment of the holding company.

Also note that if the stock price of the new constituent fluctuates drastically after the base date until the effective date of the change, the PAF may be adjusted. In this case, such an adjustment will be announced at least 5 business days before the effective date in principle.

(2) *Revising PAF*

PAF is revised under large-scale stock split or reverse split.

When a constituent goes for a large-scale stock split or reverse stock split, PAF is revised to keep the price level of such a constituent unchanged. However, since the PAF has only 1 digit after the decimal point, the above adjustment calculation might result in a fraction. Also, if a result of calculation is less than 0.1, PAF will be set as 0.1. In these cases, the adjusted price before and after the split/reverse split are different. Such difference will be adjusted by divisor. Revision of PAF under large scale stock split or reverse split will be announced at least 5 business days before the effective date in principle.

(3) *Capping ratio*

Capping ratio is a number which is used to temporally decrease the weight of a constituent when such weight exceeds a certain threshold (the "**weight cap threshold**"). The capping ratio is applied, revised, or cancelled as stipulated below.

Weight cap threshold is 12% upon introduction at the Periodic Review of October 2022. It will be reduced to 11% and 10% respectively at the Periodic Reviews in October 2023 and October 2024.

For a constituent to which a capping ratio is applied, the price of such a constituent is adjusted by "capped price adjustment factor" ("**CPAF**") as shown below.

Capped price adjustment factor (CPAF) = Price adjustment factor x Capping ratio

Note: CPAF is rounded down to the nearest 0.1.

If, on the base date of a Periodic Review, the weight of a constituent to which any capping ratio is not yet applied exceeds the weight cap threshold, a capping ratio of 0.9 is applied on the effective date of the constituent change resulting from the Periodic Review. If a capping ratio was already applied to such a constituent, capping ratio will be decreased by 0.1. However, if no change is observed in the CPAF after the application of the new capping ratio, the capping ratio will be decreased further until there is a change in the CPAF.

If, on the base date of a Periodic Review, weight of a constituent to which a CPAF is applied is below 5%, the capping ratio will be increased by 0.1 on the effective date of the constituent change resulting from the Periodic Review. However, if no change is observed in the CPAF after the application of the new capping ratio, the capping ratio will be increased further until there is a change in the CPAF. If the new capping ratio after the increment is 1, capping ratio will be cancelled.

When a constituent to which CPAF is applied goes for a large-scale stock split or reverse split and the PAF is adjusted by the ratio of split or reverse split, the capping ratio may be revised so that the new CPAF does not change the weight of the constituent. For such a constituent, the capping ratio may have fractions after 0.1 and be increased/decreased by the number other than 0.1 in the next revision of the capping ratio.

In principle, the capping ratio is applied, revised, or cancelled on the effective date of the constituent change resulting from the Periodic Review. However, depending on the liquidity of the constituent, changes in the capping ratio may be implemented in two or more steps.

(4) *Divisor*

The Index is calculated as adjusted price average where the weight is based on the price adjustment factor. This is basically an arithmetic average and the denominator is a number of constituents initially. There will be changes in the constituents etc., and the denominator, which is the "divisor", will be adjusted to maintain the continuity of the Index.

Divisor is recalculated in case of (a) changes in the constituents, (b) corporate action such as split, reverse split, paid-in capital increase (however, when the split or the reverse split is in a large scale, the price adjustment factor may also be adjusted; the divisor may not be changed so long as the adjusted price is unchanged before and after such split/reverse split) or (c) capping ratio application, revision, or cancellation.

Index Securities of the Index

You can obtain the most updated list of the index constituents with their respective weightings and additional information and other important news of the Index from the website https://indexes.nikkei.co.jp/en/nkave/index/profile?idx=nk225 (this website has not been reviewed by the SFC).

Index code

Bloomberg: NKY

Comparison between the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

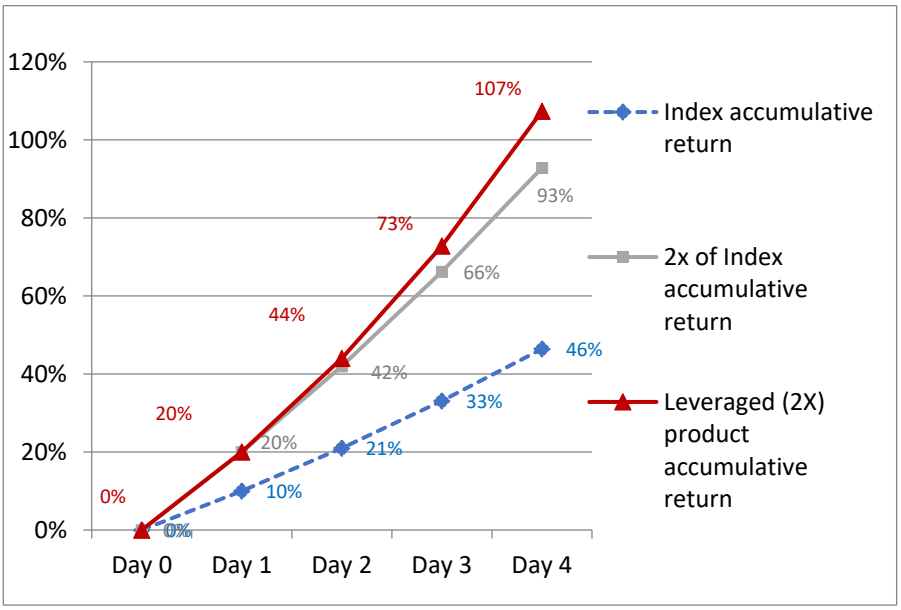
The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Index. As such, the Product's performance may not track twice the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged (2x) product Daily return	Leveraged (2x) product NAV	Leveraged (2x) product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.

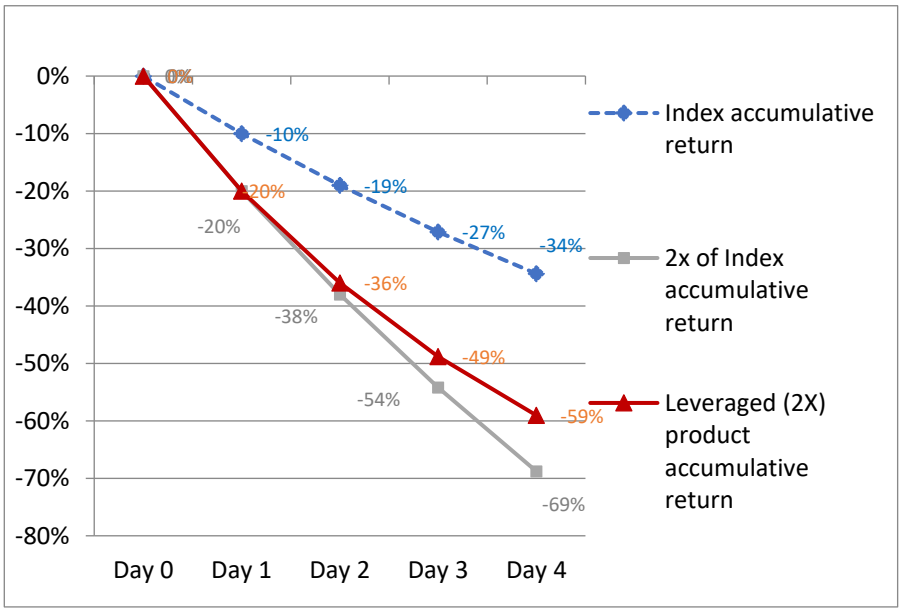


Scenario 2: Downward trending market

In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative Index loss. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.

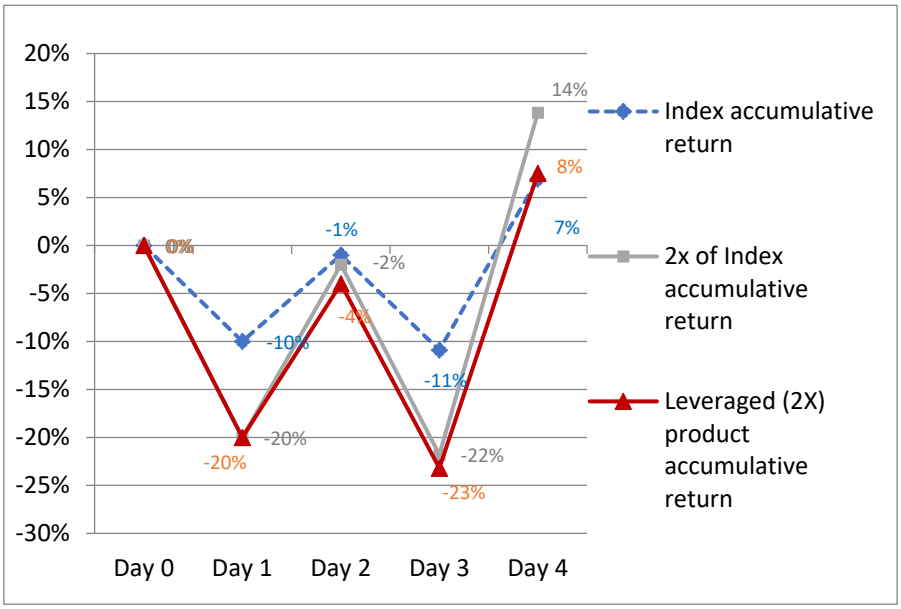


Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.

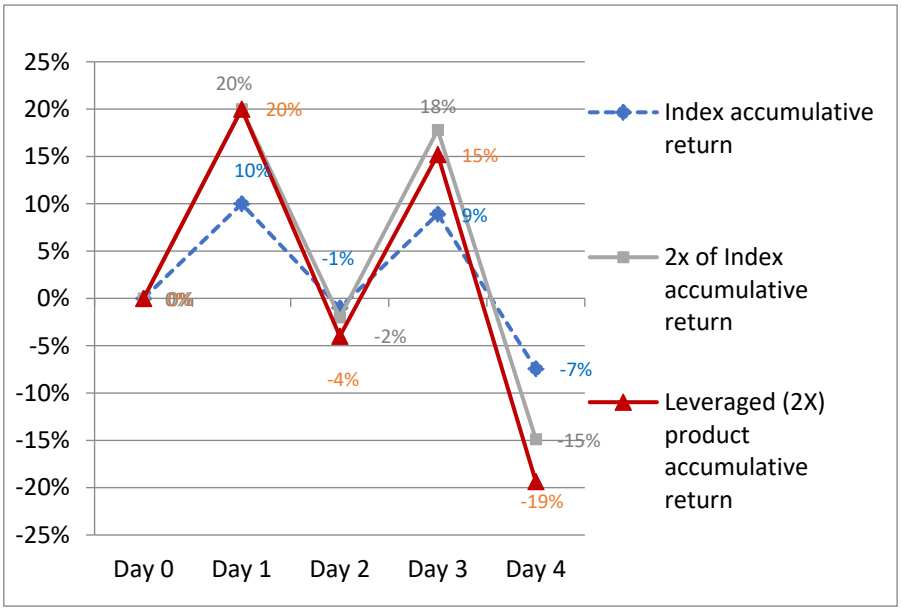


Scenario 4: Volatile downward trend

In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.

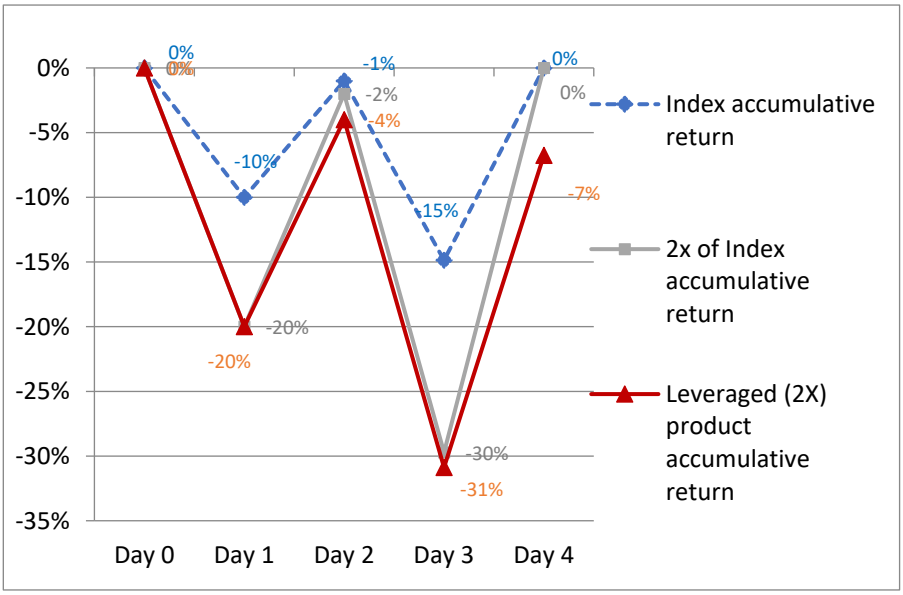


Scenario 5: Volatile market with flat Index performance

In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	Leveraged product Daily return	Leveraged product NAV	Leveraged product accumulative return	2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat Index performance over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the performance of the Index multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Index and may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-nik-l (this website has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily leveraged performance of the Index, when comparing the Index and the leveraged performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Index will not be equal to the simple leveraged performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the leveraged performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (Index with a leverage factor of two)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Index. That is, the Net Asset Value of the Product will rise by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Index multiplied by two.

Index Licence Agreement

The Manager has entered into a licence agreement dated 15 April 2024 (the "**Licence Agreement**") with Nikkei Inc. The initial term of the licence of the Index shall remain in full force and effect for 3 years from 15 April 2024. The Licence Agreement shall be automatically renewed for 1 year unless either party to the Licence Agreement serves a written notice of the termination of at least 90 days 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 Nikkei Stock Average is a copyrighted material calculated in a methodology independently developed and created by Nikkei Inc. and Nikkei Inc. is the sole exclusive owner of the copyright and other intellectual property rights in the Nikkei Stock Average itself and the methodology to calculate the Nikkei Stock Average.

The intellectual property and any other rights in the marks to indicate Nikkei and the Nikkei Stock Average shall be vested in Nikkei Inc..

Nikkei Inc. does not sponsor, support, sell or market the Product. Nikkei Inc. has, besides granting

the license to the Manager to use certain trademarks and to use the Nikkei Stock Average for the Product, no connection with the Product. The License Agreement between Nikkei Inc. and the Manager does not provide any rights to any third parties.

The Product is managed exclusively at the risk of the Manager and Nikkei Inc. shall assume no obligation or responsibility for its management and transactions of the Product. Nikkei Inc. is not responsible for the accuracy and the calculation of the Product or the data contained therein.

Nikkei Inc. shall not have the obligation to continuously announce the Nikkei Stock Average and shall not be liable for any error, delay, interruption, suspension or cessation of announcement thereof. Nikkei Inc. shall have the right to change the description of the stocks included in the Nikkei Stock Average, the calculation methodology of the Nikkei Stock Average or any other details of the Nikkei Stock Average and shall have the right to suspend or cease the publication of the Nikkei Stock Average without owing any liability to the Manager or any other third party.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 27 May 2024 and ends at 4:00 p.m. (Hong Kong time) on 27 May 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 29 May 2024 but may be postponed by the Manager to a date no later than 8 July 2024.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Product is terminated.

Dealings in the Units on the SEHK will commence on the Listing Date, which is expected to be on 29 May 2024 but may be postponed by the Manager to a date no later than 8 July 2024.

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 9:30 a.m. (Hong Kong time) to 2:30 p.m. (Hong Kong time) on each Dealing Day.

The Issue Price of Units created and issued by a Creation Application will be the prevailing Net Asset Value of the Product as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest two decimal places (0.005 or above being rounded up, and less than 0.005 being rounded down).

Please refer to the section on “The Offering Phases” 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 27 May 2024 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 4 July 2024
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 27 May 2024 but may be postponed by the Manager to no later than 4:00 p.m. (Hong Kong time) on 4 July 2024
After listing (period commences on the Listing Date) • All investors may start trading 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 29 May 2024, but may be postponed by the Manager to a date no later than 8 July 2024 • 9:30 a.m. (Hong Kong time) to 2:30 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD are expected to begin on 29 May 2024.

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.

Redemption of Units

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the Product as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest two decimal places (0.005 or above being rounded up, and less than 0.005 being rounded down).

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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-nik-l (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-nik-l and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid. There is no guarantee of regular distribution nor the amount being distributed (if any).

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

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in JPY in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately JPY250-500 per Futures Contract levied by the broker.

The above rates will amount to approximately 0.02%-0.04% per annum of the Net Asset Value and may increase to approximately 0.1% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Index over that same period (e.g. the loss may be more than twice the fall in the Index). The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the leveraged performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance increases or is flat.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at or around the close of trading of the underlying futures market on each Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) the leveraged investment

exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Contango and Backwardation Risk

The process of rolling will subject the Product to contango and backwardation risks. As Futures Contracts come to expiration, they are replaced by Futures Contracts that have a later expiration. For example, a Nikkei 225 Future may specify a March expiration. As time passes, the Futures Contract expiring in March is replaced by a contract for expiry in June by selling the March contract and purchasing the June contract.

Excluding other considerations, if the market for these Futures Contracts is in "contango", where the prices are higher in the distant expiry months than in the nearer expiry months, the sale of the March contract would take place at a price that is lower than the price of the June contract. Accordingly sale proceeds from closing out the March contract when rolling (selling and then buying the Futures Contracts) would not be sufficient to purchase the same number of Futures Contracts which have a higher price, thereby creating a negative "roll yield" which adversely affects the Net Asset Value.

By contrast, if the market for these Futures Contracts is in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the closing out of the March contract would take place at a price that is higher than the price of the June contract. Accordingly the closing out of the March contract when rolling (selling and then buying the Futures Contracts) would take place at a price that is higher than the price of the June contract, thereby creating a positive "roll yield".

Margin Risk

Generally, most leveraged transactions, such as Futures Contracts, involve the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. Like other leveraged investments, a futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House's Failure Risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections would be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such impact.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's futures positions, relevant parties (such as clearing brokers, execution brokers, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include limiting the size and number of the Product's futures positions and/or mandatory liquidation of part or all of the Product's futures positions without advance notice to the Manager. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's Units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Price Limit Risk

If the price of the Nikkei 225 Futures (and/or Nikkei 225 mini) included in the Product's portfolio hit certain price limits, depending on the time of the day and the limit being reached, the trading of the Nikkei 225 Futures (and/or Nikkei 225 mini) may be halted temporarily. This may affect the Product's tracking of twice (2x) the Daily performance of the Index, and, if a trading halt takes place near the end of a trading day, may result in imperfect Daily rebalancing.

Difference in Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to twice (2x) the Daily performance of the Index. Although the Index is an equity index, the Product invests in Nikkei 225 Futures (and/or Nikkei 225 mini). The daily price limit of the Tokyo Stock Exchange on which the constituents of the Index are listed is set in a price range in absolute JPY based on the base price such as the previous day's closing price, while the OSE has adopted a circuit breaker

rule which is triggered if an order is placed or executed at the relevant upper or lower price limit set as a percentage of the settlement price of the previous day. Please refer to the section "What are Nikkei 225 Futures and Nikkei 225 mini?" above for further details of the price limit for the Nikkei 225 Futures and Nikkei 225 mini. As such, the daily price limit applicable to the constituents of the Index is different from that applicable to the Nikkei 225 Futures or the Nikkei 225 mini. Should the Index's daily price movement be greater than the price limit applicable to the Nikkei 225 Futures or the Nikkei 225 mini, the Product might not be able to achieve its investment objective as the Nikkei 225 Futures or the Nikkei 225 mini would not be able to deliver a return beyond their price limit. Also, if the circuit breaker rule is triggered at or around the close of trading of the underlying futures market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The OSE and the SEHK have different trading hours. As the OSE may be open when Units in the Product are not priced, the value of the Nikkei 225 Futures (and/or Nikkei 225 mini) in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the OSE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the Nikkei 225 Futures and Nikkei 225 mini so there may continue to be price movements for the Nikkei 225 Futures or Nikkei 225 mini when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the Nikkei 225 Futures and/or Nikkei 225 mini, which may prevent the Product from achieving its investment objective.

Leveraged Performance of Index Risk

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than leveraged performance of an index. Should the price of the Index decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the Index (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks and constantly monitor the performance of their holding on a daily basis.

Path Dependency Risk

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Index over a certain period may not be twice the point-to-point performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. Please refer to the section "Explanation on Path Dependency" above.

Investors must exercise caution when holding the Product for longer than one Business Day. The performance of the Product, when held overnight, will likely deviate from the leveraged performance of the Index.

Price-weighted Index Risk

The Index is a price-weighted index whereby the Index constituents are weighted based on their individual prices instead of their size or market capitalisation. This means that constituents with higher prices will have a greater impact on the value of the Index. The Product may accordingly have relatively higher exposure to Index constituents with relatively small market capitalisation than the exposure it would have had if the underlying index is a market capitalisation weighted index, leading to higher risks and potential underperformance.

Risks Associated with Small / Mid-Capitalisation Companies

Due to the nature of the Index as a price-weighted index, the constituents of the Index may include small and mid-sized companies. The stock of small and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Concentration Risk and Risks Associated with Japan and the Equity Market in Japan

The Product is subject to concentration risks as a result of tracking the leveraged performance of the Index, which focuses on a single country (i.e. Japan). The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Japanese market.

The Japanese economy is heavily dependent on international trade and may be adversely affected by protectionist measures, competition from emerging economies, political tensions with its trading partners and their economic conditions, natural disasters and commodity prices. Changes in governmental regulations on trade, decreasing imports or exports and/or an economic recession in Japan may cause the value of the Product's investments to decline. Downturns in the economies of key trading partners such as the United States, China and/or countries in Southeast Asia, including any economic, political or social instability in such countries, could also have a negative impact on the Japanese economy as a whole. Currency fluctuations may also adversely impact the Japanese economy, including its export market.

Japan is prone to natural disasters such as earthquakes, typhoons, flooding and tsunamis and may be subject to other unexpected disruptions such as fires, power outages and outbreaks of pandemic. Such events may have an adverse impact on the Japanese market, and it is impossible to accurately predict the occurrence of such events.

The Tokyo Stock Exchange (on which the Index constituents are listed) has the right to suspend trading in any security traded thereon. The Japanese government or the regulators in Japan may also implement policies that may affect the Japanese financial market. All of these may have a

negative impact on the Product.

Risks Associated with JPY and Foreign Exchange

The Product's base currency is JPY and the underlying investments of the Product are primarily denominated in JPY, but cash creations and redemptions in the primary market will be in USD / JPY, while dividend distributions (if any) will be in HKD. The Net Asset Value of the Product may be affected unfavourably by fluctuations in the exchange rates between USD and JPY and by changes in exchange rate controls.

Units of the Product are traded in the secondary market in HKD. Secondary market investors may be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currency (i.e. HKD) and the base currency when trading Units in the secondary market.

Sector Concentration Risks

The Product is subject to sector concentration risks as a result of tracking the leveraged performance of the Index. The constituents of the Index may from time to time be concentrated in companies in a particular industry. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.

In particular, the constituents of the Index may at times be concentrated in the technology sector. Many of the companies in the technology sector have a relatively short operating history. Rapid changes could render obsolete the products and services offered by companies in the technology sector and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

There may be substantial government intervention in the technology industry, including restrictions on investment in internet and technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies in the technology sector from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the technology products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed.

The technology business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies which are constituents of the Index and this may in turn adversely affect the value of investment of the Product.

The Product's investments may also at times be concentrated in other sectors, such as the consumer goods sector. The performance of companies in the consumer goods sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic

growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer goods sector. This may adversely affect the value of investments of the Product.

Suspension of Creation Risk

There can be no assurance that there are sufficient Nikkei 225 Futures or Nikkei 225 mini in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the Nikkei 225 Futures or Nikkei 225 mini, and delay or disruption in execution of trades or in settlement of trades.

Risks Associated with the Index

Licence to Use Index may be Terminated Risk

The Manager is granted a licence by the Index Provider to use the Index in connection with the Product and to use certain trade marks and any copyright in the Index. The Product may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement is limited in period and thereafter renewable for only short periods. There can be no guarantee that the licence agreement will be perpetually renewed. Please refer to the section headed “Index Licence Agreement” above for further details. Although the Manager will seek to find a replacement index, the Product may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index Risk

The Securities of the Index are determined and composed by the Index Provider without regard to the performance of the Product. The Product is not sponsored, endorsed, sold or promoted by the Index Provider. The Index Provider makes no representation or warranty, express or implied, to investors in the Product or other persons regarding the advisability of investing in the Securities of the Index generally or in the Product particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Product into consideration in determining, composing or calculating the Index. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of the Index Provider will not prejudice the interests of the Product, the Manager or investors.

Composition of an Index May Change Risk

The Securities constituting the Index will change as the Securities of the Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Index. When this happens the weightings or composition of the Futures Contracts owned by the Product may change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Daily leveraged performance of the Index as its constituents change, and not necessarily the way the Index is comprised at the time of an investment in Units.

Please also refer to the risk factors under "Risks Associated with the Indices" in Part 1 of this Prospectus for further information.

Risks of Investing in Fixed Income Securities

Credit/Counterparty Risk

Investment in fixed income securities is subject to the credit risk of the security or its issuers, who may be unable or unwilling to make timely payments of principal and/or interest. In the event of a default or credit rating downgrading of the securities or the issuers of the fixed income securities held by the Product, the Product's value will 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 securities that are being downgraded. There may also be difficulties or delays in enforcing rights against the issuers who will generally be incorporated overseas and therefore not subject to the laws of Hong Kong.

Interest Rate Risk

Investment in the Product is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Credit Ratings 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.

Sovereign Debt Risk

The Product's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers.

Risks of Investing in Other Collective Investment Schemes/Funds

The Product may invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme. The underlying collective investment schemes/funds in which the Product may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes/funds. There is also no guarantee that the underlying collective investment schemes/funds will always have sufficient liquidity to meet the Product's redemption requests as and when made.

If the Product 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Distributions out of or Effectively out of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset

Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Appendix dated 15 July 2026

APPENDIX 10: CSOP NIKKEI 225 DAILY (-2X) INVERSE PRODUCT

Key Information

*Set out below is a summary of key information in respect of CSOP Nikkei 225 Daily (-2x) Inverse Product (the "**Product**") which should be read together with the full text of this Appendix and the Prospectus.*

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to two times inverse (-2x) of the Daily performance of the Index
Index	Nikkei Stock Average (the "**Index**")
Initial Offer Period	9:00 a.m. (Hong Kong time) on 27 May 2024 to 4:00 p.m. (Hong Kong time) on 27 May 2024, or such other date as the Manager may determine
Initial Issue Date	28 May 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10 or its equivalent in Japanese Yen ("**JPY**")
Listing Date (SEHK)	Expected to be 29 May 2024, but may be postponed by the Manager to a date no later than 8 July 2024
Exchange Listing	SEHK – Main Board
Stock Code	7515
Short Stock Name	FI2 CSOP NIKKEI
Trading Board Lot Size	10 Units
Base Currency	JPY
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital, or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any). All Units will receive distributions in HKD only.

Creation/Redemption Policy	Cash (in USD or JPY) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	2:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Product will be for the period from the fund launch to the year ending 31 December 2024 and from 1 January 2025 to the half year ending 30 June 2025 respectively.)
Website	https://www.csopasset.com/en/products/hk-nik-2i (this website has not been reviewed by the SFC)

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to two times inverse (-2x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day.**

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the nearest quarter futures contracts on the Index traded on the Osaka Exchange, Inc. (the "**OSE**") in Japan ("**Nikkei 225 Futures**") (and/or nearest quarter Nikkei 225 mini futures traded on the OSE ("**Nikkei 225 mini**"), which may also be used as an ancillary tool to this strategy where the Manager believes such investments will help the Product better track the Index) subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

In entering into the Nikkei 225 Futures (and/or Nikkei 225 mini), the Manager anticipates that no more than 40% of the Net Asset Value of the Product from time to time will be used as margin to acquire the Nikkei 225 Futures (and/or Nikkei 225 mini). Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially.

Not less than 60% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (JPY, HKD or USD) and other JPY or HKD or USD denominated investment products, such as deposits with banks in Hong Kong and JPY or HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in JPY or HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder (if declared) will be distributed by the

Manager to the Unitholders in HKD only.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds 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. For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

Other than Nikkei 225 Futures (and/or Nikkei 225 mini), the Product may acquire FDIs (such as FX forwards) for hedging purposes.

The Product's net derivative exposure to FDIs will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, and (ii) between Daily rebalancing, unless due to market movements.

The Manager has no current intention to enter into any securities lending, sale and repurchase, reverse repurchase or similar transactions in respect of the Product.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the OSE are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the underlying futures market, by decreasing exposure in response to the Index's two times inverse (-2x) Daily gains or increasing exposure in response to the Index's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have a futures exposure of -200 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs a futures exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day. Day 2 illustrates the rebalancing requirements if the Index falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Futures roll

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the nearest quarter Nikkei 225 Futures (and/or nearest quarter Nikkei 225 mini) into next quarter Nikkei 225 Futures (and/or next quarter Nikkei 225 mini) with the goal that, by one Business Day before the last trading day of the nearest quarter Nikkei 225 Futures (and/or nearest quarter Nikkei 225 mini), all roll-over activities would have occurred.

In respect of Nikkei 225 Futures and Nikkei 225 mini, the roll will occur within a 8-calendar days period in the last calendar month of each quarter (between 8 calendar days before the last trading day of the nearest quarter Nikkei 225 Futures or Nikkei 225 mini (as applicable) and one business day before the last trading day of the nearest quarter Nikkei 225 Futures or Nikkei 225 mini (as applicable)).

The Manager has full discretion over futures rolling execution to meet the Product's investment objective.

What are Nikkei 225 Futures and Nikkei 225 mini?

Nikkei 225 Futures and Nikkei 225 mini are Futures Contracts on the Nikkei Stock Average, traded on the OSE.

Nikkei 225 Futures and Nikkei 225 mini are leveraged because they are traded on a margin basis. The margin to carry an open position is generally a small percentage (5%-15%) of their value. Nikkei 225 Futures and Nikkei 225 mini are registered, cleared and guaranteed by the Japan Securities Clearing Corporation ("**JSCC**"). JSCC acts as the counterparty to all open contracts, which effectively eliminates counterparty risks between JSCC participants.

The key specifications of the Nikkei 225 Futures and Nikkei 225 mini are as follows:

Underlying index	Nikkei Stock Average
Exchange	OSE
Trading hours (Japan Standard Time)	Day session: 8:45 a.m. (opening auction) 8:45 a.m. – 3:40 p.m. (regular session) 3:45 p.m. (closing auction) Night session: 5:00 p.m. (opening auction) 5:00 p.m. – 5:55 a.m. (regular session) 6:00 a.m. (closing auction)
Contract months	**Nikkei 225 Futures:** Quarterly contract months (available for a period up to 8 years) • June and December: Nearest 16 contract months • March and September: Nearest 3 contract months **Nikkei 225 mini^**: (1) Quarterly contract months (available for a period up to 5 years) • June and December: Nearest 10 contract months • March and September: Nearest 3 contract months (2) Monthly contract months (available for a period up to 5 months) • nearest 3 contract months ^ *For the avoidance of doubt, the Product will invest in Nikkei 225 mini with quarterly contract months only.*
Last trading day	The business day preceding the second Friday of each contract

	month (When the second Friday is a non-business day, it shall be the preceding business day.) Trading in a new contract month begins on the business day following the last trading day.
Special Quotation ("SQ") day	The business day following the last trading day.
Contract unit	**Nikkei 225 Futures:** Nikkei 225 × JPY1,000 **Nikkei 225 mini:** Nikkei 225 × JPY100
Tick size	**Nikkei 225 Futures:** JPY10 (value per tick: JPY10,000 per contract) **Nikkei 225 mini:** JPY5 (value per tick: JPY500 per contract)
Settlement method	Cash settlement
Final settlement price	Special Quotation (SQ) (SQ calculation is based on the total opening prices of each component stock of Nikkei 225 on the business day following the last trading day.)
Position limit	Nil. There is no position limit for Nikkei 225 Futures or Nikkei 225 mini.
Price limit	1. The price limit range shall be calculated by multiplying the reference price of price limits by the following rates: • Normal: 8% • 1st expansion: 12% • 2nd expansion: 16% The reference price of the price limits is the settlement price of the previous day. The price limits will be expanded to the 1st expansion of price limits, and then to the 2nd expansion of price limits when a circuit breaker is triggered (see "Circuit breaker rule" below). Only price limits in one direction, up or down, will be expanded. 2. Immediately Executable Price Range Rule ("**DCB**"): Last Traded Price ("**LTP**") ±0.8% However, the DCB Price Range for Opening Auction and Closing Auction will be ±3.0% and ±1.5% respectively.
Circuit breaker rule	The circuit breaker rule is applied to temporarily halt trading in order to allow investors to calm down when the market is overly volatile. In the case where a buy (sell) order is placed (or executed) at the upper (lower) price limit for the central contract month of a futures contract, the trading of futures whose underlying is the same as this central contract month will be suspended and the upper (lower)

	daily price limit range will be expanded. Where the foregoing criteria for triggering a circuit breaker are met, trading in all contract months will also be suspended. The conditions for exception of application of the circuit breaker rule are as follows: • In the case where the above criteria is met within 20 minutes before the end of the regular session of the day (afternoon) or night session. • In the case where the criteria is triggered again after the daily price limits has been expanded to the 2nd expansion range. • In cases where the OSE deems that a trading suspension would not be appropriate in consideration of the trading conditions, etc. Price limits will be expanded during the trading halt. The trading halt will commence from the time that OSE determines on each occasion immediately after the criteria for triggering a circuit breaker are met and will last for more than 10 minutes. After the duration for a trading halt, trading will be resumed with the price limit expanded.

For more information, please refer to the websites: (in respect of Nikkei 225 Futures) https://www.jpx.co.jp/english/derivatives/products/domestic/225futures/index.html and (in respect of Nikkei 225 mini) https://www.jpx.co.jp/english/derivatives/products/domestic/225mini/index.html (the contents of which have not been reviewed by the SFC).

Futures liquidity

As of 29 March 2024, the daily average value traded and open interest of the nearest quarter month Nikkei 225 Futures for the year of 2024 are JPY2.37 trillion and JPY8.45 trillion respectively.

As of 29 March 2024, the daily average value traded and open interest of the nearest quarter month contract of Nikkei 225 mini for the year of 2024 are JPY3.45 trillion and JPY10.66 trillion respectively.

The Manager believes that such liquidity is sufficiently abundant in terms of turnover and open interest for the Product to operate as an inverse product tracking the Index.

Borrowing Policy and Restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Index, which is also known as Nikkei 225, is an adjusted price-weighted equity index with highly liquid and representative stocks that consists of 225 stocks listed on the Prime Market of the Tokyo Stock Exchange. In a price-weighted index, constituents are weighted by their price per share, and the Index is an average of the share prices of all the constituents. For more details, please refer to the section "Index calculation method" below.

The Index is denominated and quoted in JPY.

The Index is a price return index, which means that the performance of the Index is calculated on the basis that dividends are not reinvested.

The Index was launched on 7 September 1950 and had a base level of 176.21 as of 16 May 1949. As of 27 February 2026, the Index had a total market capitalisation of JPY 992,790 billion and 225 constituents.

Index Provider

The Index is compiled and managed by Nikkei Inc. (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Selection of constituents

The Index is calculated with 225 market representative stocks from the Prime Market of the Tokyo Stock Exchange. To be listed on the Prime Market of the Tokyo Stock Exchange, amongst other listing criteria, companies need to have a market capitalisation of tradable shares of at least JPY10 billion, at least 800 shareholders, tradeable shares of at least 20,000 units, and a tradeable share ratio of at least 35%.

However, non-ordinary shares such as ETFs, REITs, preferred stocks, preferred securities or tracking stocks are excluded.

By calculating with highly liquid stocks, the Index is aimed at fulfilling two objectives, one is to maintain its long-term continuity and the other is to reflect the changes in the industry structure of the Japanese stock market.

Constituents of the Index are reshuffled based on two types of changes in the constituents, namely (i) periodic review ("**Periodic Review**"), which is conducted twice a year, and (ii) extraordinary replacement ("**Extraordinary Replacement**"), where the vacancies of the constituents created by delisting or other reasons are filled.

Periodic Review

Constituents are reviewed twice a year as evaluated at the end of January and July (the "**base dates**") in accordance with the following rules. Results of the review become effective on the first trading day of April and October.

The maximum number of constituents reshuffled at a Periodic Review is 3. However, constituent change due to corporate reorganisation near the time of Periodic Review is not included in the foregoing limit of 3.

(1) *Assessment of liquidity*

Highly liquid stocks from the Prime Market of the Tokyo Stock Exchange are selected and grouped as the "High Liquidity Group".

The measures to assess liquidity are (a) trading value of the preceding 5 years and (b) magnitude of price fluctuation by trading value (defined as *(high price / low price) / trading*

value) in the preceding 5 years. Top 450 (double the constituent count for the Index) of the most liquid stocks ranked in descending order of liquidity in terms of the two measures constitute the "High Liquidity Group".

(2) *Deletion of low liquidity constituents*

Those constituents not in the High Liquidity Group (ranked 451st or lower) are deleted from the Index.

(3) *Addition of high liquidity stocks*

The "High Liquidity Group" stocks which are ranked 75th or higher and are not currently in the list of the constituents are added to the Index.

(4) *Deletion/Addition based on the sector balance*

The 450 most liquid issues will be categorised into six industrial sectors –Technology, Financials, Consumer Goods, Industrial Materials, Capital Goods/Others and Transportation/Utilities.

After considering the results of steps (2) and (3) above, a rebalancing is conducted if any of the sectors are over-represented or under-represented so as to make the total number of the constituents to be 225. Degree of representation is evaluated by comparing the actual number of constituents in the sector against the "Appropriate number", which is defined as half of the number of stocks in each sector in the "High Liquidity Group".

For over-represented sectors, current constituents in the sector are deleted in the order of the liquidity (low liquidity first) to correct the overage. For under-represented sectors, non-constituent stocks are added from the "High Liquidity Group" in the order of the liquidity (high liquidity first) to correct the shortage.

<u>Extraordinary Replacement</u>

Extraordinary Replacement is intended to fill the vacancy made by deletion due to a specific event.

(1) *Deletion for special reasons*

Constituents which meet the following criteria are deleted from the Index:

(i) designated as "Securities to be Delisted" or "Securities on Alert";
(ii) delisted due to corporate restructuring such as merger, share exchange or share transfer;
(iii) transfer to a market other than the Prime Market.

A constituent designated as a "Security under Supervision" remains to be a constituent at the time of designation. However, the Index Provider may replace such a constituent with a pre-announcement when it is highly inappropriate to keep the stock as a constituent, e.g. probability of delisting is extremely high.

(2) *Procedure to add new constituents*

When a constituent is deleted for the reasons in step (1) above, a stock to be added will be selected, in principle, from the same sector in the "High Liquidity Group" in the descending order of liquidity.

Notwithstanding the preceding paragraph, the following rules may apply depending on the timing and circumstances of the deletion where a deletion is known in advance:

(i) when such deletion is scheduled close to the Periodic Review, additional stocks may be selected in a part of the Periodic Review process;
(ii) when multiple deletions are scheduled in a season other than the Periodic Review, additions may be selected using steps (3) and (4) of the rules for Periodic Review described above by assessing the liquidity and the balance of the sector.

(3) *Special rules for additions*

Notwithstanding the above, the procedures as exemplified below may be applied to choose the stocks to be added in case of corporate restructuring. Application of these special rules is determined for each case.

(i) Under the following cases, a stock of a company which will succeed the substance of the delisting company will be added in principle, provided such company must be listed or will be listed within a short period on the Prime Market of the Tokyo Stock Exchange:

- stock of a surviving company in mergers where a constituent is merged and delisted;
- stock of a newly established parent company by share transfer or a new parent company receiving shares from a constituent by exchange.

(ii) When a company is split and multiple companies maintain listing on the Prime Market of the Tokyo Stock Exchange, a stock of a company which succeeds the major operation will become a constituent.

(4) Timing of the constituent change

In principle, for each reason under step (1) above, constituents are deleted and added with the effective date as follows:

(i) designated as “Securities to be Delisted” or “Securities on Alert” – five business days after the designation;
(ii) delisted due to corporate restructuring such as merger, share exchange or share transfer – effective date of the relevant event;
(iii) transfer to the market other than the Prime Market – effective date of the relevant event.

In case that a constituent designated as a “Security under Supervision” is deemed as highly inappropriate and will be deleted, the announcement will be made approximately two weeks before its effective date. Even if such a constituent is designated as a stock to be delisted before the pre-announced effective date, the pre-announced effective date prevails.

<u>Implementation of constituent change</u>

For both Periodic Reviews and Extraordinary Replacements, deletions and additions are made effective on the same day to keep the number of constituents at 225.

However, when necessary, as exemplified below, additions are made after the deletions and during such period, the Index may be calculated with less than 225 constituents. Divisor is adjusted at times when constituents are deleted or added to warrant the continuity.

A constituent company may be delisted when it establishes a parent company by a share transfer or becomes a subsidiary of an unlisted company by a share exchange. If a new parent company is deemed to be succeeding the business of the delisted company, such a new company may become a new constituent if it becomes listed. In such a case, during the period between delisting of the original company and listing of the new succeeding company, the Index may be calculated with constituents less than 225.

After consultation with academics and market professionals, the Index Provider will decide and announce the list of deleting and adding stocks.

Index calculation method

The Index is calculated as a weighted price average where the sum of the constituent stock prices adjusted by the price adjustment factor is divided by the divisor.

*Adjusted stock price = Stock price x Price adjustment factor**

Index = Sum of adjusted stock price / Divisor

* For a constituent to which a capping ratio is applied, price adjustment factor will be replaced by "capped price adjustment factor".

Selection of the prices

Prices to be used for the calculation are selected in the following order of priority: (1) special quote or sequential trade quote, (2) traded price and (3) base price.

A special quote is declared by the Tokyo Stock Exchange. It is indicated whenever prices look likely to jump beyond a certain price range (special quote renewal price interval) from the last execution price. It is indicated if there is any likelihood of inappropriate price fluctuations, for example, as a result of a major order imbalance between bids and offers, to prevent short-term wild price fluctuations. Special offer quotes are indicated when the next price is anticipated to be at a price lower than the given renewal price interval and special bid quotes are indicated when the next price is anticipated to be at a price higher than the given renewal price interval.

Special quote described above is indicated when price is anticipated to jump beyond a certain range without execution. In high-speed order matching and executing however, sequential buying-up or selling-down with execution may result in instantaneous and sharp price fluctuations without a special quote being displayed at all. If there is sequential execution that is likely to move beyond twice the special quote renewal price interval from the reference execution price, after execution up to the "reference price + (renewal price interval x 2)" (or in the case of offers, down to the "reference price - (renewal price interval x 2)"), a sequential trade quote will be displayed at this price for one minute.

Following the order of priority mentioned above, if a constituent stock closes trading with special quote, such special quote is used to calculate the closing index even if it had a traded price intraday. Where there are no prices by the definition of "special quote or sequential trade quote" and "traded price", then the base price is used. Base price is obtained based on the priority order of ex-rights theoretical price, the last special quote price or sequential trade quote price, and the latest traded price up to the preceding day. In most cases, the price used for the calculation of the closing index on the preceding day becomes the "base price".

Price adjustment factor

Price adjustment factor ("**PAF**") is a number which adjusts price of the constituents. PAFs are set and revised as follows.

(1) *Setting PAF*

The PAF of a stock to be added to the Index is 1. However, the value other than 1 (0.1 to 0.9) may be assigned provided that the price of such stock on the base dates (i.e. end of January and July) exceeds 1% of the sum of constituent prices. It is set at the highest value which does not exceed 1% of the sum of the prices by 0.1 interval.

PAF = sum of adjusted stock price of the constituents x 1% / the stock price of the new constituent

Note: PAF is evaluated on the base date and rounded down to the nearest 0.1.

When a stock of a newly established holding company is added replacing the delisting original

company, value other than 1 may be set in accordance with the ratio of stock transfer, etc. in the establishment of the holding company.

Also note that if the stock price of the new constituent fluctuates drastically after the base date until the effective date of the change, the PAF may be adjusted. In this case, such an adjustment will be announced at least 5 business days before the effective date in principle.

(2) *Revising PAF*

PAF is revised under large-scale stock split or reverse split.

When a constituent goes for a large-scale stock split or reverse stock split, PAF is revised to keep the price level of such a constituent unchanged. However, since the PAF has only 1 digit after the decimal point, the above adjustment calculation might result in a fraction. Also, if a result of calculation is less than 0.1, PAF will be set as 0.1. In these cases, the adjusted price before and after the split/reverse split are different. Such difference will be adjusted by divisor. Revision of PAF under large scale stock split or reverse split will be announced at least 5 business days before the effective date in principle.

(3) *Capping ratio*

Capping ratio is a number which is used to temporally decrease the weight of a constituent when such weight exceeds a certain threshold (the "**weight cap threshold**"). The capping ratio is applied, revised, or cancelled as stipulated below.

Weight cap threshold is 12% upon introduction at the Periodic Review of October 2022. It will be reduced to 11% and 10% respectively at the Periodic Reviews in October 2023 and October 2024.

For a constituent to which a capping ratio is applied, the price of such a constituent is adjusted by "capped price adjustment factor" ("**CPAF**") as shown below.

Capped price adjustment factor (CPAF) = Price adjustment factor x Capping ratio

Note: CPAF is rounded down to the nearest 0.1.

If, on the base date of a Periodic Review, the weight of a constituent to which any capping ratio is not yet applied exceeds the weight cap threshold, a capping ratio of 0.9 is applied on the effective date of the constituent change resulting from the Periodic Review. If a capping ratio was already applied to such a constituent, capping ratio will be decreased by 0.1. However, if no change is observed in the CPAF after the application of the new capping ratio, the capping ratio will be decreased further until there is a change in the CPAF.

If, on the base date of a Periodic Review, weight of a constituent to which a CPAF is applied is below 5%, the capping ratio will be increased by 0.1 on the effective date of the constituent change resulting from the Periodic Review. However, if no change is observed in the CPAF after the application of the new capping ratio, the capping ratio will be increased further until there is a change in the CPAF. If the new capping ratio after the increment is 1, capping ratio will be cancelled.

When a constituent to which CPAF is applied goes for a large-scale stock split or reverse split and the PAF is adjusted by the ratio of split or reverse split, the capping ratio may be revised so that the new CPAF does not change the weight of the constituent. For such a constituent, the capping ratio may have fractions after 0.1 and be increased/decreased by the number other than 0.1 in the next revision of the capping ratio.

In principle, the capping ratio is applied, revised, or cancelled on the effective date of the constituent change resulting from the Periodic Review. However, depending on the liquidity of the constituent, changes in the capping ratio may be implemented in two or more steps.

(4) *Divisor*

The Index is calculated as adjusted price average where the weight is based on the price adjustment factor. This is basically an arithmetic average and the denominator is a number of constituents initially. There will be changes in the constituents etc., and the denominator, which is the "divisor", will be adjusted to maintain the continuity of the Index.

Divisor is recalculated in case of (a) changes in the constituents, (b) corporate action such as split, reverse split, paid-in capital increase (however, when the split or the reverse split is in a large scale, the price adjustment factor may also be adjusted; the divisor may not be changed so long as the adjusted price is unchanged before and after such split/reverse split) or (c) capping ratio application, revision, or cancellation.

Index Securities of the Index

You can obtain the most updated list of the index constituents with their respective weightings and additional information and other important news of the Index from the website https://indexes.nikkei.co.jp/en/nkave/index/profile?idx=nk225 (this website has not been reviewed by the SFC).

Index code

Bloomberg: NKY

Comparison between the Index and the inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

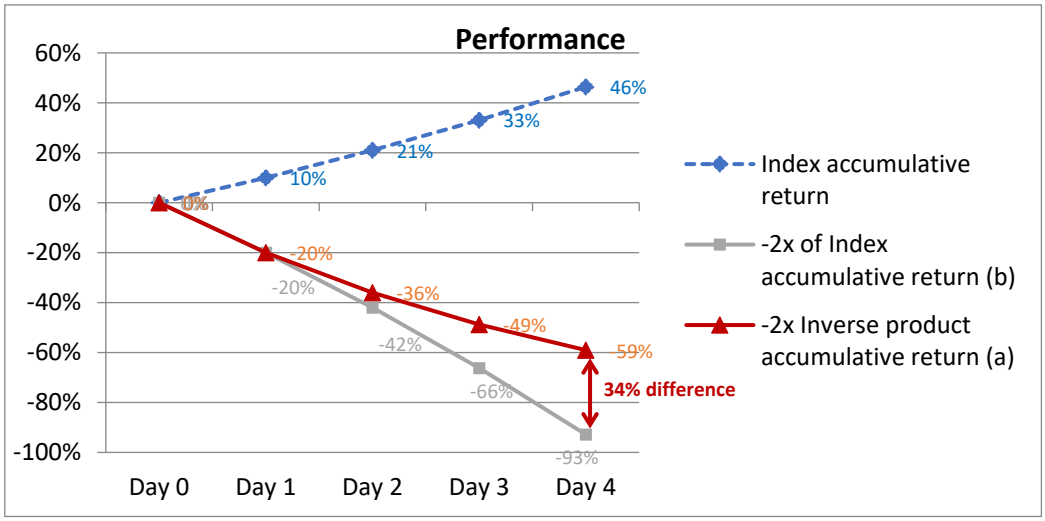
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Index. As such, the Product's performance may not track -2x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of -200% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-2x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

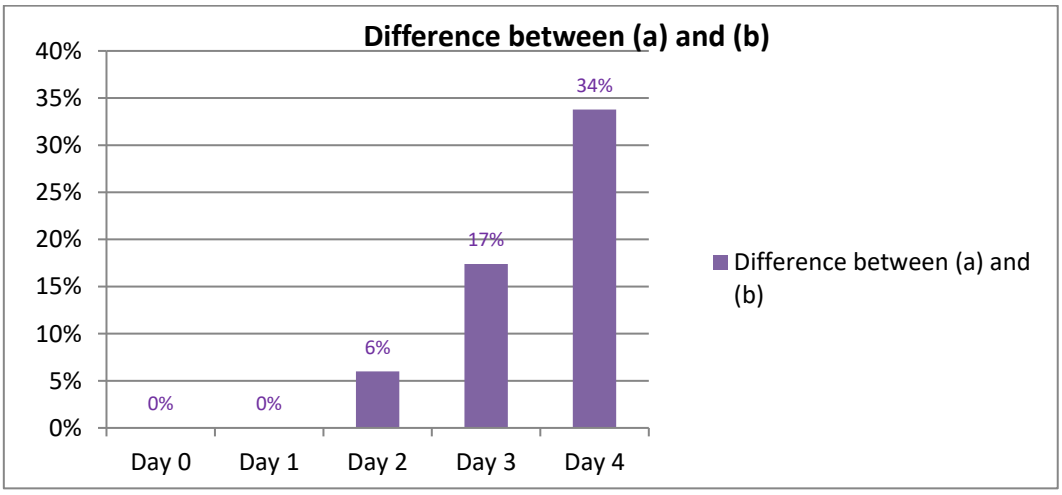
In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

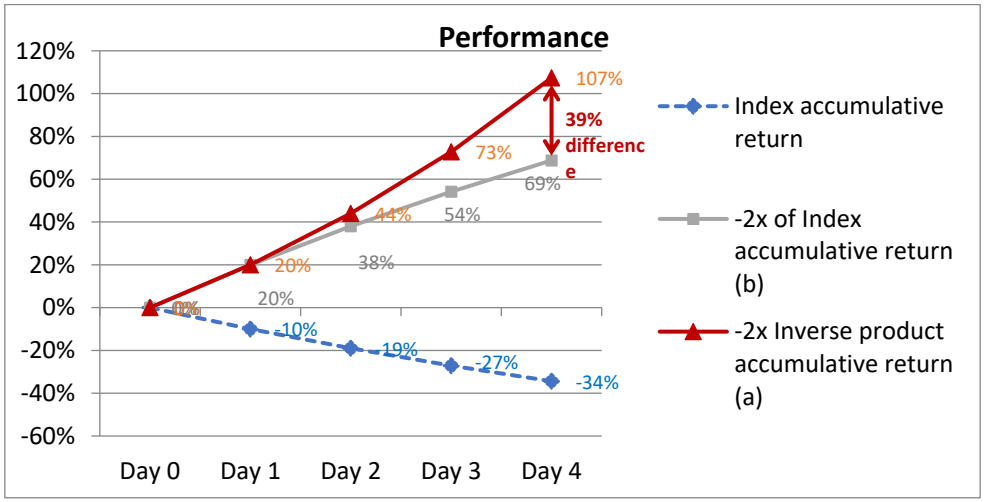


Scenario 2: Downward trending market

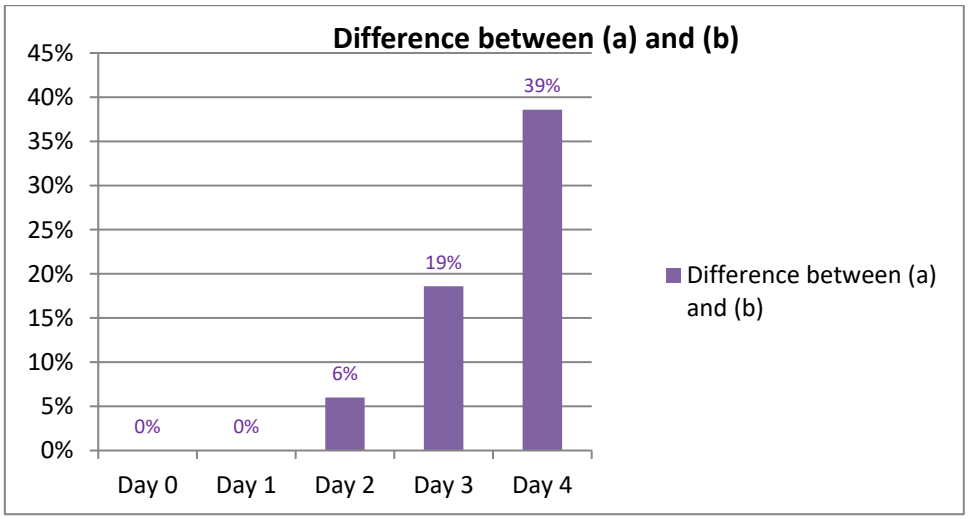
In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

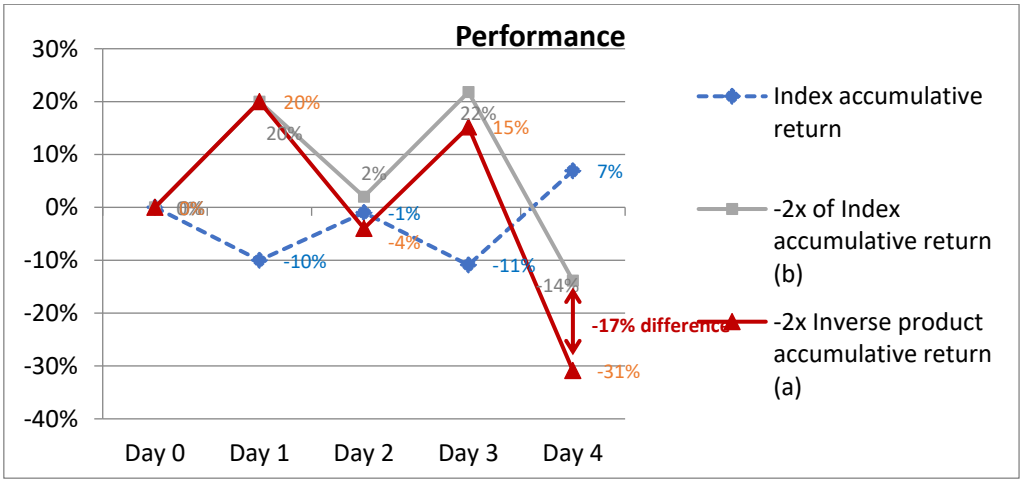


Scenario 3: Volatile upward trend

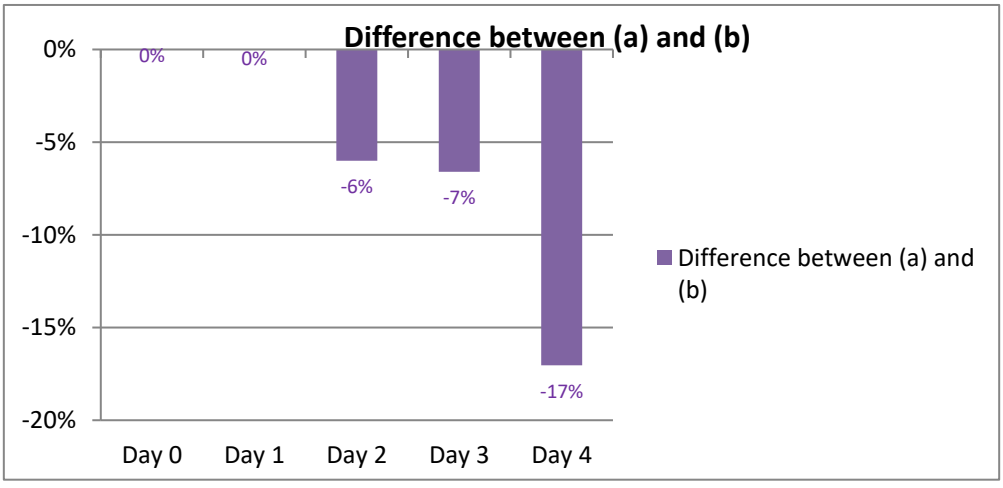
In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

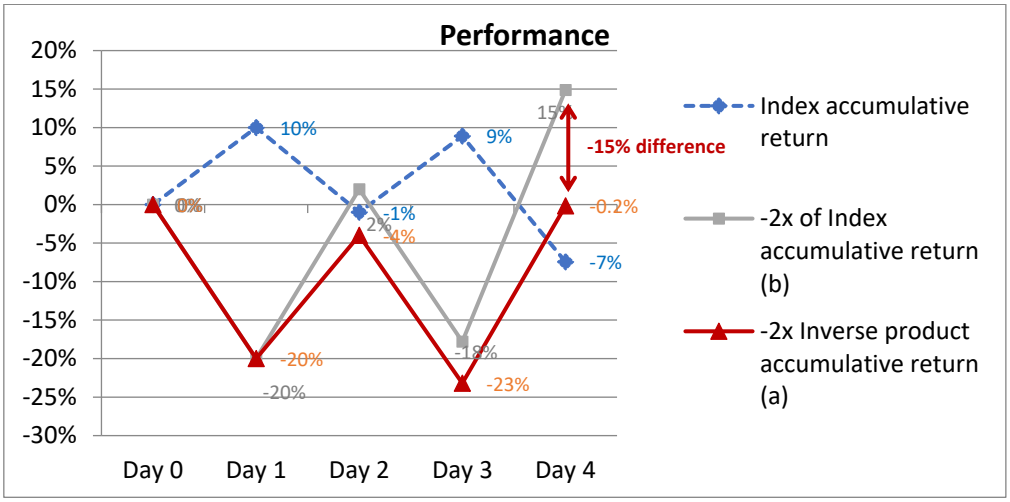


Scenario 4: Volatile downward trend

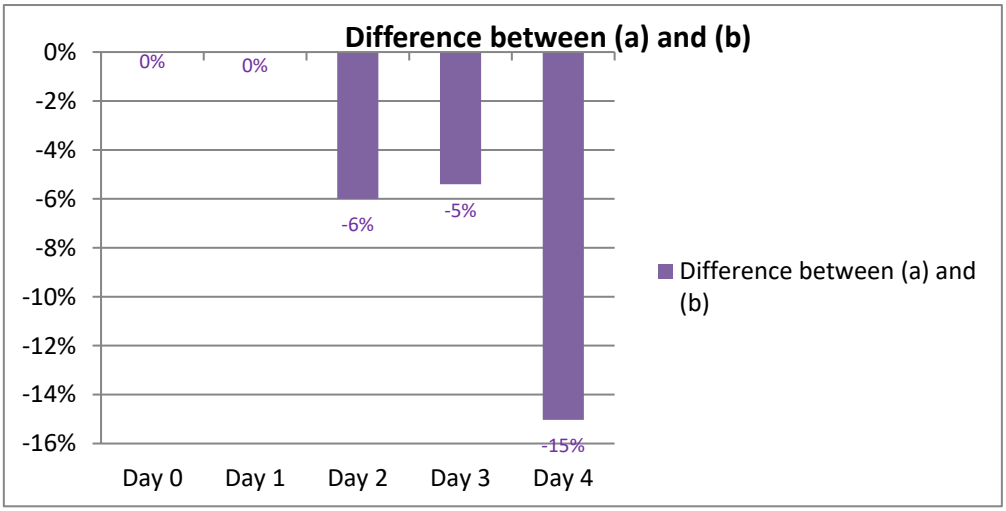
In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.

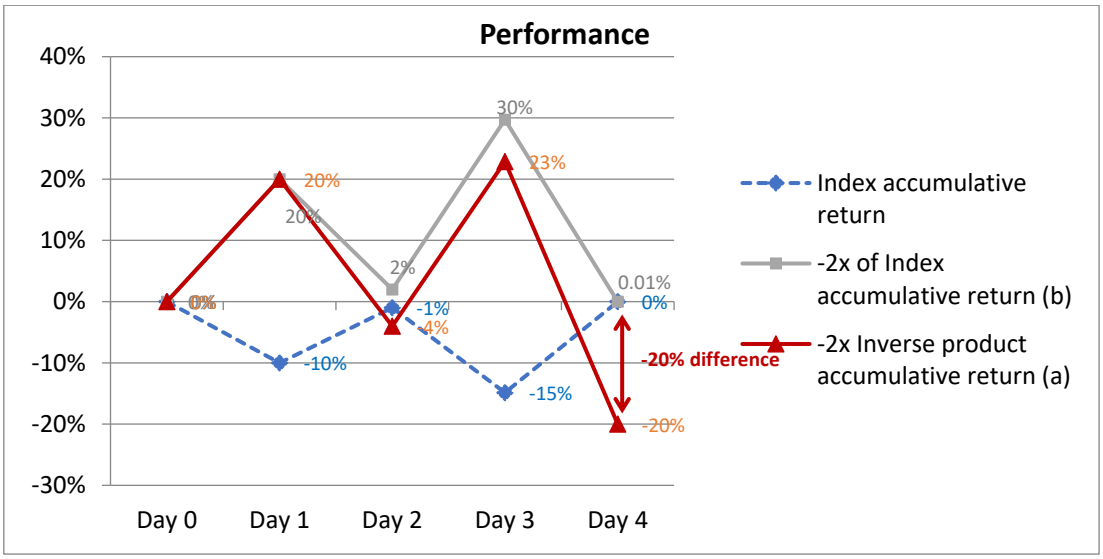


Scenario 5: Volatile market with flat index performance

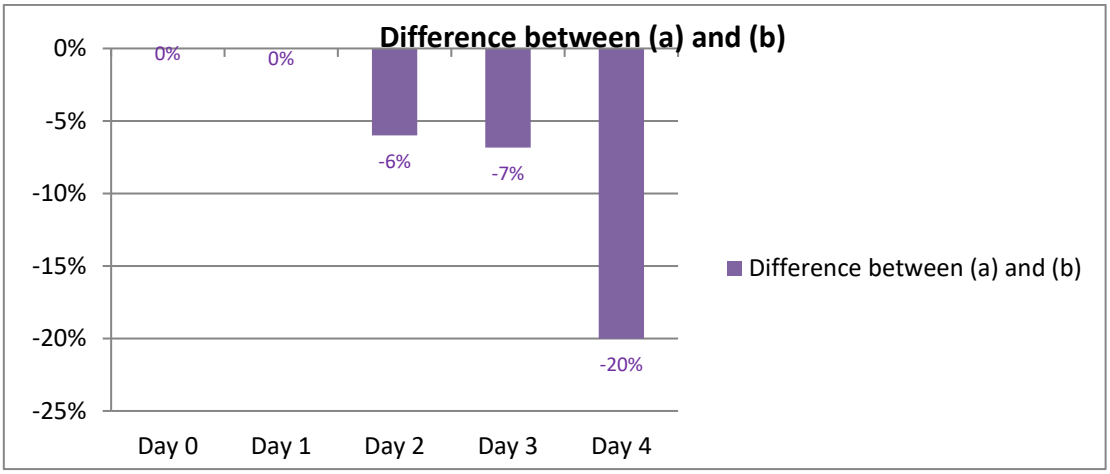
In a volatile market with flat index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat index performance over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of index accumulative return in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the two times inverse (-2x) performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-nik-2i (this website has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the two times inverse (-2x) Daily performance of the Index, when comparing the Index and the -2x performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Index will not be equal to the simple -2x performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the -2x performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (2x Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Index. That is, the Net Asset Value of the Product will fall by 20.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Index.

Index Licence Agreement

The Manager has entered into a licence agreement dated 15 April 2024 (the "**Licence Agreement**") with Nikkei Inc. The initial term of the licence of the Index shall remain in full force and effect for 3 years from 15 April 2024. The Licence Agreement shall be automatically renewed for 1 year unless either party to the Licence Agreement serves a written notice of the termination of at least 90 days 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 Nikkei Stock Average is a copyrighted material calculated in a methodology independently developed and created by Nikkei Inc. and Nikkei Inc. is the sole exclusive owner of the copyright and other intellectual property rights in the Nikkei Stock Average itself and the methodology to calculate the Nikkei Stock Average.

The intellectual property and any other rights in the marks to indicate Nikkei and the Nikkei Stock Average shall be vested in Nikkei Inc..

Nikkei Inc. does not sponsor, support, sell or market the Product. Nikkei Inc. has, besides granting the license to the Manager to use certain trademarks and to use the Nikkei Stock Average for the Product, no connection with the Product. The License Agreement between Nikkei Inc. and the Manager does not provide any rights to any third parties.

The Product is managed exclusively at the risk of the Manager and Nikkei Inc. shall assume no obligation or responsibility for its management and transactions of the Product. Nikkei Inc. is not responsible for the accuracy and the calculation of the Product or the data contained therein.

Nikkei Inc. shall not have the obligation to continuously announce the Nikkei Stock Average and shall not be liable for any error, delay, interruption, suspension or cessation of announcement thereof. Nikkei Inc. shall have the right to change the description of the stocks included in the Nikkei Stock Average, the calculation methodology of the Nikkei Stock Average or any other details of the Nikkei Stock Average and shall have the right to suspend or cease the publication of the Nikkei Stock Average without owing any liability to the Manager or any other third party.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 27 May 2024 and ends at 4:00 p.m. (Hong Kong time) on 27 May 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 29 May 2024 but may be postponed by the Manager to a date no later than 8 July 2024.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Product is terminated.

Dealings in the Units on the SEHK will commence on the Listing Date, which is expected to be on

29 May 2024 but may be postponed by the Manager to a date no later than 8 July 2024.

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 9:30 a.m. (Hong Kong time) to 2:30 p.m. (Hong Kong time) on each Dealing Day.

The Issue Price of Units created and issued by a Creation Application will be the prevailing Net Asset Value of the Product as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest two decimal places (0.005 or above being rounded up, and less than 0.005 being rounded down).

Please refer to the section on "The Offering Phases" 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 27 May 2024 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 4 July 2024
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 27 May 2024 but may be postponed by the Manager to no later than 4:00 p.m. (Hong Kong time) on 4 July 2024
After listing (period commences on the Listing Date) • All investors may start trading 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 29 May 2024, but may be postponed by the Manager to a date no later than 8 July 2024 • 9:30 a.m. (Hong Kong time) to 2:30 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD are expected to begin on 29 May 2024.

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.

Redemption of Units

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the Product as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest two decimal places (0.005 or above being rounded up, and less than 0.005 being rounded down).

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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-nik-2i (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-nik-2i and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid. There is no guarantee of regular distribution nor the amount being distributed (if any).

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

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and

charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in JPY in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately JPY250-500 per Futures Contract levied by the broker.

The above rates will amount to approximately 0.02%-0.04% per annum of the Net Asset Value and may increase to approximately 0.1% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the Index could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse (-2x) performance of the Index over that same period (e.g. the loss may be more than 2 times the increase in the Index). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. As a result, you may suffer significant losses from this Product. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the Index for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the two times inverse (-2x) performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities and the leverage effect.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying futures market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at or around the close of trading of the underlying futures market on each Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse (-2x) investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investment in Futures Contracts

Rolling of Futures Contracts Risk

Investments in Futures Contracts exposes the Product to a liquidity risk linked to Futures Contracts which may affect the value of such Futures Contracts. A "roll" occurs when an existing Futures Contract is about to expire and is replaced with a Futures Contract representing the same underlying but with a later expiration date. The value of the Product's portfolio (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward as the Futures Contracts approach expiry. The change in price of a Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Contango and Backwardation Risk

The process of rolling will subject the Product to contango and backwardation risks. As Futures Contracts come to expiration, they are replaced by Futures Contracts that have a later expiration. For example, a Nikkei 225 Future may specify a March expiration. As time passes, the Futures

Contract expiring in March is replaced by a contract for expiry in June by buying the March contract and entering into a short position of the June contract.

Excluding other considerations, if the market for these Futures Contracts is in “contango”, where the prices are higher in the distant expiry months than in the nearer expiry months, the purchase of the March contract would take place at a price that is lower than the price of the June contract. Accordingly closing out the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is lower than the price of the June contract, thereby creating a positive “roll yield”.

By contrast, if the market for these Futures Contracts is in “backwardation”, where the prices are lower in the distant expiry months than in the nearer expiry months, the closing out of the March short position would take place at a price that is higher than the price of the June contract. Accordingly the closing out of the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is higher than the price of the June contract, thereby creating a negative “roll yield” which adversely affects the Net Asset Value.

Margin Risk

Generally, most leveraged transactions, such as Futures Contracts, involve the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Product having a material adverse effect on the Net Asset Value of the Product. Like other leveraged investments, a futures transaction by the Product may result in losses in excess of the amount invested by the Product. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms.

Clearing House’s Failure Risk

In the event of the bankruptcy of the exchange’s clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under applicable law and regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange’s clearing house if the exchange’s clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections would be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Product is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Product and what can be done, if anything, to try and limit such

impact.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's futures positions, relevant parties (such as clearing brokers, execution brokers, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include limiting the size and number of the Product's futures positions and/or mandatory liquidation of part or all of the Product's futures positions without advance notice to the Manager. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's Units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Price Limit Risk

If the price of the Nikkei 225 Futures (and/or Nikkei 225 mini) included in the Product's portfolio hit certain price limits, depending on the time of the day and the limit being reached, the trading of the Nikkei 225 Futures (and/or Nikkei 225 mini) may be halted temporarily. This may affect the Product's tracking of two times inverse (-2x) the Daily performance of the Index, and, if a trading halt takes place near the end of a trading day, may result in imperfect Daily rebalancing.

Difference in Price Limit Risk

The Product's investment objective is to provide investment results that closely correspond to two times inverse (-2x) the Daily performance of the Index. Although the Index is an equity index, the Product invests in Nikkei 225 Futures (and/or Nikkei 225 mini). The daily price limit of the Tokyo Stock Exchange on which the constituents of the Index are listed is set in a price range in absolute JPY based on the base price such as the previous day's closing price, while the OSE has adopted a circuit breaker rule which is triggered if an order is placed or executed at the relevant upper or lower price limit set as a percentage of the settlement price of the previous day. Please refer to the section "What are Nikkei 225 Futures and Nikkei 225 mini?" above for further details of the price limit for the Nikkei 225 Futures and Nikkei 225 mini. As such, the daily price limit applicable to the constituents of the Index is different from that applicable to the Nikkei 225 Futures or the Nikkei 225 mini. Should the Index's daily price movement be greater than the price limit applicable to the Nikkei 225 Futures or the Nikkei 225 mini, the Product might not be able to achieve its investment objective as the Nikkei 225 Futures or the Nikkei 225 mini would not be able to deliver a return beyond their price limit. Also, if the circuit breaker rule is triggered at or around the close of trading of the underlying futures market on any Business Day, this may result in imperfect Daily rebalancing of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Hours Difference Risk

The OSE and the SEHK have different trading hours. As the OSE may be open when Units in the Product are not priced, the value of the Nikkei 225 Futures (and/or Nikkei 225 mini) in the Product's portfolio may change on days when investors will not be able to purchase or sell the Product's Units. Difference in trading hours between the OSE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Trading of the Index constituents closes earlier than trading of the Nikkei 225 Futures and Nikkei 225 mini so there may continue to be price movements for the Nikkei 225 Futures or Nikkei 225 mini when Index constituents are not trading. There may be imperfect correlation between the value of the Index constituents and the Nikkei 225 Futures and/or Nikkei 225 mini, which may prevent the Product from achieving its investment objective.

Inverse Performance of Index Risk

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than two times inverse performance of an index. Should the price of the Index increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks and constantly monitor the performance of their holding on a daily basis.

Path Dependency Risk

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Index over a certain period may not be equal to the point-to-point two times inverse performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such, the performance of the Product is not two times inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors must exercise caution when holding the Product for longer than one Business Day. The performance of the Product, when held overnight, will likely deviate from the inverse performance of the Index.

Price-weighted Index Risk

The Index is a price-weighted index whereby the Index constituents are weighted based on their individual prices instead of their size or market capitalisation. This means that constituents with higher prices will have a greater impact on the value of the Index. The Product may accordingly have relatively higher exposure to Index constituents with relatively small market capitalisation than the exposure it would have had if the underlying index is a market capitalisation weighted index,

leading to higher risks and potential underperformance.

Risks Associated with Small / Mid-Capitalisation Companies

Due to the nature of the Index as a price-weighted index, the constituents of the Index may include small and mid-sized companies. The stock of small and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Concentration Risk and Risks Associated with Japan and the Equity Market in Japan

The Product is subject to concentration risks as a result of tracking the two times inverse (-2x) performance of the Index, which focuses on a single country (i.e. Japan). The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Japanese market.

The Japanese economy is heavily dependent on international trade and may be adversely affected by protectionist measures, competition from emerging economies, political tensions with its trading partners and their economic conditions, natural disasters and commodity prices. Changes in governmental regulations on trade, decreasing imports or exports and/or an economic recession in Japan may cause the value of the Product's investments to decline. Downturns in the economies of key trading partners such as the United States, China and/or countries in Southeast Asia, including any economic, political or social instability in such countries, could also have a negative impact on the Japanese economy as a whole. Currency fluctuations may also adversely impact the Japanese economy, including its export market.

Japan is prone to natural disasters such as earthquakes, typhoons, flooding and tsunamis and may be subject to other unexpected disruptions such as fires, power outages and outbreaks of pandemic. Such events may have an adverse impact on the Japanese market, and it is impossible to accurately predict the occurrence of such events.

The Tokyo Stock Exchange (on which the Index constituents are listed) has the right to suspend trading in any security traded thereon. The Japanese government or the regulators in Japan may also implement policies that may affect the Japanese financial market. All of these may have a negative impact on the Product.

Risks Associated with JPY and Foreign Exchange

The Product's base currency is JPY and the underlying investments of the Product are primarily denominated in JPY, but cash creations and redemptions in the primary market will be in USD / JPY, while dividend distributions (if any) will be in HKD. The Net Asset Value of the Product may be affected unfavourably by fluctuations in the exchange rates between USD and JPY and by changes in exchange rate controls.

Units of the Product are traded in the secondary market in HKD. Secondary market investors may be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currency (i.e. HKD) and the base currency when trading Units in the secondary market.

Sector Concentration Risks

The Product is subject to sector concentration risks as a result of tracking the two times inverse (-2x) performance of the Index. The constituents of the Index may from time to time be concentrated in companies in a particular industry. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.

In particular, the constituents of the Index may at times be concentrated in the technology sector.

Many of the companies in the technology sector have a relatively short operating history. Rapid changes could render obsolete the products and services offered by companies in the technology sector and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

There may be substantial government intervention in the technology industry, including restrictions on investment in internet and technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies in the technology sector from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the technology products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed.

The technology business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies which are constituents of the Index and this may in turn adversely affect the value of investment of the Product.

The Product's investments may also at times be concentrated in other sectors, such as the consumer goods sector. The performance of companies in the consumer goods sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer goods sector. This may adversely affect the value of investments of the Product.

Suspension of Creation Risk

There can be no assurance that there are sufficient Nikkei 225 Futures or Nikkei 225 mini in the market available to the Product to fully satisfy creation requests. This may result in a need for the Manager to close the Product to further creations. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit. In extreme circumstances, the Product 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 illiquidity of the Nikkei 225 Futures or Nikkei 225 mini, and delay or disruption in execution of trades or in settlement of trades.

Risks Associated with the Index

Licence to Use Index may be Terminated Risk

The Manager is granted a licence by the Index Provider to use the Index in connection with the Product and to use certain trade marks and any copyright in the Index. The Product may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement is limited in period and thereafter renewable for only short periods.

There can be no guarantee that the licence agreement will be perpetually renewed. Please refer to the section headed “Index Licence Agreement” above for further details. Although the Manager will seek to find a replacement index, the Product may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index Risk

The Securities of the Index are determined and composed by the Index Provider without regard to the performance of the Product. The Product is not sponsored, endorsed, sold or promoted by the Index Provider. The Index Provider makes no representation or warranty, express or implied, to investors in the Product or other persons regarding the advisability of investing in the Securities of the Index generally or in the Product particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Product into consideration in determining, composing or calculating the Index. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of the Index Provider will not prejudice the interests of the Product, the Manager or investors.

Composition of an Index May Change Risk

The Securities constituting the Index will change as the Securities of the Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Index. When this happens the weightings or composition of the Futures Contracts owned by the Product may change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Daily inverse performance of the Index as its constituents change, and not necessarily the way the Index is comprised at the time of an investment in Units.

Please also refer to the risk factors under “Risks Associated with the Indices” in Part 1 of this Prospectus for further information.

Risks of Investing in Fixed Income Securities

Credit/Counterparty Risk

Investment in fixed income securities is subject to the credit risk of the security or its issuers, who may be unable or unwilling to make timely payments of principal and/or interest. In the event of a default or credit rating downgrading of the securities or the issuers of the fixed income securities held by the Product, the Product’s value will 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 securities that are being downgraded. There may also be difficulties or delays in enforcing rights against the issuers who will generally be incorporated overseas and therefore not subject to the laws of Hong Kong.

Interest Rate Risk

Investment in the Product is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Credit Ratings 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.

Sovereign Debt Risk

The Product’s investment in securities issued or guaranteed by governments may be exposed to

political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers.

Risks of Investing in Other Collective Investment Schemes/Funds

The Product may invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme. The underlying collective investment schemes/funds in which the Product may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes/funds. There is also no guarantee that the underlying collective investment schemes/funds will always have sufficient liquidity to meet the Product's redemption requests as and when made.

If the Product 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Distributions out of or Effectively out of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Appendix dated 15 July 2026

APPENDIX 11: CSOP BITCOIN FUTURES DAILY (-1X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of CSOP Bitcoin Futures Daily (-1x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the Daily performance of the Index
Index	S&P Bitcoin Futures Index (the "Index")
Initial Offer Period	9:30 a.m. (Hong Kong time) of 18 July 2024 to 5:30 p.m. (Hong Kong time) of 19 July 2024, or such other date as the Manager may determine
Initial Issue Date	22 July 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD 1
Listing Date (SEHK)	Expected to be 23 July 2024, but may be postponed by the Manager to a date no later than 2 September 2024
Exchange Listing	SEHK – Main Board
Stock Code	7376
Short Stock Name	FI CSOP BTC
Trading Board Lot Size	100 Units
Base Currency	USD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of

	capital. All Units will receive distributions in the base currency (USD) only*.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 500,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.99% per year of the Net Asset Value
Financial Year End	31 December (The first interim financial reports for the Product will be for the period from the fund launch to the six-month period ending 30 June 2025 and the first annual financial reports for the Product will be for the year ending 31 December 2025.)
Website	https://www.csopasset.com/en/products/hk-btcf-i (this website has not been reviewed by the SFC)

* In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "USD Distributions Risk" below.

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day. The Product does not invest directly in bitcoin. The Index consists of bitcoin futures whose price movements may deviate significantly from the bitcoin spot price. The Product does not seek to deliver an inverse return of bitcoin spot price.**

What is the Investment Strategy?

To achieve the investment objective of the Product, the Manager will adopt a futures-based replication strategy through investing directly in the nearest maturing monthly bitcoin futures traded on the Chicago Mercantile Exchange (CME) ("CME Bitcoin Futures") subject to the rolling strategy discussed below, and/or micro Bitcoin futures on the CME (the "Micro Bitcoin Futures") as an ancillary tool to this strategy where the Manager believes such investments will help the Product better track the Index, to obtain the required exposure to the Index. The CME is a commodity exchange registered with the Commodity Futures Trading Commission of the United States (the "CFTC").

In entering the spot month CME Bitcoin Futures (and/or the Micro Bitcoin Futures), the Manager anticipates that no more than 60% of the Net Asset Value of the Product from time to time will be

used as margin to acquire the CME Bitcoin Futures (and/or the Micro Bitcoin Futures). Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially. **The Product does not invest directly in bitcoin.**

Not less than 40% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher margin requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transactions in respect of the Product.

Other than CME Bitcoin Futures and the Micro Bitcoin Futures, the Manager has no intention to invest the Product in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

The Product's net derivative exposure to FDIs will not exceed -101% of its Net Asset Value (i) at the time of Daily rebalancing of the Product; and (ii) between each Daily rebalancing, unless due to market movements.

The Product will be rebalanced Daily, on each day when the CME and the SEHK are open for trading (i.e. a Business Day), as further described below.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the CME and the SEHK are open for trading (i.e. a Business Day). At or around the close of the trading of the CME Bitcoin Futures (and/or the Micro Bitcoin Futures) on each Business Day, the Product will seek to rebalance its portfolio by decreasing exposure in response to the Index's Daily gains or increasing exposure in response to the Index's Daily losses, so that its Daily inverse exposure ratio to the Index is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the Index by the end of trading of the underlying futures market. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -100 to meet the objective of the Product. If the Index decreases by 10% during the day, the Net Asset Value of the Product would have increased to 110, making the exposure of the Product -90. As the Product needs an exposure of -110, which is -1x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -20. Day 1 illustrates the rebalancing requirements if the Index increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	110	104.5
(b) Initial exposure	(b) = (a) × -1	-100	-110	-104.5
(c) Daily Index change (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	10	-5.5	5.225
(e) Closing Product NAV	(e) = (a) + (d)	110	104.5	109.725
(f) Exposure	(f) = (b) × (1+(c))	-90	-115.5	-99.275
(g) Target exposure to maintain inverse ratio	(g) = (e) × -1	-110	-104.5	-109.73

(h) Required rebalancing amounts	(h) = (g) - (f)	-20	11	-10.45

The above figures are calculated before fees and expenses.

Futures roll

The Product may not follow any roll-over schedule with a view to minimizing the cost given the liquidity of the underlying futures, and avoiding any front running in bitcoin futures market which is a relatively new market and in growth phase. The Manager will use its discretion to carry out the roll-over of the nearest maturing monthly CME Bitcoin Futures and/or Micro Bitcoin Futures into next maturing monthly CME Bitcoin Futures and/or Micro Bitcoin Futures with the goal that, by one Business Day before the last trading day of the nearest maturing monthly CME Bitcoin Futures and/or Micro Bitcoin Futures, all roll-over activities would have occurred.

What are CME Bitcoin Futures?

Bitcoin

Bitcoin is a digital asset, the ownership and behaviour of which are determined by participants in an online, peer-to-peer network that connects computers that run publicly accessible, or "open source", software that follows the rules and procedures governing the bitcoin network, commonly referred to as the "bitcoin protocol". No single entity owns or operates the bitcoin network, the infrastructure of which is collectively maintained by (i) a decentralised group of participants who run computer software that results in the recording and validation of transactions (commonly referred to as "miners"); (ii) developers who propose improvements to the bitcoin protocol and the software that enforces the bitcoin protocol; and (iii) users who choose what bitcoin software to run. The source code for the bitcoin network is open-source, and anyone can contribute to its development.

Ownership of and the ability to transfer or take other actions with respect to bitcoin as well as transaction records of bitcoin are protected through public key cryptography. Bitcoin is "stored" on a digital transaction ledger commonly known as a "blockchain". A blockchain is a type of shared and continually reconciled database, stored in a decentralised manner on the computers of certain users of the digital asset and is protected by cryptography. Units of bitcoin are treated as fungible, meaning they can be traded or exchanged for one another. The Bitcoin blockchain contains a record and history for each bitcoin transaction.

Bitcoin may be used as a medium of exchange or unit of account. Although a number of large and small retailers accept bitcoin as a form of payment in the United States and foreign markets, there is relatively limited use of bitcoin for commercial and retail payments. Similarly, bitcoin may be used as a store of value, although it has experienced significant periods of price volatility.

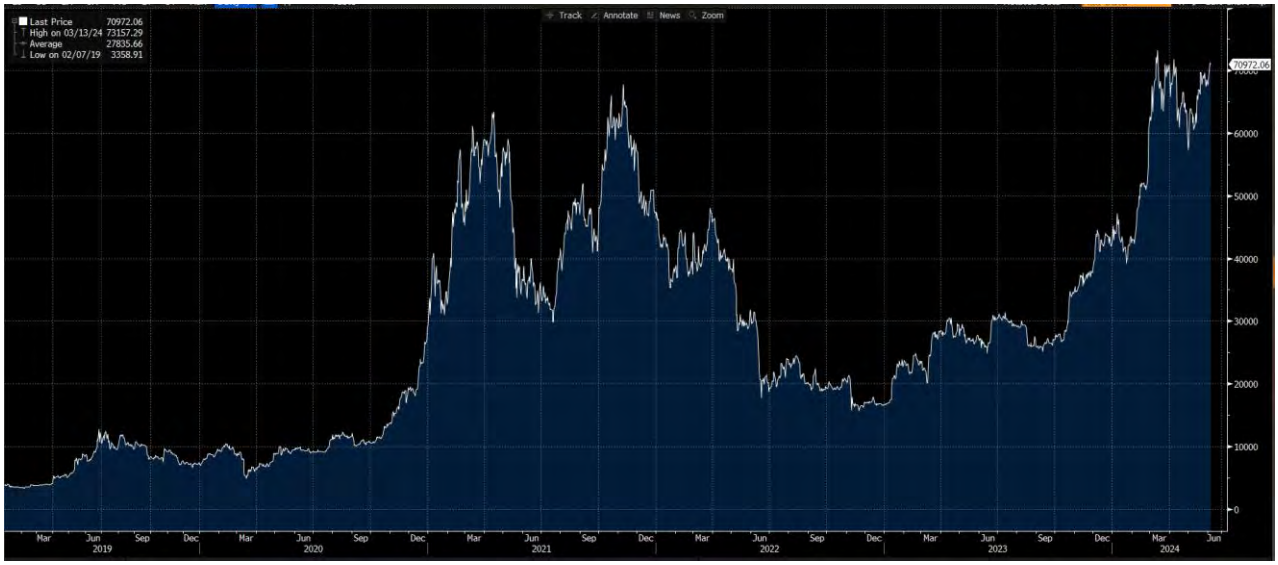
The value of bitcoin and CME Bitcoin Futures, like the value of other digital assets and related derivatives, is not backed by any government, corporation or other identified body. The value of bitcoin is determined in part by the supply of, and demand for, bitcoin in the markets for exchange that have been organised to facilitate the trading of bitcoin. The price of bitcoin is influenced by many factors, such as, global demand and supply of bitcoin, maintenance and development of the open-source software protocol of the bitcoin network, competition of other digital assets, investor sentiments on the value or utility of bitcoin etc. Please refer to "Extremely high volatility risk" below for further information.

As the bitcoin network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a "hard fork" of the bitcoin network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of bitcoin network running in parallel and a split of the blockchain underlying the bitcoin network, but with each version's underlying asset and blockchain lacking interchangeability. In August 2017, bitcoin "forked" into bitcoin and a new digital asset, bitcoin cash, as a result of a several-year dispute over how to increase the rate of transactions that the bitcoin network can process. Since then,

bitcoin has been forked numerous times to launch new digital assets, such as bitcoin gold, bitcoin silver and bitcoin diamond.

By design, the supply of bitcoin is limited to 21 million bitcoins. As of the date of this Appendix, there are approximately 19 million bitcoins in circulation. Price discovery occurs through secondary market trading on bitcoin exchanges, over-the-counter trading desks and direct peer-to-peer payments. Bitcoin and bitcoin exchanges and over-the-counter trading desks have a relatively limited history. Limited liquidity and trading across exchange order books have resulted in periods of high volatility and price divergence among exchanges. Bitcoin was released in 2009 and, as a result, there is little data on its long-term investment potential.

Bitcoin spot price (from 1 January 2019 to 31 May 2024)



Source: Bloomberg

CME Bitcoin Futures

Futures Contracts are financial contracts the value of which depends on, or is derived from, the underlying reference asset. In the case of CME Bitcoin Futures, the underlying reference asset is bitcoin. Futures Contracts may be physically-settled or cash-settled. The only Futures Contracts in which the Product invests are cash-settled CME Bitcoin Futures and Micro Bitcoin Futures. "Cash-settled" means that when the relevant Futures Contract expires, if the value of the underlying asset exceeds the Futures Contract price, the seller pays to the purchaser cash in the amount of that excess, and if the Futures Contract price exceeds the value of the underlying asset, the purchaser pays to the seller cash in the amount of that excess. In a cash-settled CME Bitcoin Futures, the amount of cash to be paid is equal to the difference between the value of the bitcoin underlying the Futures Contract at the close of the last trading day of the contract and the Futures Contract price specified in the agreement.

CME Bitcoin Futures exhibit "futures basis", which refers to the difference between the current market value of the underlying bitcoin (the "spot" price) and the price of the cash-settled CME Bitcoin Futures. A negative futures basis exists when cash-settled CME Bitcoin Futures generally trade at a premium to the current market value of bitcoin.

CME Bitcoin Futures are subject to margin requirements. As discussed above, the Product deposits initial margins to its futures brokers for an open interest in CME Bitcoin Futures based on the notional value of the Product's exposure to CME Bitcoin Futures. The futures broker, in turn, generally transfers such deposits to the clearing house to protect the clearing house against non-payment by the Product. The clearing house becomes substituted for each counterparty to a CME Bitcoin Futures and, in effect, guarantees performance. In addition, the futures broker may require the Product to deposit additional margin in excess of the clearing house's requirements for the futures broker's own protection. Generally, margin requirements for the CME Bitcoin Futures may be substantially higher than margin requirements for other types of Futures Contracts.

CME Bitcoin Futures commenced trading on the CME Globex electronic trading platform on 17 December 2017 under the ticker symbol "BTC" and represents a lot of 5 bitcoin. Micro Bitcoin Futures commenced trading on the CME Globex electronic trading platform on 3 May 2021 under the ticker symbol "MBT" and represents a lot of 0.1 bitcoin. CME Bitcoin Futures and Micro Bitcoin Futures are cash-settled in USD, based on a volume-weighted composite of USD-bitcoin trading activity on multiple constituent exchanges selected by CF Benchmarks, which is a digital asset index provider regulated by the Financial Conduct Authority of the United Kingdom (the "FCA"), based on the Constituent Exchange Criteria (as defined below) (the "CME CF Bitcoin Reference Rate"). The "Constituent Exchange Criteria" requires each constituent exchange to implement policies and procedures to ensure fair and transparent market conditions and to identify and impede illegal, unfair or manipulative trading practices. Additionally, each constituent exchange must comply with, among other things, capital market regulations, money transmission regulations, client money custody regulations, know-you-client regulations and anti-money laundering regulations. Each constituent exchange is reviewed annually by an oversight committee established by CF Benchmarks to confirm that the constituent exchange continues to meet all criteria. The CME CF Bitcoin Reference Rate is subject to regulation by the FCA.

In the event of a hard fork (as described above), the CME Bitcoin Futures shall continue to settle to the CME CF Bitcoin Reference Rate corresponding to the original token pair (BTC:USD). The CME may, in its sole discretion, take alternative action with respect to hard forks in consultation with market participants as may be appropriate. This may have adverse impact on the price of the CME Bitcoin Futures.

The key specifications of CME Bitcoin Futures and Micro Bitcoin Futures are as follows:

	CME Bitcoin Futures	**Micro Bitcoin Futures**
Exchange	CME	
Ticker symbol	BTC	MBT
Contract value (as at 30 April 2024)	297,000 (contract month of May 2024)	5,940 (contract month of May 2024)
Contract size (as defined by the CME CF Bitcoin Reference Rate)	5 bitcoin	0.1 bitcoin
Minimum tick	5	
Dollar value of one tick	USD25	USD0.5
Trading hours	• **CME Globex:** Sunday to Friday 5:00 p.m. to 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT • **CME ClearPort**: Sunday 5:00 p.m. to Friday 5:45 p.m. CT with no reporting on from 5:45 p.m. - 6:00 p.m. CT on Monday to Thursday	
Contract months	Monthly contracts listed for 6 consecutive months, quarterly contracts (March, June, September, December) listed for 4 additional quarters and a second December contract if only one is listed.	

Settlement method	Cash settlement	
Termination of trading	Trading terminates at 4:00 p.m. London time on the last Friday of the contract month that is either a London or U.S. business day. If the last Friday of the contract month is not a business day in both London and the U.S., trading terminates on the prior London or U.S. business day.	
Position limit	Spot position limits are set at 4,000 contracts. *Note:* The limits include both bitcoin Futures Contracts and micro bitcoin Futures Contracts holdings on the CME. Micro Bitcoin Futures held are expressed in equivalent bitcoin Futures Contracts (i.e. 1/50th of a bitcoin Futures Contract).	
Price limit	The daily price limit table is published on CME's website https://www.cmegroup.com/trading/price-limits.html#equityIndex (this website has not been reviewed by the Commission). CME Bitcoin Futures are subject to price limits on a dynamic basis. At the commencement of each trading day, CME Bitcoin Futures are assigned a price limit variant which equals a percentage of the prior day's settlement price determined by the CME, or a price deemed appropriate by the CME. In the event that the price limits are triggered in the primary contract market (i.e. lead month), all associated contract markets will immediately transition into a two-minute pre-open state (i.e. trading pause).	
Position accountability level	A position accountability level of 5,000 contracts will be applied to positions in single months outside the spot month and in all months combined.	
Vendor code	Bloomberg: BTCA	Bloomberg: BMR

Liquidity of CME Bitcoin Futures

CME Bitcoin Futures is one of the most liquid financial derivatives that provides investors access to invest in the evolving digital asset market.

According to the Bloomberg, CME Bitcoin Futures traded more than 14,000 Futures Contracts daily in 2024 year-to-day (as at 31 May 2024) with an average open interest of around 26,200contracts which is equivalent to 131,000 bitcoin. In addition, over 3.7 million contracts have been traded year to date as of 31 May 2024, with a year-to-date (as at 31 May 2024) average daily volume of 35,600 contracts and an average open interest of 25,700 contracts which is equivalent to 2,570 bitcoins.

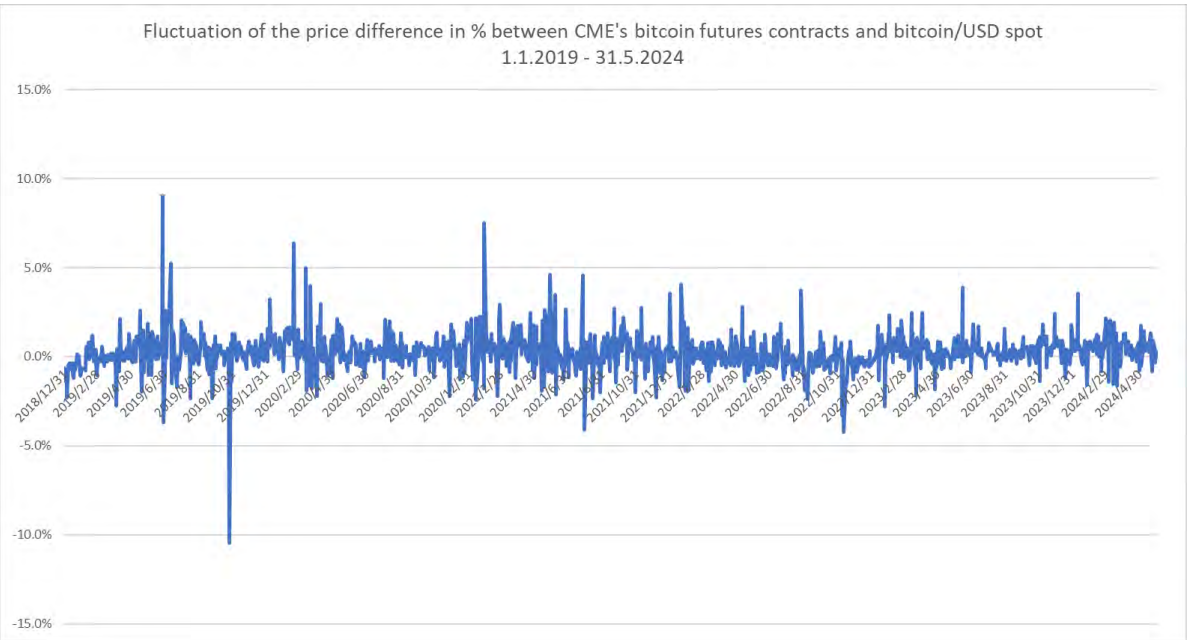
The Manager believes the liquidity of CME Bitcoin Futures is sufficiently abundant in terms of turnover and open interest for the Product to implement its investment strategy.

Difference between bitcoin spot price and CME Bitcoin Futures price

CME Bitcoin Futures is financially settled by cash and therefore does not involve the exchange of bitcoin nor the need of a digital wallet as compared to bitcoin on spot market.

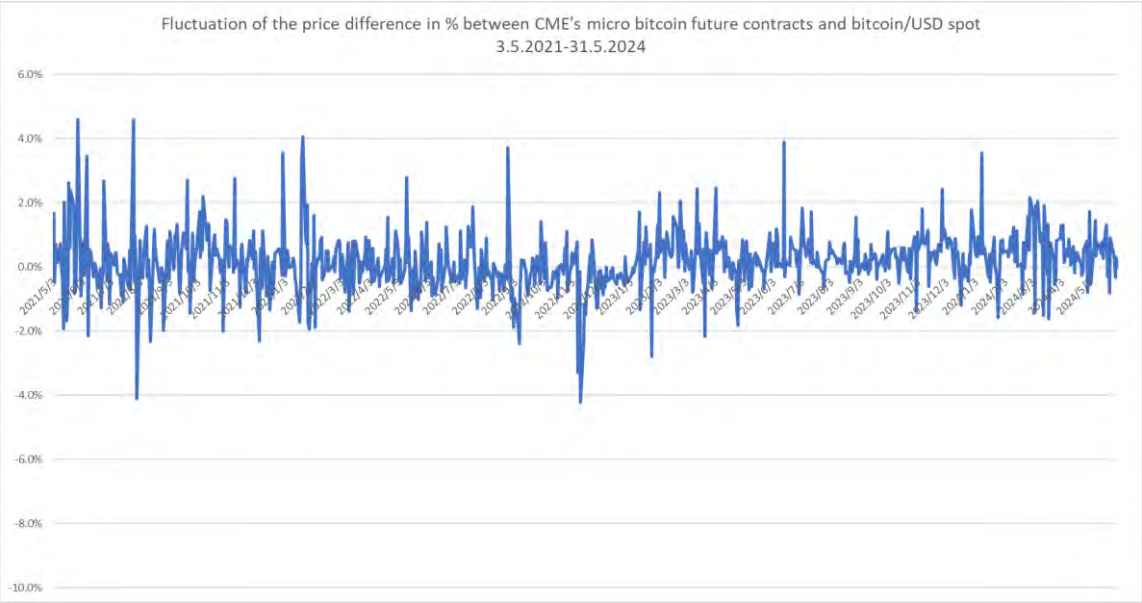
Investors should note that the Product does not invest in the bitcoin spot market. The price of CME Bitcoin Futures reflects the expected value of bitcoin in the future, whereas the spot price of bitcoin reflects the immediate delivery value of bitcoin. A variety of factors can lead to a disparity between the expected future price of bitcoin and the spot price at a given point in time, such as interest charges incurred to finance the purchase of bitcoin and expectations concerning supply and demand for bitcoin. The price movements of CME Bitcoin Futures are typically correlated with the movements of the bitcoin spot price, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). As such, the Product may underperform the bitcoin spot price.

The below chart shows the fluctuation of the price difference in percentage terms between CME Bitcoin Futures (BTC) and bitcoin spot price (as represented by bitcoin/USD spot cross referenced from Bloomberg) for the period from 1 January 2019 to 31 May 2024:



The fluctuation of price difference in percentage terms between CME Bitcoin Futures and bitcoin spot price was on average around 0.76% (in case where the price of CME Bitcoin Futures is higher than bitcoin spot price, i.e. contango) and -0.59% (in case where the price of CME Bitcoin Futures is lower than bitcoin spot price, i.e. backwardation) of the bitcoin spot price, with the largest price difference of around 9.04% (in case of contango) and -10.45% (in case of backwardation) of the bitcoin spot price.

The below chart shows the fluctuation of the price difference in percentage terms between Micro Bitcoin Futures (MBT) and bitcoin spot price (as represented by bitcoin/USD spot cross referenced from Bloomberg) for the period from 3 May 2021 to 31 May 2024:



The fluctuation of price difference in percentage terms between Micro Bitcoin Futures (MBT) and bitcoin spot price was on average around 0.70% (in case of contango) and -0.57% (in case of backwardation) of the bitcoin spot price, with the largest price difference of around 4.60% (in case of contango) and -4.22% (in case of backwardation) of the bitcoin spot price.

Borrowing Policy and Restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

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 on the Index

The Index tracks the performance of the nearest maturing monthly Bitcoin Futures Contracts (Symbol: BTC) trading on CME. The Index is a price weighted, excess return (and not a total return) index and published in USD. Excess return of the Index is calculated from the price change of the underlying Futures Contracts.

As of 27 February 2026, the CME Bitcoin Futures currently included in the Index are March 2026 CME Bitcoin Futures. The Index was launched on 31 January 2022 and had a base level of 100 on 29 December 2017.

Index Provider

The Index is compiled and managed by S&P Dow Jones Indices LLC (the “Index Provider”).

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Roll Schedule

The CME Bitcoin Futures in the Index are selected according to the roll period and in accordance with the contract calendar as explained below.

Roll Period

The replacement occurs over a five-day roll period every month, effective prior to the open of trading five business days preceding the last trading date of the Futures Contract. The last trading date of the Bitcoin Futures Contracts is the last Friday of the contract month. The indices roll monthly and distribute the weights 20% each day over a five-day roll period.

Date of the Roll Period	Current Roll Out Contract Weight	Roll In Contract Weight
Day 1	0.8	0.2
Day 2	0.6	0.4
Day 3	0.4	0.6
Day 4	0.2	0.8
Day 5	0	1

Contract Calendar

The following table identifies the contracts included in the Index.

Trading Facility	Commodity	Ticker	Designed Contract Expirations at Month Begin											
			1	2	3	4	5	6	7	8	9	10	11	12
CME	Bitcoin	BTC	F	G	H	J	K	M	N	Q	U	V	X	Z

Each calendar month expiration is identified by a single letter as follows:

- January – F
- February - G
- March – H
- April – J
- May – K
- June – M
- July – N
- August – Q
- September – U
- October – V
- November – X
- December – Z

Index Calculation

In a price weighted index such as the Index, constituent weights and index levels are determined exclusively by the daily Futures Contract settlement prices. Price weighted indices are single commodity indices that typically do not rebalance.

The excess return of the Index is calculated from the price change of the underlying Futures Contract. On any trading date, t, the level of Index is calculated as follows:

$$IndexER\ d = IndexER\ d-1\ *\ (\ 1\ +\ CDR_{\ d}\ )$$

where:

IndexER $_{d-1}$ = The Excess Return Index level on the preceding business day, defined as any date on which the index is calculated

CDR $_{d}$ = The Contract Daily return, defined as:

$$CDR\ d\ = \frac{TDWI\ t}{TDWO\ t\ 1} - 1$$

where:

$$TDWO\ t = CRW1\ t-1\ *\ DCRP1\ _{t} + CRW2\ t-1\ *\ DCRP2\ t$$

$$TDWI\ t-1 = CRW1\ t-1\ *\ DCRP1\ _{t-1} + CRW2\ t-1\ *\ DCRP2\ t-1$$

t	=	The business day on which the calculation is made
CRW1	=	The contract roll weight of the first nearby contract expiration
CRW2	=	The contract roll weight of the roll in contract expiration
DCRP $_{t}$	=	The Daily Contract Reference Price of the Futures Contract

Index Governance

An S&P Dow Jones Indices Index Committee maintains the Index. The Index Committee may revise index policy covering rules for including currencies, the timing of rebalancing or other matters. S&P Dow Jones Indices' considers information about changes to the Index and related matters to be potentially market moving and material. All Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in the index methodology document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of the Index and maintenance of index methodology, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective.

Index Codes

Bloomberg Code: SPBTCFUE
Reuters Code: .SPBTCFUE

You can obtain the most updated list of the constituents of the Index, their respective weightings, additional information and other important news of the Index from the website of the Index Provider at https://www.spglobal.com/spdji/en/indices/digital-assets/sp-bitcoin-futures-index/#overview (the contents of which has not been reviewed by the SFC).

Index Licence Agreement

The licence of the Index commenced on 15 June 2024 and should continue for 2 years (initial term). After the expiration of the initial term, the licence will be automatically renewed for successive terms of 2 years unless either party gives at least ninety (90) days' notice of termination 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 Disclaimer

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Comparison between the Index and the inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance)

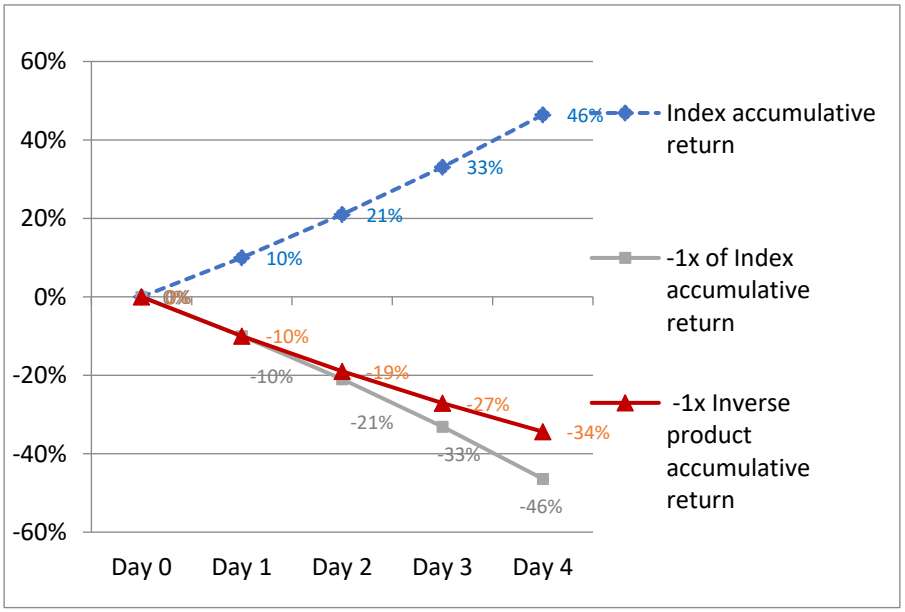
The Product's objective is to provide returns which are of a predetermined inverse factor (-1x) of the Daily performance of the Index. As such, the Product's performance may not track -1x the accumulative Index return over a period greater than 1 Business Day. This means that the return of the Index over a period of time greater than a single day multiplied by -100% generally will not equal 100% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -100% of the Index in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative Index return (-1x) over a longer period of time in various market conditions. All the scenarios are based on a hypothetical USD100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the Index rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -1x the accumulative Index gain. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 34%, compared with a 46% loss which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-10%	90.00	-10%	-10%	0%
Day 2	10%	121.00	21%	-10%	81.00	-19%	-21%	2%
Day 3	10%	133.10	33%	-10%	72.90	-27%	-33%	6%
Day 4	10%	146.41	46%	-10%	65.61	-34%	-46%	12%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a continuous upward market trend over a period greater than 1 Business Day.

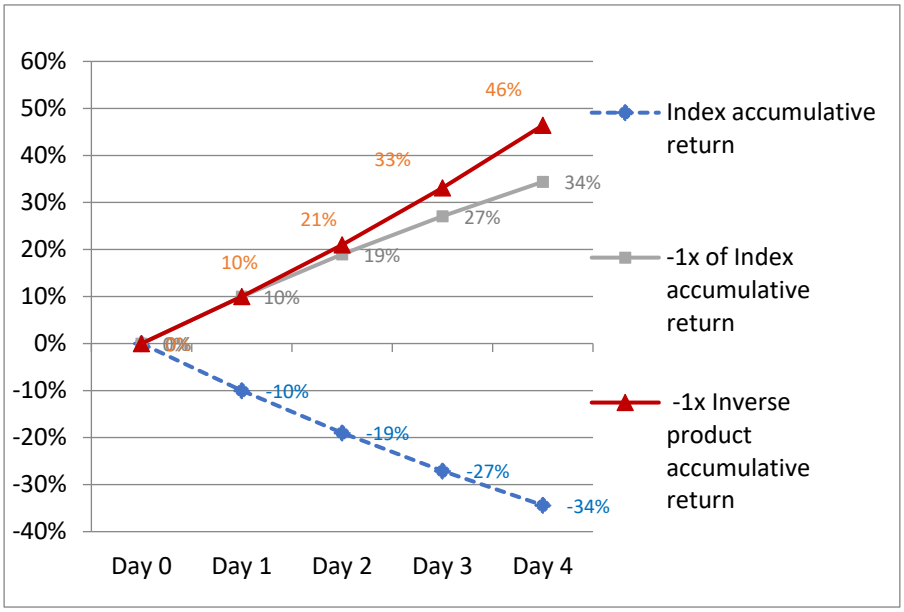


Scenario 2: Downward trending market

In a continuous downward trend, where the Index falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -1x the accumulative Index return. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the Index falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 46%, compared with a 34% gain which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	10%	110.00	10%	10%	0%
Day 2	-10%	81.00	-19%	10%	121.00	21%	19%	2%
Day 3	-10%	72.90	-27%	10%	133.10	33%	27%	6%
Day 4	-10%	65.61	-34%	10%	146.41	46%	34%	12%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a continuous downward market trend over a period greater than 1 Business Day.

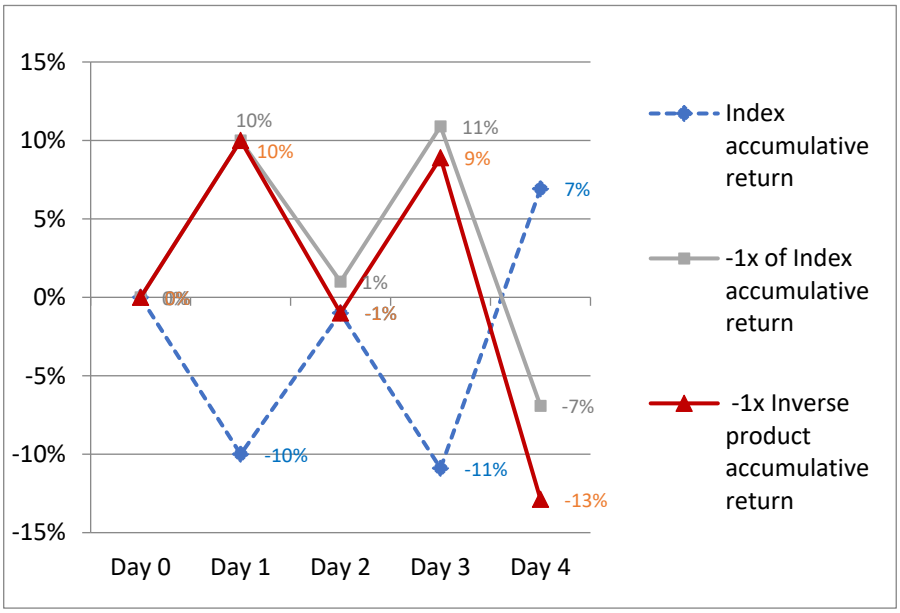


Scenario 3: Volatile upward trend

In a volatile upward trend, where the Index generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -1x the accumulative Index return. As illustrated in the scenario below, where the Index grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 13%, compared with a 7% loss which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	10%	110.00	10%	10%	0%
Day 2	10%	99.00	-1%	-10%	99.00	-1%	1%	-2%
Day 3	-10%	89.10	-11%	10%	108.90	9%	11%	-2%
Day 4	20%	106.92	7%	-20%	87.12	-13%	-7%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a volatile upward market trend over a period greater than 1 Business Day.

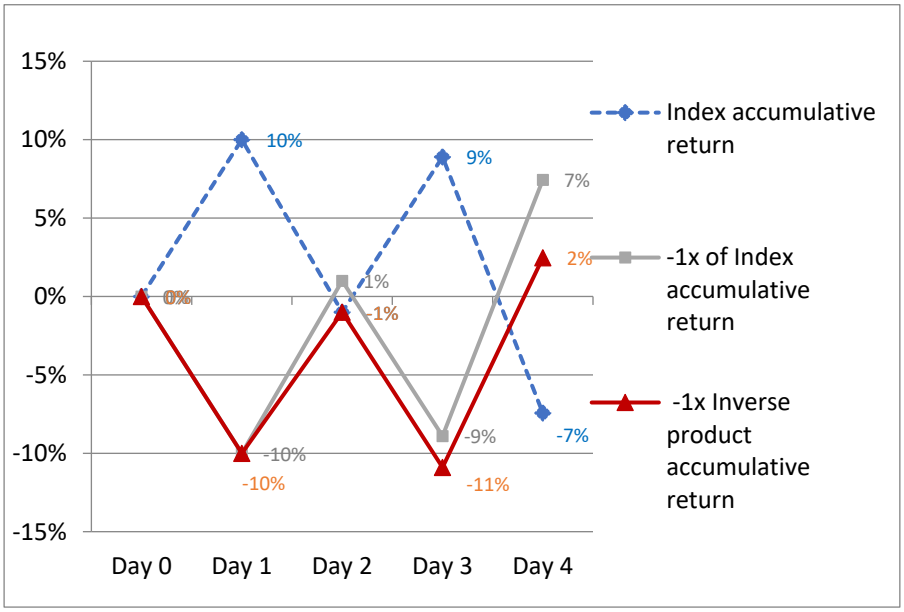


Scenario 4: Volatile downward trend

In a volatile downward trend, where the Index generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -1x the accumulative Index return. As illustrated in the scenario below, where the Index falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 2%, compared with a 7% gain which is -1x the accumulative Index return.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-10%	90.00	-10%	-10%	0%
Day 2	-10%	99.00	-1%	10%	99.00	-1%	1%	-2%
Day 3	10%	108.90	9%	-10%	89.10	-11%	-9%	-2%
Day 4	-15%	92.57	-7%	15%	102.47	2%	7%	-5%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a volatile downward market trend over a period greater than 1 Business Day.

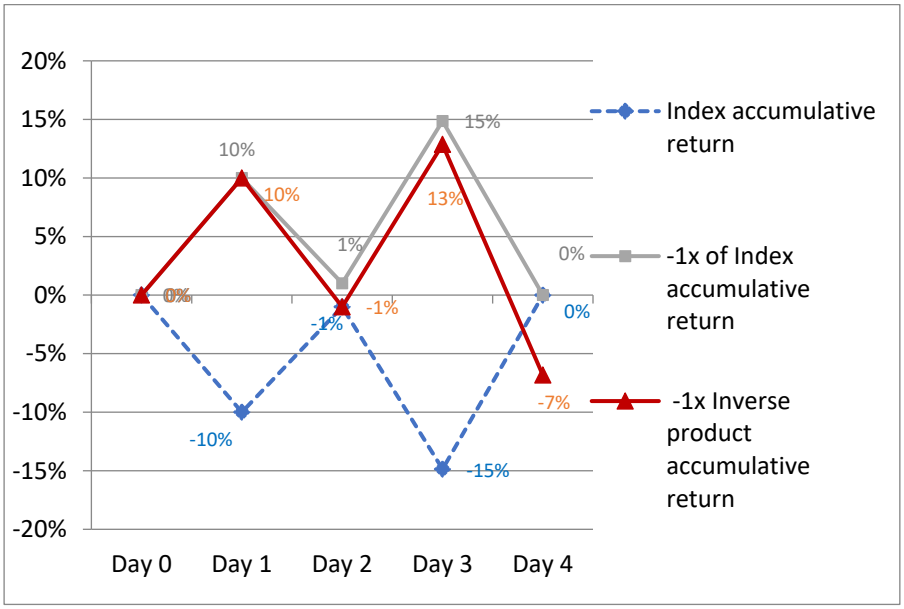


Scenario 5: Volatile market with flat Index performance

In a volatile market with flat Index performance, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Index has returned to its previous level, the Product may lose value.

	Index Daily return	Index level	Index accumulative return	Inverse product Daily return	Inverse product NAV	Inverse product accumulative return	-1x of Index accumulative return	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	10%	110.00	10%	10%	0%
Day 2	10%	99.00	-1%	-10%	99.00	-1%	1%	-2%
Day 3	-14%	85.14	-15%	14%	112.86	13%	15%	-2%
Day 4	17%	100.00	0%	-17%	93.17	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -1x the accumulative Index return and (iii) accumulative Index return, in a volatile market with flat Index performance over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not "symmetrical" to the accumulative performance of the Index over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Index, the inverse performance of the Index (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the Index over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-btcf-i, which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the inverse performance of the Index, if observed on a Daily basis. However, due to path dependency of the Index and the Daily inverse performance of the Index, when comparing the Index and the inverse performance of the Index for a period longer than one day (i.e. comparison of the point-to-point performance), the historical inverse performance of the Index will not be equal to the simple inverse performance of the Index over the same period of time.

Below is an example which illustrates the "path dependency" of the Index and the inverse performance of the Index. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Index		**Product (Inverse of the Index)**	
	Daily movement (in %)	**Closing level**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-10.00%	90.00
Day 3	-9.09%	100.00	+9.09%	98.18

Assuming the Product tracks the inverse performance of the Index perfectly on a Daily basis, the absolute percentage change in the Daily movement of both the Index and the Product will be the same. That is, the Net Asset Value of the Product will fall by 10.00% if the Index rises by 10.00%, and the Net Asset Value of the Product will rise by 9.09% if the Index falls by 9.09%. On the basis of such Daily movements, the respective closing levels of the Index and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing level of the Index is 100 which is the same as its closing level on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Index and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple inverse performance of the Index.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:30 a.m. (Hong Kong time) on 18 July 2024 and ends at 5:30 p.m. (Hong Kong time) on 19 July 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 23 July 2024 but may be postponed by the Manager to a date no later than 2 September 2024.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on

their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK will commence on the Listing Date, which is expected to be on 23 July 2024 but may be postponed by the Manager to a date no later than 2 September 2024.

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 9:30 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section on "The Offering Phases" 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	• 9:30 a.m. (Hong Kong time) on 18 July 2024 but may be postponed by the Manager to no later than 9:30 a.m. (Hong Kong time) on 28 August 2024
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 5:30 p.m. (Hong Kong time) on 19 July 2024 but may be postponed by the Manager to no later than 5:30 p.m. (Hong Kong time) on 29 August 2024
After listing (period commences on the Listing Date) • All investors may start trading 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 23 July 2024, but may be postponed by the Manager to a date no later than 2 September 2024 • 9:30 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD are expected to begin on 23 July 2024.

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 intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product'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-btcf-i (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-btcf-i and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD to HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.99% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and

charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

Brokerage Rates

The Product shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Such institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately USD3-5 per Futures Contract levied by the broker.

The above rates will amount to approximately 0.16% per annum of the Net Asset Value and may increase to approximately 0.50% or more per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Commission is only charged once for each transaction in Futures Contracts.

Risk Factors Specific to the Product

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 Product.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the inverse performance of the Index over that same period (e.g. the loss may be more than one time the fall in the Index). The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. The deviation of the Product's performance from the inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected with higher Index volatility. As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

Passive investments risk

The Product is not "actively managed" under normal market circumstances and the Manager will not adopt any temporary defensive position when the Index moves in an unfavourable direction.

In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities.

Rebalancing Activities Risk

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying futures market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the inverse investment exposure to the Index, depending upon the movement of the Index from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Time Difference Risk

The CME and the SEHK have different trading hours. Market participants can trade CME Bitcoin Futures and Micro Bitcoin Futures on CME Globex from Sunday to Friday 5:00 p.m. to 4:00 p.m. (Chicago Time) with a 60-minute break each day beginning at 4:00 p.m. (Chicago time), or on CME ClearPort from Sunday 5:00 p.m. to Friday 5:45 p.m. (Chicago time) with no reporting on from 5:45 p.m. - 6:00 p.m. (Chicago time) on Monday to Thursday. As the CME may be open when Units in the Product are not traded and priced on SEHK, the value of CME Bitcoin Futures and/or Micro Bitcoin Futures in the Product's portfolio may change at times when investors will not be able to purchase or sell the Product's Units. Difference in trading times between the CME and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value.

Inverse Performance of Index Risk

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional exchange traded funds which track the "long" performance rather than inverse performance of an index. Should the value of the Index increase, it could have a negative effect on the performance of the Product. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily inverse results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency Risk

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the inverse performance of the Index on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily inverse performance of the Index over a certain period may not be "symmetrical" to the point-to-point performance of the Index over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Index. As such, the performance of the Product is not inversely correlated to the performance of the Index over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Index.

New Product Risk

The Product is an inverse product investing directly in CME Bitcoin Futures (and/or Micro Bitcoin Futures). The Product is an inverse product tracking the performance of a bitcoin futures index. The Product is the first new product tracking the inverse performance of a bitcoin futures index in Hong Kong. The novelty and untested nature of such an inverse product and the fact that the Product is the first of its kind in Hong Kong makes the Product riskier than traditional exchange traded funds or products tracking the leveraged or inverse performance of equity indices.

New Index risk

The Index is a new index. The Product may be riskier than other products tracking more established indices with longer operating history.

Concentration risk

The exposure of the Product is concentrated in the bitcoin market by investing in CME Bitcoin Futures and Micro Bitcoin Futures, and may be concentrated in CME Bitcoin Futures with near term maturity. This may result in higher concentration risk than a fund having more diverse portfolio of investments. The value of the Product is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting bitcoin, the CME or the CME Bitcoin Futures market.

Risks related to bitcoin

The Product is indirectly exposed to the risks of bitcoin through investment in CME Bitcoin Futures, and that risks which adversely affect the price of bitcoin may also affect the price of CME Bitcoin Futures and hence the Product.

Bitcoin and bitcoin industry risk

Bitcoin is a relatively new innovation and the market for bitcoin is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the bitcoin network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the bitcoin network may have significant impact on the price of bitcoin and accordingly, of CME Bitcoin Futures. The exposure of the Product is concentrated in the bitcoin futures, it is more susceptible to the effects of bitcoin futures price volatility than more diversified funds.

The use of bitcoin to, among other things, buy and sell goods and services is part of a new and rapidly evolving industry that employs digital assets based upon computer-generated mathematical and/or cryptographic protocols. Bitcoin is a prominent, but not unique, part of this industry. The growth of this industry is subject to a high degree of uncertainty.

Factors affecting the further development of this industry and therefore the value of bitcoin and CME Bitcoin Futures, include, but are not limited to:

(i) continued worldwide growth or possible cessation or reversal in the adoption and use of bitcoin and other digital assets;

(ii) government and quasi-government regulation of bitcoin and other digital assets and their use, or restrictions on or regulation of access to and operation of the bitcoin network and other digital asset networks;

(iii) changes in consumer demographics and public tastes and preferences, including the possibility that market participants may come to prefer other digital assets to bitcoin for a variety of reasons, including that such other digital assets may have features (like different consensus mechanisms) or uses (like the ability to facilitate smart contracts) that bitcoin lacks;

(iv) the maintenance and development of the open-source software protocol of the bitcoin network;

(v) the use of the networks supporting digital assets for developing smart contracts and distributed applications;

(vi) general economic conditions and the regulatory environment relating to digital assets; and

(vii) negative consumer or public perception of bitcoin specifically and other digital assets generally.

The adoption of bitcoin will require growth in its usage for various applications that include retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. The adoption of bitcoin will also require an accommodating regulatory environment. The uncertainty of the expansion of usage of bitcoin may lead to the fluctuation of the value of bitcoin, hence the CME Bitcoin Futures.

Speculative nature risk

Bitcoin is a new technological innovation with a limited history. Investing in bitcoin is highly speculative, and market movements are difficult to predict. Supply and demand for bitcoin could change rapidly and subject to a large variety of factors, including governmental regulations and investors' sentiments.

Unforeseeable risks

Bitcoin has gained commercial acceptance only in recent years. Consequently, there is limited data on its long-term investment potential available to investors. Given the rapidly evolving nature of bitcoin, including advancements in the underlying technology, market disruptions and resulting

governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted .

Limited use risk

Despite that certain retailers have started to accept bitcoin as a form of payment in recent years, there is still relatively limited use of bitcoin for commercial and retail transactions. Price volatility undermines the ability of bitcoin as a medium of exchange, and a contraction of the use of bitcoin, which may lead to the fluctuation of the value of bitcoin, hence the CME Bitcoin Futures .

Risk relating to the limited and short history of bitcoin and CME Bitcoin Futures

The bitcoin network and bitcoin as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of bitcoin will unfold over time. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate may result in the volatility of bitcoin, hence the CME Bitcoin Futures.

Extremely high volatility risk

Investments linked to bitcoin can be highly volatile compared to investments in traditional securities. Historically, the prices of bitcoin and CME Bitcoin Futures have been highly volatile, based on a variety of factors, including:

- *Global demand and supply of bitcoin*: The demand and supply of bitcoin are impacted by the investors' perception of the security of bitcoin, the level of commercial acceptance of bitcoin as payment for goods and services, the abundance of regulatory restrictions on the use of bitcoin, etc.;

- *Maintenance and development of the open-source software protocol of the bitcoin network*: The bitcoin network is open-source, and any user or miner could propose amendments to the bitcoin network's protocols which may affect viability of bitcoin, and consequently, an investment in the Product;

- *Investor sentiments on the value or utility of bitcoin*: The bitcoin market is sensitive to new developments, and any significant changes in market sentiments could induce large swings in trading volume and price of bitcoin;

- *Changing investors' confidence on digital assets*: Investors' confidence regarding the security and long-term stability of a digital asset's network and its blockchain may fluctuate based on market developments and the investors' own experience with the digital asset;

- *Contagious effect on the price of bitcoin from incidents on digital assets and trading platforms*.

- *Manipulation and speculation:* A significant portion of bitcoin is held by a small number of holders sometimes referred to as "whales". These holders have the ability to manipulate the price of bitcoin. It is believed that speculators and investors who seek to profit from trading and holding bitcoin currently account for a significant portion of bitcoin demand. Such speculation regarding the potential future appreciation in the price of bitcoin may artificially inflate or deflate the price of bitcoin. Market fraud and/or manipulation and other fraudulent trading practices such as the intentional dissemination of false or misleading information (e.g. false rumours) can, among other things, lead to a disruption of the orderly functioning of markets, significant market volatility, and cause the value of CME Bitcoin Futures to fluctuate quickly and without warning.

The market price of bitcoin has been subject to extreme fluctuations. If bitcoin markets continue to be subject to sharp fluctuations, the Product may experience substantial losses.

Halving risk

The supply of new bitcoin is mathematically controlled and the number of bitcoin grows at a limited rate pursuant to a pre-set schedule. The number of bitcoin awarded for solving a new block is automatically cut in half after every 210,000 blocks are added to the Bitcoin Network, which occurs roughly every 4 years. The prior reward halving event occurred in April 2024 when the block reward reduced from 6.25 to 3.125 bitcoin. The reduction in mining rewards of bitcoin could be inadequate to incentivize miners to continue to perform mining activities, thereby jeopardizing the security of the Bitcoin Network, which could harm the value of bitcoin, CME Bitcoin Futures, and the CSOP Bitcoin Futures ETF.

Regulatory risk

The regulation of bitcoin, digital assets and related products and services continues to evolve. There is a trend of increase regulations. As bitcoin and digital assets have grown in both popularity and market size, certain regulatory authorities have been examining the operations of digital asset exchanges and service providers. Certain regulatory authorities have brought enforcement actions and issued advisories and rules relating to digital asset markets. Regulatory changes and actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the bitcoin.

Regulatory changes or actions may alter the nature of an investment in bitcoin, or affect whether CME Bitcoin Futures may continue to operate, or restrict the use and exchange of bitcoin or the operations of the bitcoin network or venues on which bitcoin trades in a manner that adversely affects the price of bitcoin and CME Bitcoin Futures. Similarly, future regulatory changes could expose the Product to potential new costs and expenses as well as adversely impact the ability of the Product to achieve its investment objective.

Corporate governance risk

The decentralised structure of the bitcoin network may prevent the formation of consensus among parties with potentially competing motives on improving and modifying the bitcoin network. Moreover, the open-source structure of the bitcoin network protocol means that miners and developers are not rewarded with compensation for maintaining and developing the protocol. The uncertainty in properly monitoring of the protocol by users or developers may make the bitcoin network unpredictable, resulting in higher volatility of bitcoin and hence CME Bitcoin Futures.

Bitcoin trading venues risk

Bitcoin exchanges and other trading venues on which bitcoin trades are relatively new and, in most cases, largely unregulated and may therefore be more exposed to theft, fraud, failure, security breaches, market manipulation and insider dealing than established, regulated exchanges for securities, derivatives and other currencies. Bitcoin exchanges have in the past, and may in the future, collapse, stop operating or permanently shut down due to fraud, cybersecurity issues, manipulation, technical glitches, hackers or malware, failure or security breaches, the price of bitcoin and thus the CME Bitcoin Futures may therefore fluctuate within a short period of time.

Bitcoin trading venues that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers to the same extent that regulated securities exchanges or futures exchanges are required to do so. Even if the trading venues are regulated, they are typically not subject to the same robust regulation as traditional platform in traditional financial markets.

Furthermore, many bitcoin trading venues lack certain safeguards put in place by exchanges for more traditional assets to enhance the stability of trading on the exchanges and prevent “flash crashes”, such as limit-down circuit breakers. As a result, the prices of bitcoin on trading venues may be subject to larger and/or more frequent sudden increase or declines than assets traded on more traditional exchanges. Operational problems or failures by bitcoin trading venues and fluctuations in bitcoin prices may affect the price of bitcoin and therefore the Product’s investment in CME Bitcoin Futures.

The Product’s investment in CME Bitcoin Futures remains subject to volatility experienced by the

bitcoin exchanges and other bitcoin trading venues. Investors may also have little or no recourse should theft, fraud, failure, security breaches, market manipulation or insider dealing occur on the bitcoin exchanges and could suffer significant losses.

Cybersecurity risks

Bitcoin is susceptible to theft, loss and destruction. The bitcoin network is also vulnerable to various deliberate cybersecurity attacks, such as hacking or malicious software coding for purposes of misappropriating information and assets or causing operational disruption. Accordingly, it will affect the availability of investing in bitcoin and the CME Bitcoin Futures in which the Product invests are also susceptible to these risks.

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the bitcoin network contains certain flaws. For example, the bitcoin network is currently vulnerable to a "51% attack" where, if a mining pool were to gain control of more than 50% of the "hash" rate (i.e. the amount of processing and computing power being given to the bitcoin network through mining), or the amount of computing and process power being contributed to the network through mining, a malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain. As a digital asset, bitcoin is subject to cybersecurity risks, including the risk that malicious actors will exploit flaws in its code or structure that will allow them to, among other things, steal bitcoin held by others, control the blockchain, steal personally identifying information, or issue significant amounts of bitcoin in contravention of the bitcoin protocols. The occurrence of any of these events is likely to have a significant impact on the price and liquidity of bitcoin and CME Bitcoin Futures and therefore the value of the CME Bitcoin Futures in which the Product invests.

Forks risk

As the bitcoin network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a "hard fork" of the bitcoin network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of bitcoin network running in parallel and a split of the blockchain underlying the bitcoin network. This could impact demand for bitcoin or other digital assets and could in turn impact the CME Bitcoin Futures in which the Product invests.

CME Bitcoin Futures risk

Market risk

The use of Futures Contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. The market for CME Bitcoin Futures may be less developed, and potentially less liquid and more volatile, than more established futures markets. While the CME Bitcoin Futures market has grown substantially since CME Bitcoin Futures commenced trading, there can be no assurance that this growth will continue. Other risks arise from the Product's potential inability to terminate or sell positions. A liquid secondary market may not always exist for the Product's positions at times when the Product wishes to terminate or sell such positions.

CME Bitcoin Futures exhibit "futures basis", which refers to the difference between the current market value of the underlying bitcoin (the "spot" price) and the price of the cash-settled CME Bitcoin Futures. The values of Futures Contracts may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. There may be imperfect correlation between changes in the market value of a Futures Contract and the value of its underlying reference asset, and this may be exaggerated in times of market stress or volatility.

Valuation risk

The use of CME Bitcoin Futures involves the risk of mispricing or improper valuation. The market value of CME Bitcoin Futures may be subject to greater fluctuation than futures on traditional assets. The Product's ability to value the CME Bitcoin Futures may also be impacted by technological issues or errors by pricing services or other third-party service providers. There is no assurance that the Product could sell or close out the CME Bitcoin Futures position for the value established for it at any time, and it is possible that the Product would incur a loss because the CME Bitcoin Futures position is sold or closed out at a discount to the valuation established by the Product at that time.

Liquidity risk

The market for CME Bitcoin Futures is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Market disruptions or volatility can also make it difficult to find a counterparty willing to transact at a reasonable price and sufficient size. Illiquid markets may cause losses, which could be significant. The large size of the positions which the Product may acquire increases the risk of illiquidity, may make its positions more difficult to liquidate, and increase the losses incurred while trying to do so. Such large positions may also impact the price of the CME Bitcoin Futures, which could decrease the correlation between the performance of CME Bitcoin Futures and a spot price of bitcoin. It is also possible that, if the Product's assets become significant relative to the overall market, the large size of its positions potentially could impact Futures Contracts prices and contribute to illiquidity. Limits imposed by counterparties, exchanges or other regulatory organisations, such as accountability levels, position limits and daily price fluctuation limits, may contribute to a lack of liquidity and have a negative impact on the Product's performance. During periods of market illiquidity, including periods of market disruption and volatility, it may be difficult or impossible for the Product to buy or sell CME Bitcoin Futures at desired prices or at all. The rolling strategy of the Product and the ability of the Product in diversifying its futures position may also be adversely affected.

Volatility risk

The price of CME Bitcoin Futures can be highly volatile and is influenced by, among others, changing investor confidence in future fluctuations in the price of bitcoin, and other factors contributing to volatility of the price of bitcoin as discussed under "Risks related to Bitcoin - Extremely high volatility risk" above.

Spot vs. futures risk

The Product does not invest in bitcoin. The risk of investing in CME Bitcoin Futures is that it can be speculative in nature. CME Bitcoin Futures is a standardised financial contract where the parties agree to purchase or sell bitcoin at a future date at a future price, and are settled in cash. As a result, a futures market for bitcoin is not a spot market, does not involve primary activity and is speculative in nature as deals are struck at future prices where the holder of CME Bitcoin Futures is purchasing an obligation to buy or sell the bitcoin at a future specified date, which may not be the best price at the time the contract is completed, and may not accurately reflect or correspond to bitcoin spot price on the specified date, depending on the prevailing market conditions during the intervening period. By contrast, in a spot market, bitcoin is sold for cash at current prices and delivered immediately. A spot market is a real time market where the transaction becomes effective immediately and the purchaser accepts delivery of, or immediately, resells bitcoin. Accordingly, the Product is exposed to the potential risks involved of using CME Bitcoin Futures which are speculative in nature.

Leverage risk

Due to the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a CME Bitcoin Futures may result in a proportionally high impact and substantial losses to the Product, having a material adverse effect on the Net Asset Value. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested by the Product.

Margin requirement risk

Generally, most leveraged transactions, such as CME Bitcoin Futures, involve the posting of margin. Margin requirements for CME Bitcoin Futures may be substantially higher than margin requirements for many other types of Futures Contracts. High margin requirements could prevent the Product from obtaining sufficient exposure to CME Bitcoin Futures and may adversely affect its ability to achieve its investment objective. Additional funds may need to be posted as margin to meet such calls based upon daily marking to market of CME Bitcoin Futures. Increases in the amount of margin or similar payments may result in the need for the Product to liquidate its investments at unfavourable prices in order to meet margin calls. If the Product is unable to meet its investment objective as a result of margin requirements imposed by the Product's futures broker, the CME or the CFTC, the Product may experience significant losses.

Exchange's clearing house's failure risk

In the event of the bankruptcy of the exchange's clearing house, the Product could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Product would be afforded the protections granted to participants to transactions cleared through a clearing house, under the United States Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Product to recover all, or even any, of the amounts it has deposited as margin.

Counterparty risk

Investing in CME Bitcoin Futures involves risks that are different from those associated with ordinary portfolio securities transactions as involves entering into contracts with third parties (i.e. counterparties). The counterparty to exchange-traded CME Bitcoin Futures is the clearing house. Exchange-traded CME Bitcoin Futures are held through a futures broker acting on behalf of the Product. Consequently, the counterparty risk on exchange-traded CME Bitcoin Futures is the creditworthiness of the futures broker and the clearing house. The Manager is committed to continuous efforts to diversify counterparty risk by having at least two futures brokers with which it transacts CME Bitcoin Futures, but from time to time, the Product may only have one futures broker, which may heighten such counterparty risk. The Manager will use reasonable efforts to onboard more futures brokers for the Product from time to time in order to mitigate such risk. The futures broker or the clearing house could fail to perform its obligations, causing significant losses to the Product. For example, the Product could lose margin payments it has deposited with a futures broker as well as any gains owed but not paid to the Product, if the futures broker or clearing house becomes insolvent or otherwise fails to perform its obligations. Under current CFTC regulations, a futures broker maintains customers' assets in a bulk segregated account. If a futures broker fails to do so, or is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of loss of their funds in the event of that futures broker's bankruptcy. In that event, in the case of CME Bitcoin Futures, the futures broker's customers (including the Product) are entitled to recover, even in respect of property specifically traceable to them, only a proportional share of all property available for distribution to all of that futures broker's customers. In addition, if a futures broker does not comply with the applicable laws and regulations, or in the event of a fraud or misappropriation of customer assets by the futures broker, the Product could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker.

Backwardation risk

The process of rolling will subject the Product to backwardation risks. For example, the CME Bitcoin Futures may specify a March expiration. As time passes, the CME Bitcoin Futures expiring in March is replaced by a contract for expiry in April by buying the March contract and entering into a short position of the April contract. Excluding other considerations, if the market for these contracts is in "backwardation", where the prices are lower in the distant expiry months than in the nearer expiry months, the closing of the March short position would take place at a price that is higher than the price of the April contract. Accordingly the closing out of the March short position when rolling (buying and then selling the Futures Contracts) would take place at a price that is higher than the

price of the April contract, thereby creating a negative “roll yield” (i.e., negative return on the amount generated from the roll, which will become roll cost) which adversely affects the Net Asset Value.

Position limit risk

The CME has established position limits and accountability levels on the maximum CME Bitcoin Futures that the Product may acquire. The CME will exercise greater scrutiny and control over the Product's position if it is reached. If the Product exceeds the position limit, its ability to seek additional exposure by acquiring further CME Bitcoin Futures as a result of new creations of Units could be impaired. The Product’s ability to achieve its investment objective could be affected and, as a result, the Manager may be required to suspend new creations of Units. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit.

Price limit risk

The CME has set dynamic price fluctuation limits on CME Bitcoin Futures. Once the dynamic price fluctuation limit has been reached, trading may be temporarily halted or no trades may be made at a price beyond that limit. This may limit the Product’s ability to invest in CME Bitcoin Futures.

Mandatory measures imposed by relevant parties risk

Regarding the Product’s futures positions, relevant parties (such as clearing brokers, execution brokers, participating dealers and stock exchanges) may impose certain mandatory measures under extreme market circumstances. These measures may include limiting the size and number of the Product’s futures positions (as described above) and/or mandatory liquidation of part or all of the Product’s futures positions without advance notice to the Manager. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interests of the Unitholders and in accordance with the Product’s constitutive documents, including suspension of creation of the Units and/or secondary market trading, implementing alternative investment and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions, such advance notice may not be possible in some circumstances.

Risk of material non-correlation with spot price of bitcoin

As the Product invests in CME Bitcoin Futures but not in bitcoin, the performance of CME Bitcoin Futures and therefore the performance of Product may differ significantly from the performance of the current market or spot price of bitcoin. As such, the Product may underperform a similar investment that is linked to the spot price of bitcoin or direct investment in bitcoin.

Risks of investing in fixed income securities

Credit/counterparty Risk

Investment in fixed income securities is subject to the credit risk of the security or its issuers, who may be unable or unwilling to make timely payments of principal and/or interest. In the event of a default or credit rating downgrading of the securities or the issuers of the fixed income securities held by the Product, the Product’s value will 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 securities that are being downgraded. There may also be difficulties or delays in enforcing rights against the issuers who will generally be incorporated overseas and therefore not subject to the laws of Hong Kong.

Interest Rate Risk

Investment in the Product is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Sovereign Debt Risk

The Product's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers.

Credit Ratings Risks

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.

Risks of investing in other collective investment schemes/funds

The Product may invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme. The underlying collective investment schemes/funds in which the Product may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes/funds. There is also no guarantee that the underlying collective investment schemes/funds will always have sufficient liquidity to meet the Product's redemption requests as and when made.

Foreign Exchange Risk

The Product's Base Currency is in USD but has Units traded in HKD. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading units in the secondary market.

No Market in the Units Risk

Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that there may be no liquid trading market for the Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of other exchange traded fund which are traded on the SEHK and which are based upon indices.

Distributions Risk

Investors should note that Unitholders will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Appendix dated 15 July 2026

APPENDIX 12: CSOP NVIDIA DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP NVIDIA Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of NVIDIA Corp (NASDAQ: NVDA)
Underlying Stock	NVIDIA Corp (NASDAQ: NVDA)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9788 HKD Counter: 7788
Short Stock Name	USD Counter: XL2CSOPNVDA-U HKD Counter: XL2CSOPNVDA
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-nvda-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of NVIDIA Corp (NASDAQ: NVDA) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap

Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 60% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

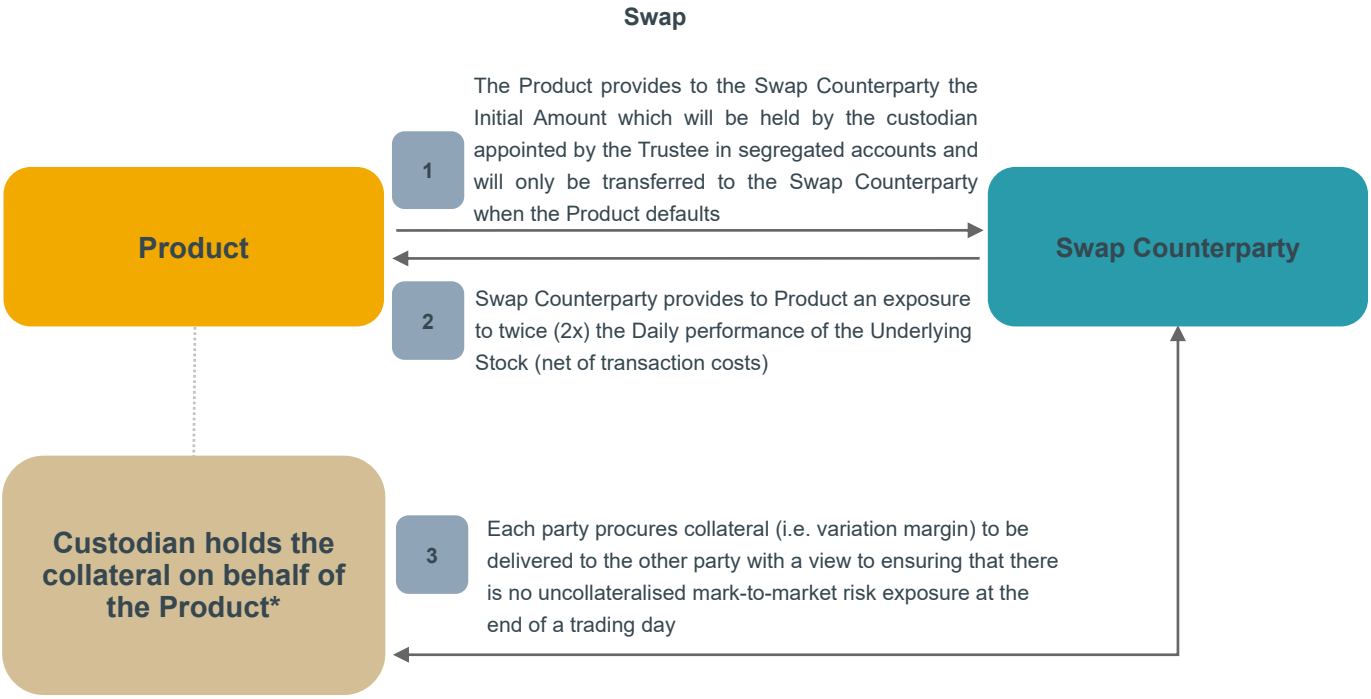
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty

risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in

which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-nvda-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-nvda-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 8.00% per annum of the Swap notional amount, i.e. from

4.00% to 16.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). At or around the close of trading of the NASDAQ on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Underlying Stock

NVIDIA Corp is a semiconductor company that designs and supplies graphics processing units. It offers solutions in relation to artificial intelligence, data centre and cloud computing, robotics and self-driving vehicles. NVIDIA Corp is listed on the NASDAQ, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

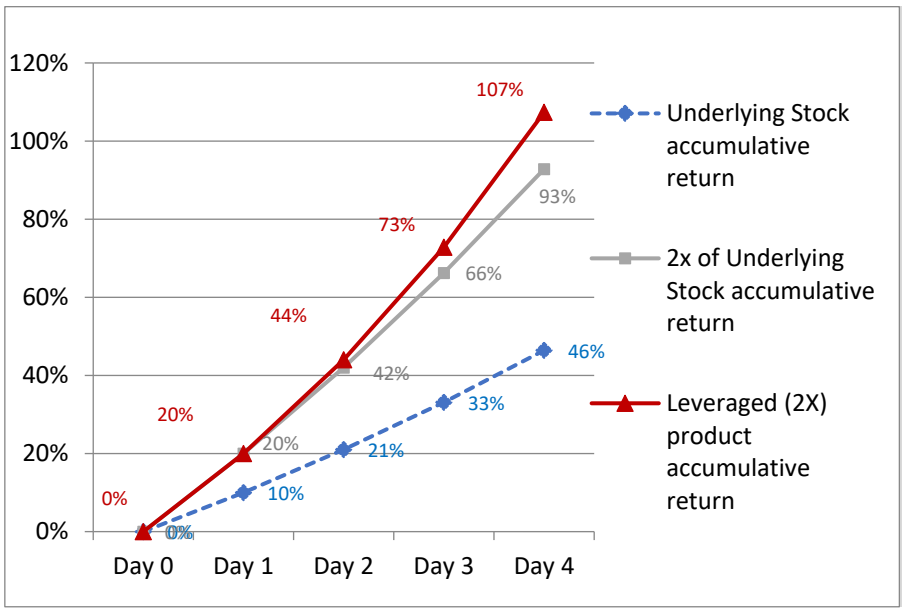
Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.

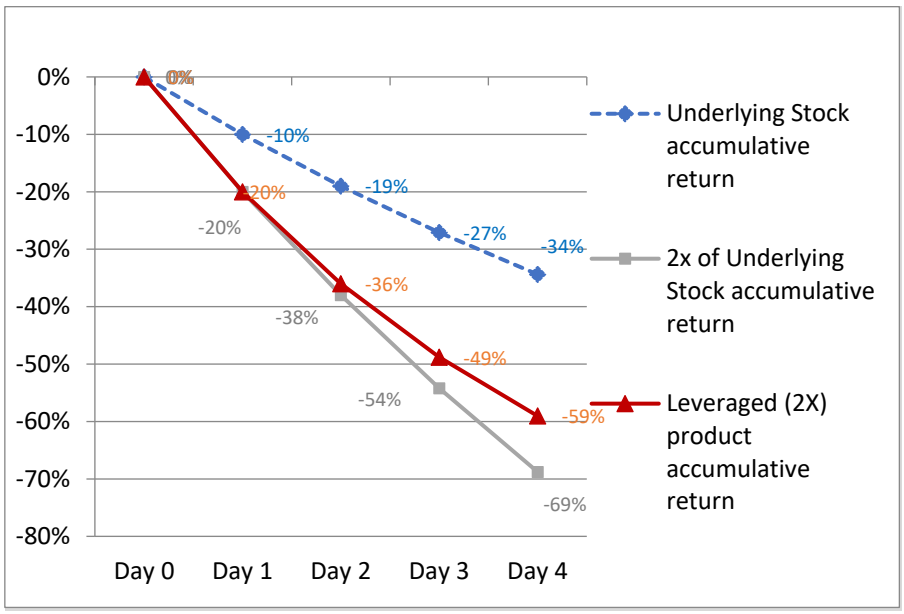


Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.

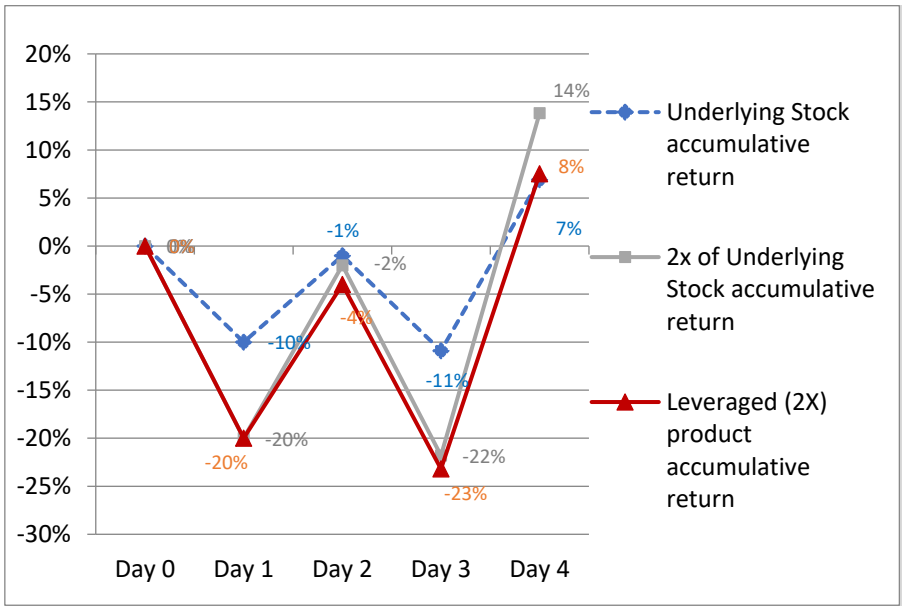


Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

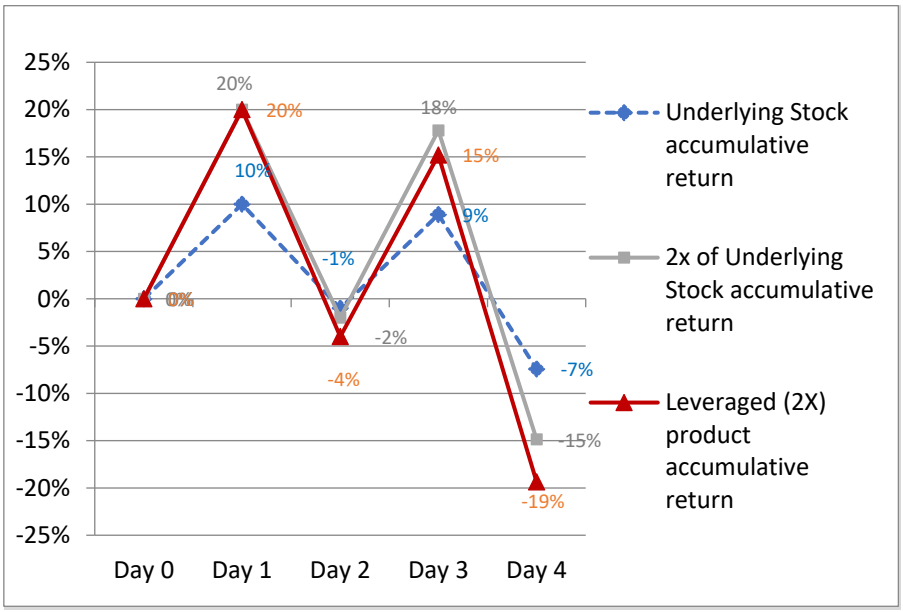


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

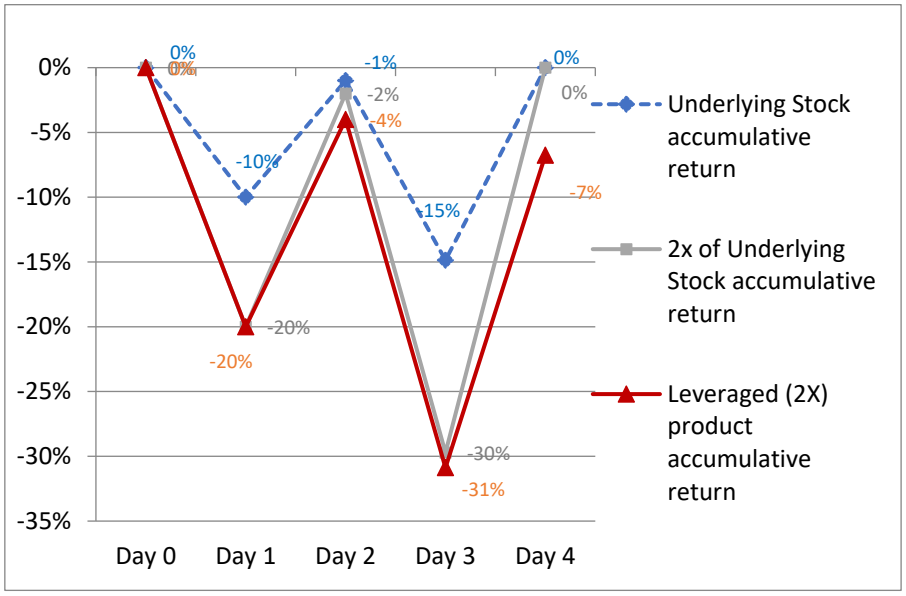


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-nvda-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different

stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9788	7788
Short Stock Name	XL2CSOPNVDA-U	XL2CSOPNVDA
ISIN number	HK0001121166	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-nvda-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-nvda-2l (which has not been reviewed by the SFC) and on HKEX's website

http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price

movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – NVIDIA Corp

Risks specific to the Underlying Stock

NVIDIA Corp is subject to the risk of market movements due to the evolving needs of its large markets – gaming, data center, professional visualization and automotive – and identifying new products, services and technologies; competition; changes in customer demand; supply chain issues; manufacturing issues; potential significant mismatches between supply and demand giving rise to product shortages or excessive inventory; the dependence on third-parties and their technology to manufacture, assemble, test, or package its products which reduces control over product quantity and quality, manufacturing yields, development, enhancement and product delivery schedules; significant product defects; international sales and operations, including adverse economic conditions; impacts from climate change, including water and energy availability; inability to realize the potential benefits from business investments and acquisitions; concentration of revenue from a limited number of partners, distributors and customers; the ability to attract, retain and motivate executives and key employees; system security and data protection breaches, including cyberattacks; business disruptions; the proper function of its business processes and information systems; fluctuations in operating results; increased scrutiny from shareholders and regulators regarding its environmental, social and governance responsibilities could result in increased operating expenses or adversely impact its reputation or ability to attract customers or suppliers; ever changing and increasingly stringent data privacy and security laws and regulations. Furthermore, given its pivotal in the development of artificial intelligence (AI), NVIDIA Corp is also subject to risks concerning responsible use of AI; as well as increasing regulatory scrutiny and legal issues regarding AI. In light of NVIDIA Corp's correlation to novel sectors such as AI, it is subject to extreme market volatility, for example, a drastic price drop noted as recently as on 27 January 2025.

Large/mega-capitalisation company risk

NVIDIA Corp is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make NVIDIA Corp more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Semi-conductor company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the semiconductor sector. The risks of investments in the semiconductor sector industry include: intense competition, both domestically and internationally, including competition from subsidized foreign competitors with lower production costs; risks of rapid obsolescence of products; economic performance of the customers of semiconductor companies; and rapidly changing product and market demands. The semiconductor industry may also be affected by risks that affect the broader technology sector, including: government regulation; dramatic and often unpredictable changes in growth rates and competition for qualified personnel; heavy dependence on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability; and a small number of companies representing a large portion of the technology sector

as a whole. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

Artificial intelligence (AI) and big data company risk

Companies engaged in AI and big data typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights. AI and big data companies typically engage in significant amounts of spending on research and development, as well as mergers and acquisitions. AI and big data companies are potential targets for cyberattacks, which can have a materially adverse impact on the performance of these companies. In addition, AI technology could face increasing regulatory scrutiny in the future, which may limit the development of this technology and impede the growth of companies that develop and/or utilize this technology. Similarly, the collection of data from consumers and other sources could face increased scrutiny as regulators consider how the data is collected, stored, safeguarded and used. AI and big data companies may face regulatory fines and penalties, including potential forced break-ups, that could hinder the ability of the companies to operate on an ongoing basis. The customers and/or suppliers of AI and big data companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on AI and big data companies. Country, government, and/or region-specific regulations or restrictions could have an impact on AI and big data companies.

Technology theme risk

NVIDIA Corp is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. NVIDIA Corp also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of NVIDIA Corp. NVIDIA Corp is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock . A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise

amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is

not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from

Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 13: CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP NVIDIA Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of NVIDIA Corp (NASDAQ: NVDA)
Underlying Stock	NVIDIA Corp (NASDAQ: NVDA)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9388 HKD Counter: 7388
Short Stock Name	USD Counter: XI2CSOPNVDA-U HKD Counter: XI2CSOPNVDA
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-nvda-2i

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of NVIDIA Corp (NASDAQ: NVDA) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units

as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 65% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

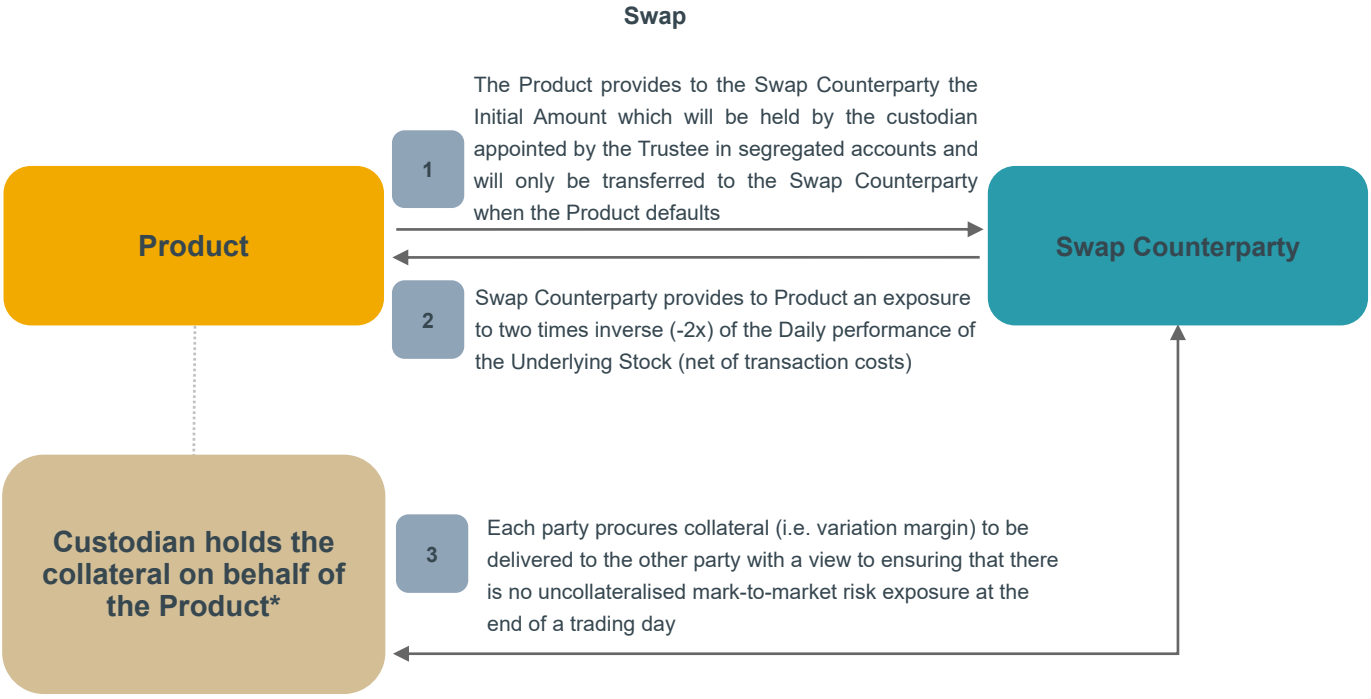
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that

there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events"

contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-nvda-2i (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-nvda-2i (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from -3.00% to 6.00% per annum of the Swap notional amount, i.e. from -

6.00% to 12.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the NASDAQ, by decreasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily gains or increasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the price of the underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -200 to meet the objective of the Product. If the price of the Underlying Stock decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs an exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily change of price of Underlying Stock (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Underlying Stock

NVIDIA Corp is a semiconductor company that designs and supplies graphics processing units. It offers solutions in relation to artificial intelligence, data centre and cloud computing, robotics and self-driving vehicles. NVIDIA Corp is listed on the NASDAQ, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the two-time inverse performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

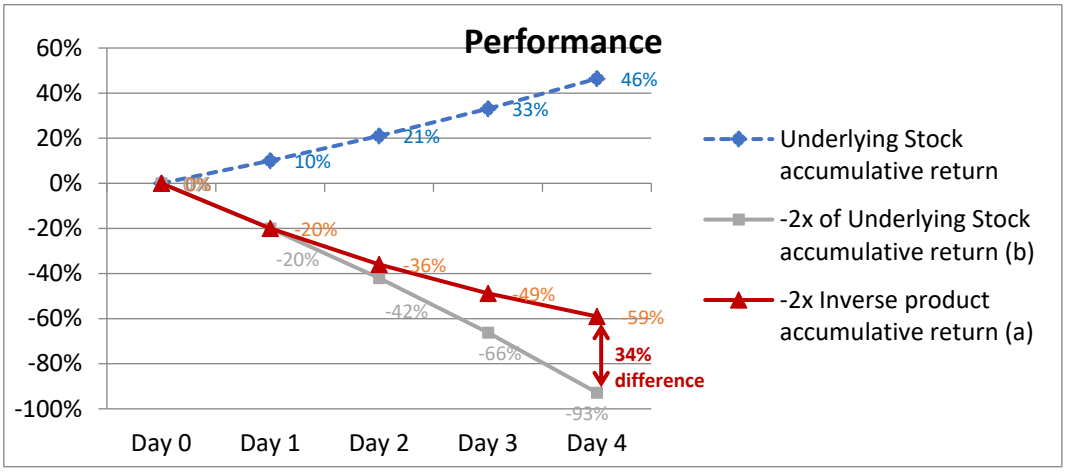
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track -2x the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (-2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

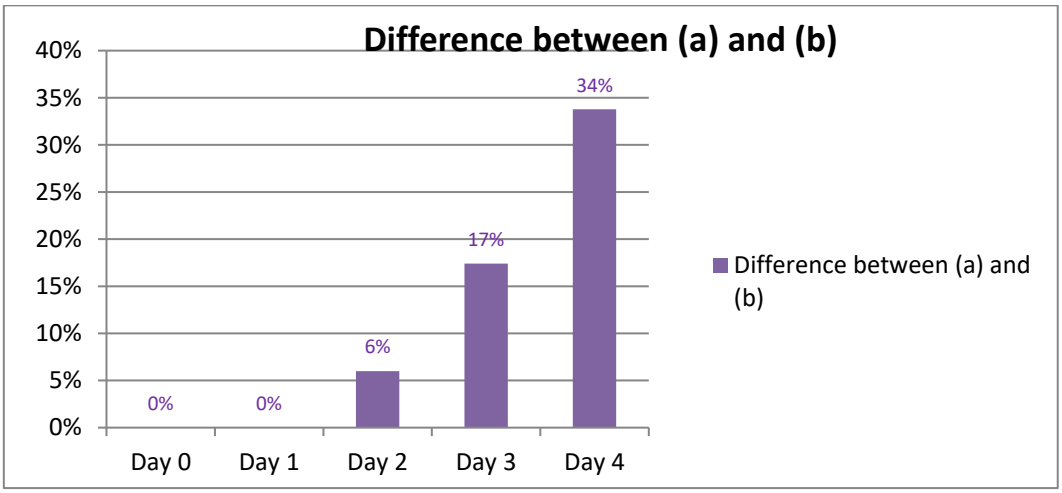
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative gain in the price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

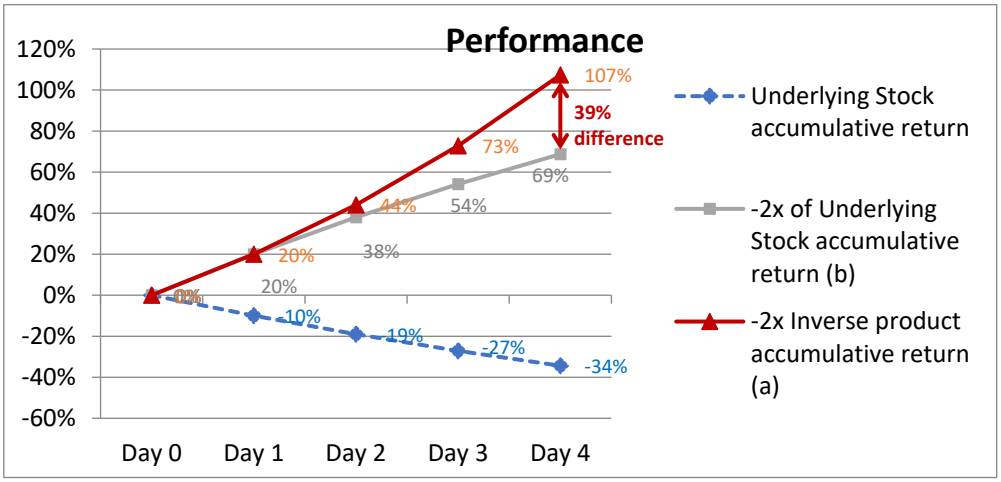


Scenario 2: Downward trending market

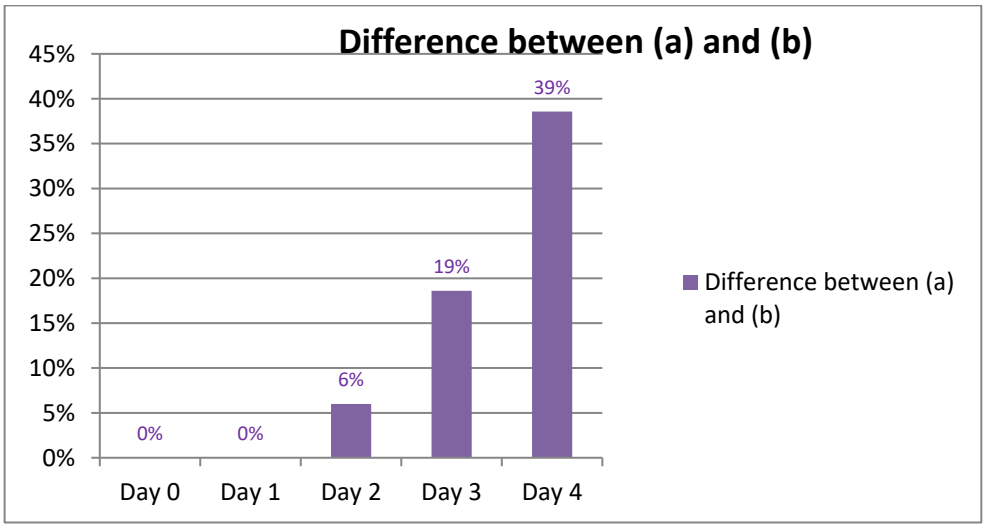
In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

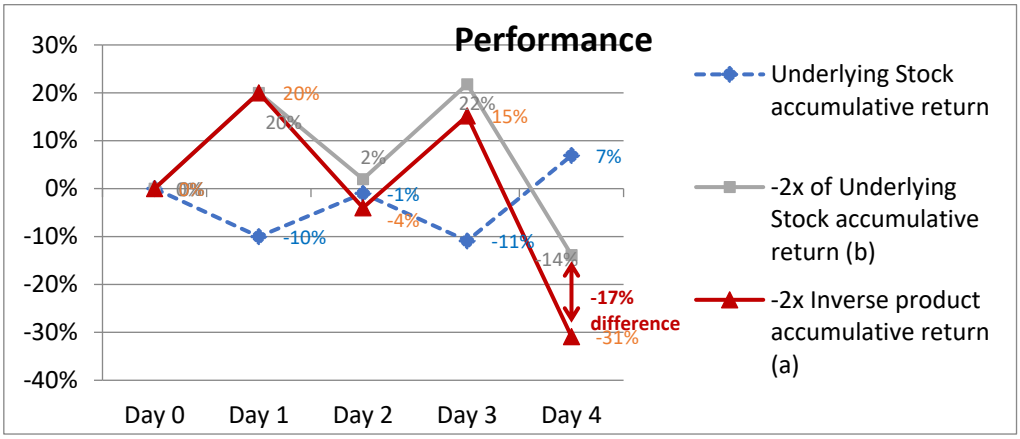


Scenario 3: Volatile upward trend

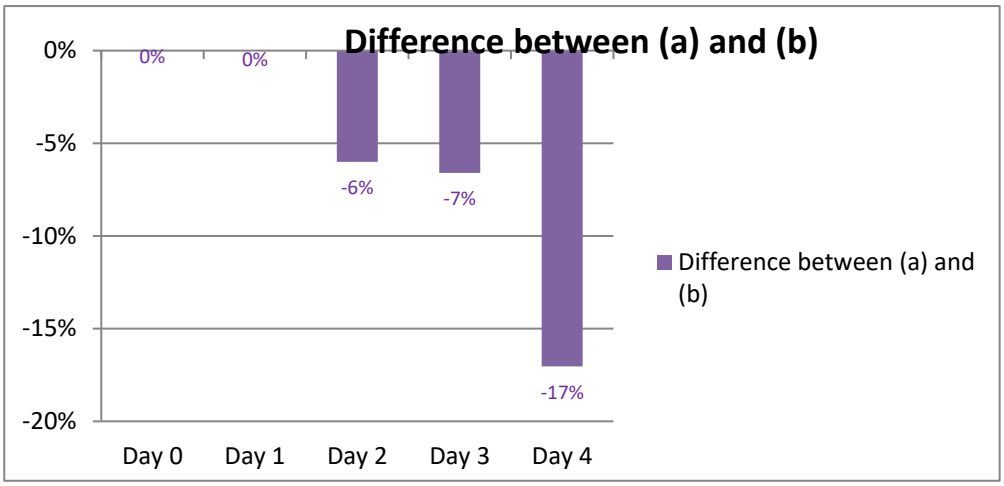
In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

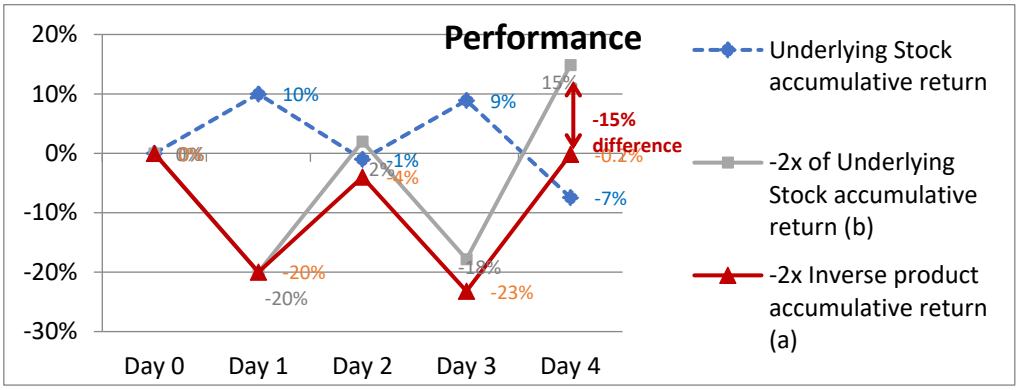


Scenario 4: Volatile downward trend

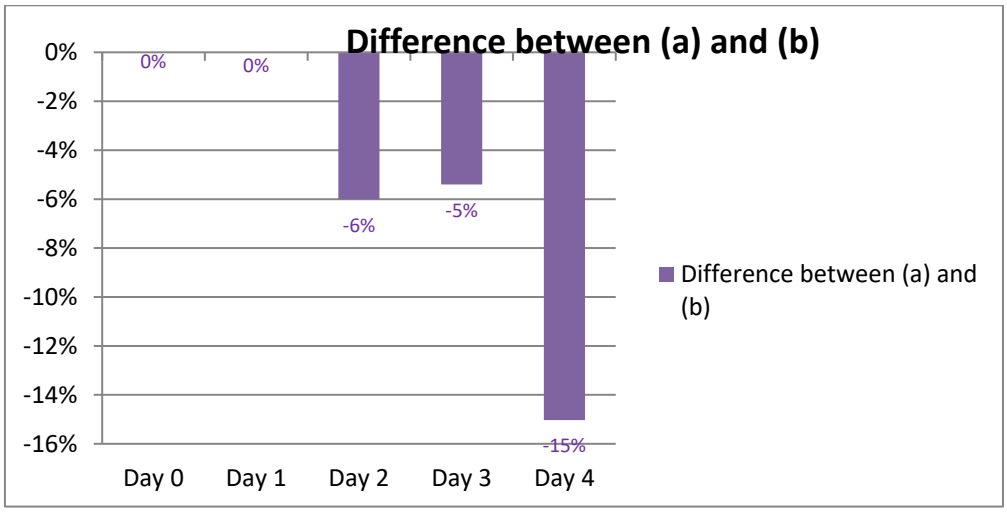
In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



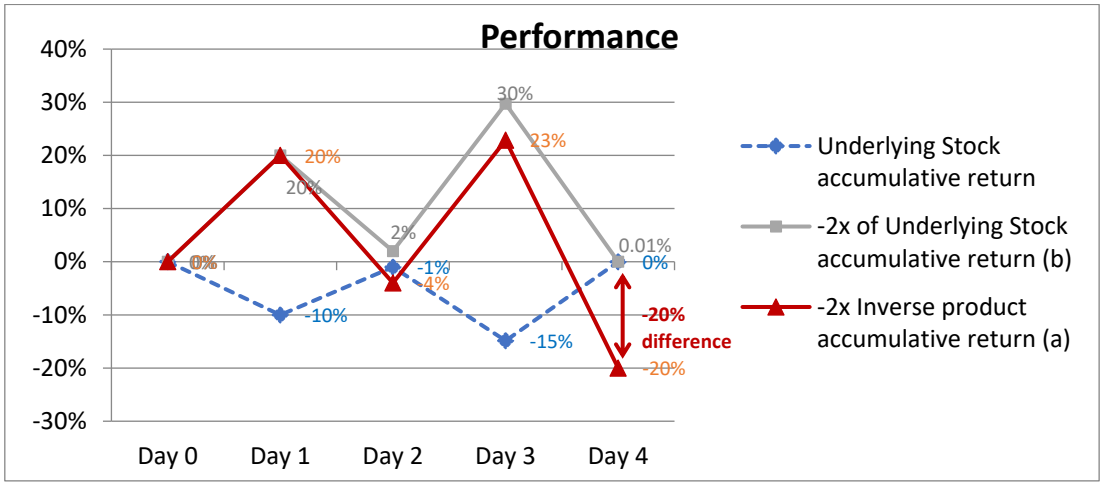
Scenario 5: Volatile market with flat performance of the Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

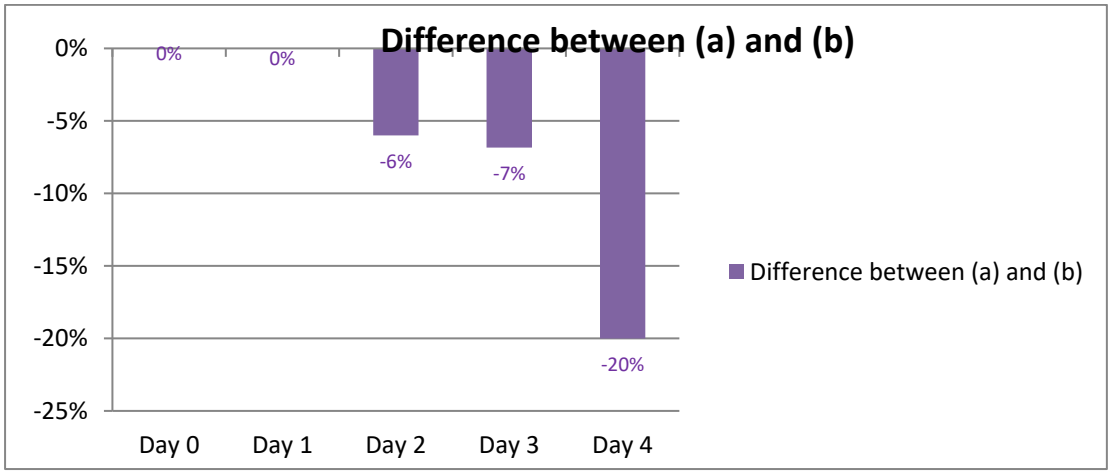
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return, of the Underlying Stock in a volatile market with flat performance of the Underlying Stock over a period greater than 1

Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the two times inverse (-2x) performance of the Underlying Stock (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-nvda-2i (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the two times inverse (-2x) Daily performance of the Underlying Stock, when

comparing the performance of the Underlying Stock and the -2x performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Underlying Stock will not be equal to the simple -2x performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the -2x performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (-2x Inverse of the performance of Underlying Stock)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will fall by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Underlying Stock.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	 • 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9388	7388
Short Stock Name	XI2CSOPNVDA-U	XI2CSOPNVDA
ISIN number	HK0001121182	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate

reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-nvda-2i (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-nvda-2i (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the inverse performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and inverse nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – NVIDIA Corp

The following factors may contribute to the price volatility of the Underlying Stock which may in turn impact the daily Net Asset Value of the Product.

Risks specific to the Underlying Stock

NVIDIA Corp is subject to the risk of market movements due to the evolving needs of its large markets – gaming, data center, professional visualization and automotive – and identifying new products, services and technologies; competition; changes in customer demand; supply chain issues; manufacturing issues; potential significant mismatches between supply and demand giving rise to product shortages or excessive inventory; the dependence on third-parties and their technology to manufacture, assemble, test, or package its products which reduces control over product quantity and quality, manufacturing yields, development, enhancement and product delivery schedules; significant product defects; international sales and operations, including adverse economic conditions; impacts from climate change, including water and energy availability; inability to realize the potential benefits from business investments and acquisitions; concentration of revenue from a limited number of partners, distributors and customers; the ability to attract, retain and motivate executives and key employees; system security and data protection breaches, including cyberattacks; business disruptions; the proper function of its business processes and information systems; fluctuations in operating results; increased scrutiny from shareholders and regulators regarding its environmental, social and governance responsibilities could result in increased operating expenses or adversely impact its reputation or ability to attract customers or suppliers; ever changing and increasingly stringent data privacy and security laws and regulations. Furthermore, given its pivotal in the development of artificial intelligence (AI), NVIDIA Corp is also subject to risks concerning responsible use of AI; as well as increasing regulatory scrutiny and legal issues regarding AI. In light of NVIDIA Corp's correlation to novel sectors such as AI, it is subject to extreme market volatility.

Large/mega-capitalisation company risk

NVIDIA Corp is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make NVIDIA Corp more susceptible to market

corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. Stock prices of these companies may exhibit greater volatility due to these factors. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Semi-conductor company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the semiconductor sector. The risks of investments in the semiconductor sector industry include: intense competition, both domestically and internationally, including competition from subsidized foreign competitors with lower production costs; risks of rapid obsolescence of products; economic performance of the customers of semiconductor companies; and rapidly changing product and market demands. The semiconductor industry may also be affected by risks that affect the broader technology sector, including: government regulation; dramatic and often unpredictable changes in growth rates and competition for qualified personnel; heavy dependence on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability; and a small number of companies representing a large portion of the technology sector as a whole. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

Artificial intelligence (AI) and big data company risk

Companies engaged in AI and big data typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights. AI and big data companies typically engage in significant amounts of spending on research and development, as well as mergers and acquisitions. AI and big data companies are potential targets for cyberattacks, which can have a materially adverse impact on the performance of these companies. In addition, AI technology could face increasing regulatory scrutiny in the future, which may limit the development of this technology and impede the growth of companies that develop and/or utilize this technology. Similarly, the collection of data from consumers and other sources could face increased scrutiny as regulators consider how the data is collected, stored, safeguarded and used. AI and big data companies may face regulatory fines and penalties, including potential forced break-ups, that could hinder the ability of the companies to operate on an ongoing basis. The customers and/or suppliers of AI and big data companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on AI and big data companies. Country, government, and/or region-specific regulations or restrictions could have an impact on AI and big data companies.

Technology theme risk

NVIDIA Corp is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. NVIDIA Corp also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of NVIDIA Corp. NVIDIA Corp is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the price of the Underlying Stock could increase by more than 50% on a particular day and this may result in the

total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Underlying Stock over that same period (e.g. the loss may be more than 2 times the increase in the price of the Underlying Stock). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the price of the Underlying Stock for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the price of the Underlying Stock increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse (-2x) investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase

brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the inverse performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.
The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Inverse Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than two times inverse performance of a single stock. Should the price of the Underlying Stock increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Underlying Stock over a certain period may not be equal to the point-to-point two times inverse performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. As such, the performance of the Product is not two times inversely correlated to the performance of the Underlying Stock over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 14: CSOP TESLA DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Tesla Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Tesla, Inc. (NASDAQ: TSLA).
Underlying Stock	Tesla, Inc. (NASDAQ: TSLA)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9766 HKD Counter: 7766
Short Stock Name	USD Counter: XL2CSOPTSLA-U HKD Counter: XL2CSOPTSLA
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-tsla-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Tesla, Inc. (NASDAQ: TSLA) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap

Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 60% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

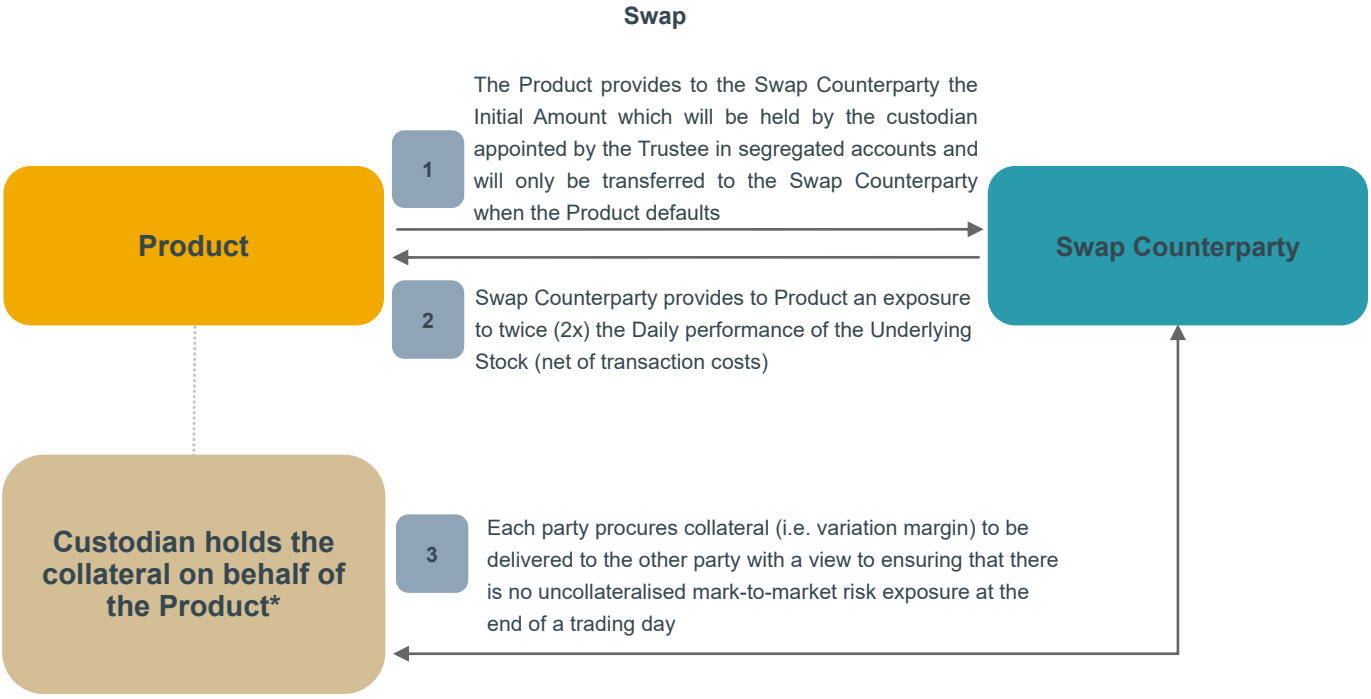
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that

there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned

by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-tsla-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-tsla-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 10.00% per annum of the Swap notional amount, i.e. from

4.00% to 20.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). At or around the close of trading of the NASDAQ on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Underlying Stock

Tesla, Inc. is an automotive and clean energy company that designs, manufactures, and sells electric vehicles (EVs), battery energy storage systems, and solar energy products. The company's product lineup includes electric cars as well as energy storage solutions. Tesla, Inc. is also engaged in the development of autonomous driving technology and related software. Tesla, Inc. is listed on the NASDAQ, a stock exchange based in the United States.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

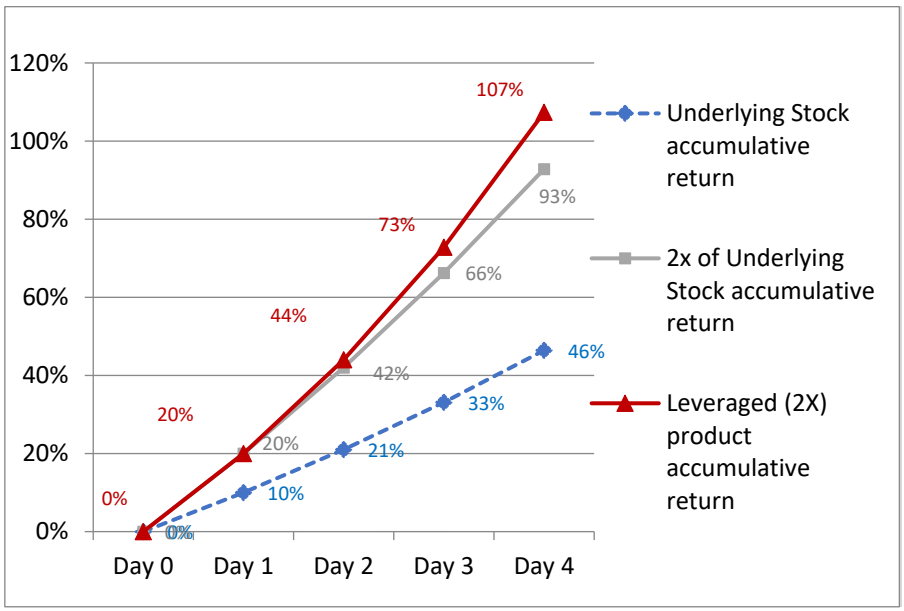
Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.

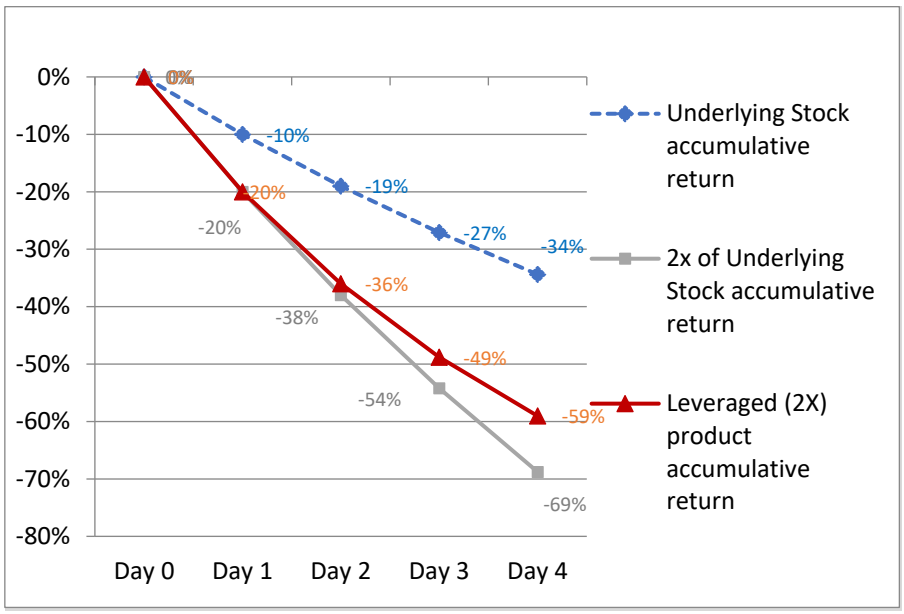


Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.

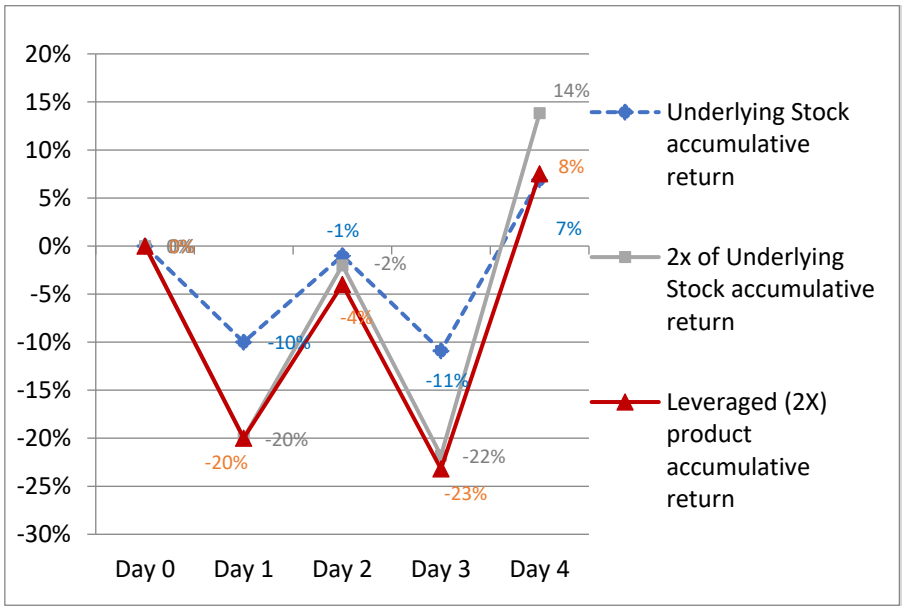


Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

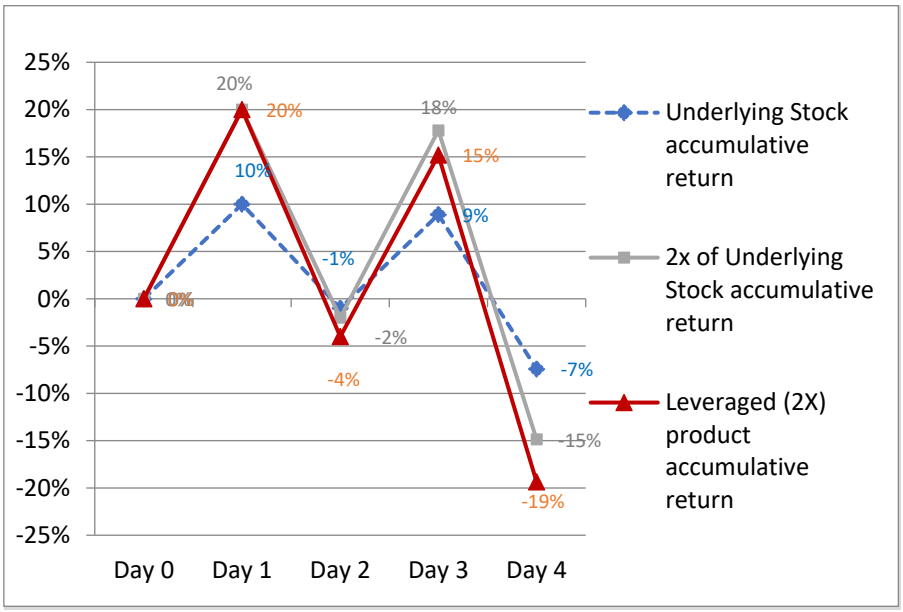


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

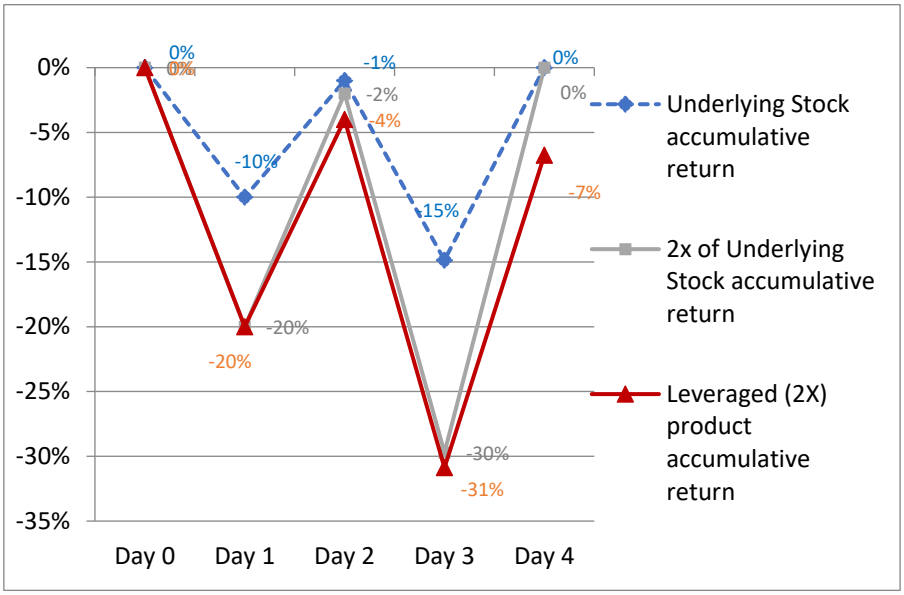


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-tsla-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different

stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9766	7766
Short Stock Name	XL2CSOPTSLA-U	XL2CSOPTSLA
ISIN number	HK0001121208	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-tsla-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-tsla-2l (which has not been reviewed by the SFC) and on HKEX's website

http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price

movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – Tesla, Inc.

Risks specific to the Underlying Stock

Tesla, Inc. is highly dependent on its CEO, Elon Musk. Communications by Mr. Musk to the public may significantly impact the trading price of the Underlying Stock. Any actual or anticipated large transactions in the Underlying Stock by Mr. Musk may cause the stock price to fluctuate.

Large/mega-capitalisation company risk

Tesla, Inc. is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Tesla, Inc. more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Electric and autonomous vehicles company risk

Developments in automotive technologies (e.g., autonomous vehicle technologies) may require significant capital expenditures that may not generate profits for several years, if ever. Companies in this sector face intense competition, rapid product obsolescence, intellectual property risks, and high R&D and capital expenditures. Investors should be aware that Tesla, Inc.'s valuation may be disproportionately influenced by market optimism regarding its perceived success in its development of AI, which, if unmet, could lead to substantial volatility in stock price.

Automotive company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to risks of the automotive sector. The automotive sector industry can be highly cyclical, and companies in the industry may suffer periodic operating losses. Automotive companies can be significantly affected by labor relations and fluctuating component prices. Automotive companies may be significantly subject to government policies and regulations regarding imports and exports of automotive products. Governmental policies affecting the automotive industry, such as taxes, tariffs, duties, subsidies, and import and export restrictions on automotive products can influence industry profitability. In addition, such companies must comply with environmental laws and regulations, for which there may be severe consequences for non-compliance. While most of the major automotive manufacturers are large companies, certain others may be non-diversified in both product line and customer base and may be more vulnerable to certain events that may negatively impact the automotive industry.

Technology theme risk

Tesla, Inc. is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. Tesla, Inc. also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute

to the price volatility of Tesla, Inc.. Tesla, Inc. is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock . A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of

limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse

products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve

its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and

supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of

the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 15: CSOP TESLA DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Tesla Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of Tesla, Inc. (NASDAQ: TSLA)
Underlying Stock	Tesla, Inc. (NASDAQ: TSLA)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9366 HKD Counter: 7366
Short Stock Name	USD Counter: XI2CSOPTSLA-U HKD Counter: XI2CSOPTSLA
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-tsla-2i

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of Tesla, Inc. (NASDAQ: TSLA) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units

as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 65% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

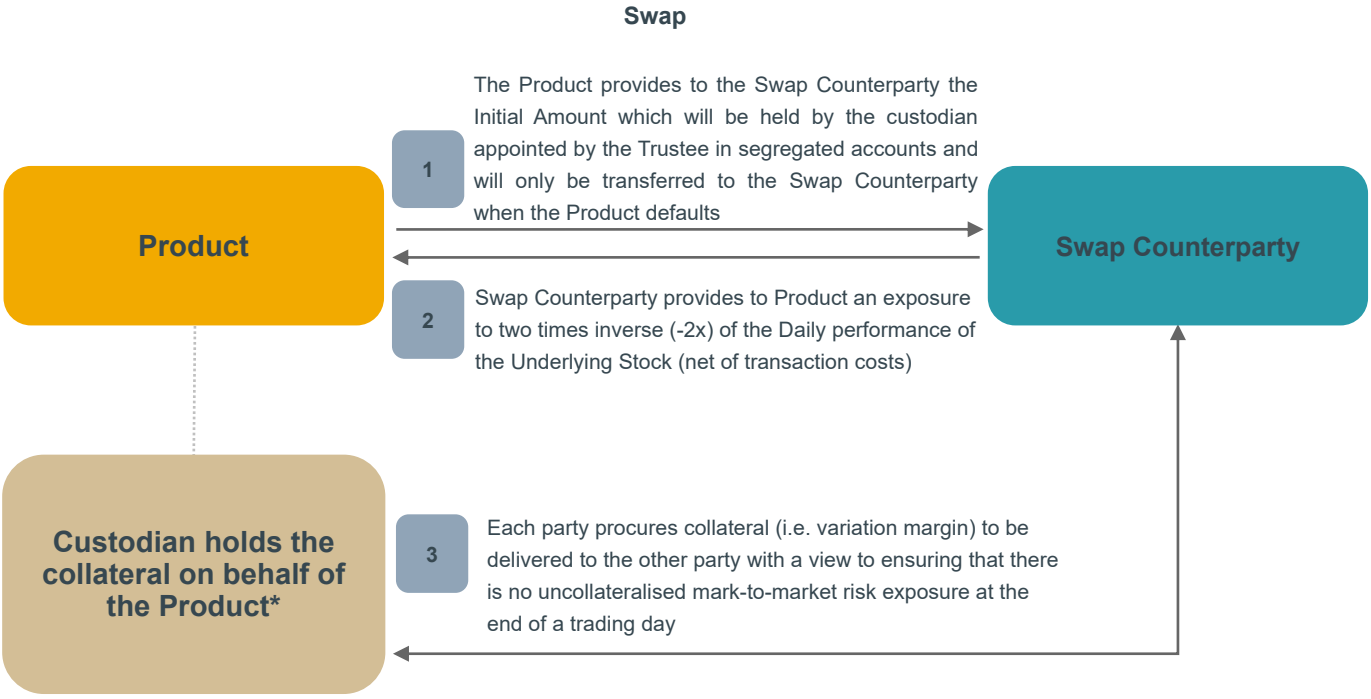
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that

there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events"

contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-tsla-2i (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-tsla-2i (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from -3.00% to 6.00% per annum of the Swap notional amount, i.e. from -

6.00% to 12.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the NASDAQ, by decreasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily gains or increasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the price of the underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -200 to meet the objective of the Product. If the price of the Underlying Stock decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs an exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily change of price of Underlying Stock (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Underlying Stock

Tesla, Inc. is an automotive and clean energy company that designs, manufactures, and sells electric vehicles (EVs), battery energy storage systems, and solar energy products. The company's product lineup includes electric cars as well as energy storage solutions. Tesla, Inc. is also engaged in the development of autonomous driving technology and related software. Tesla, Inc. is listed on the NASDAQ, a stock exchange based in the United States.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the two-time inverse performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

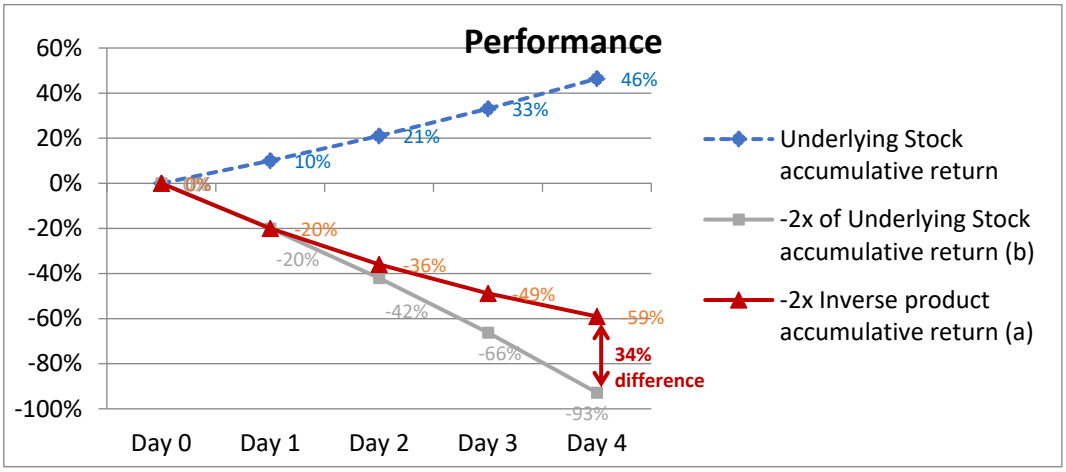
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track -2x the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (-2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

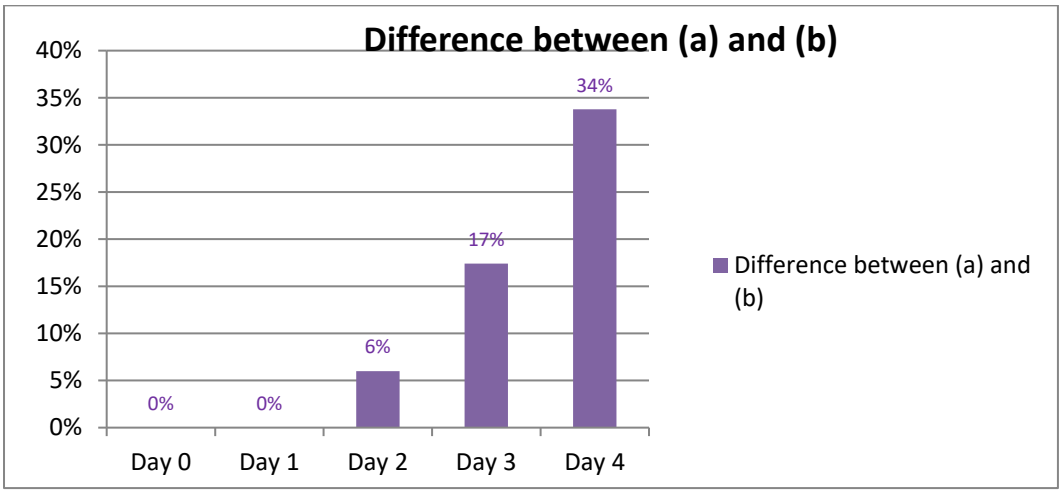
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative gain in the price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

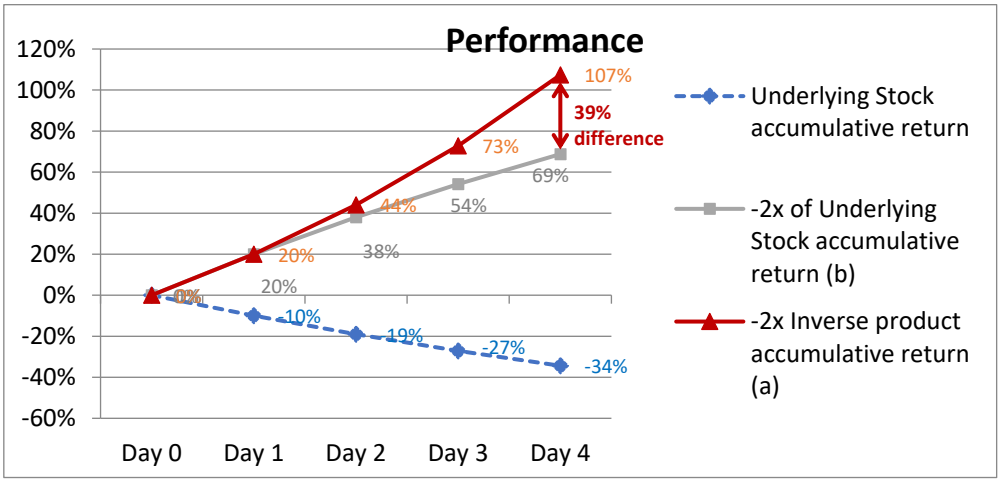


Scenario 2: Downward trending market

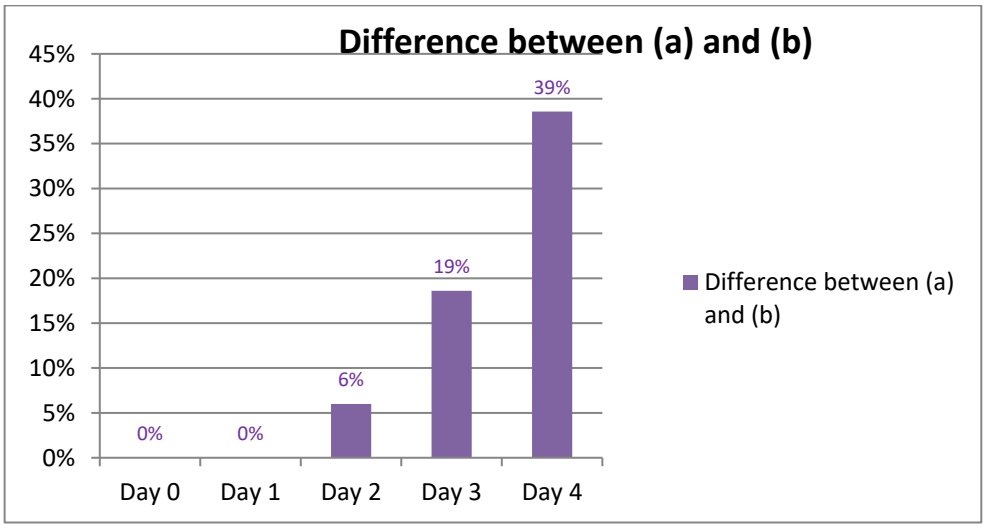
In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

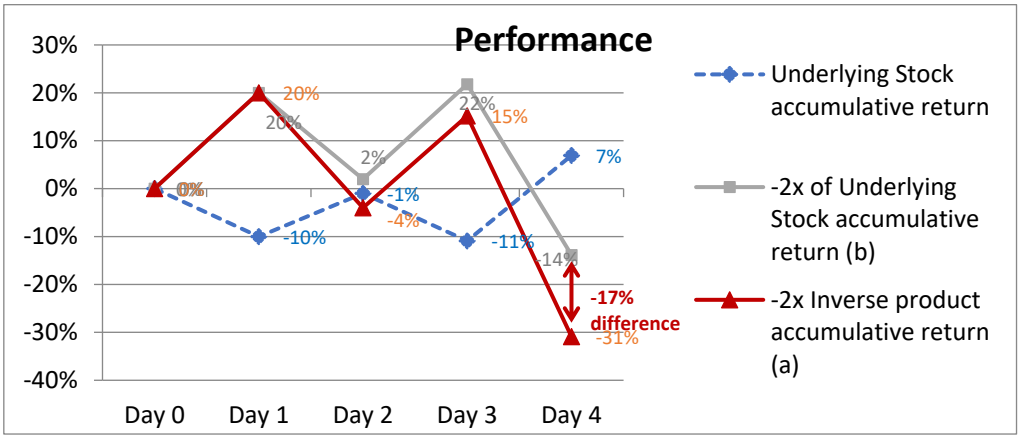


Scenario 3: Volatile upward trend

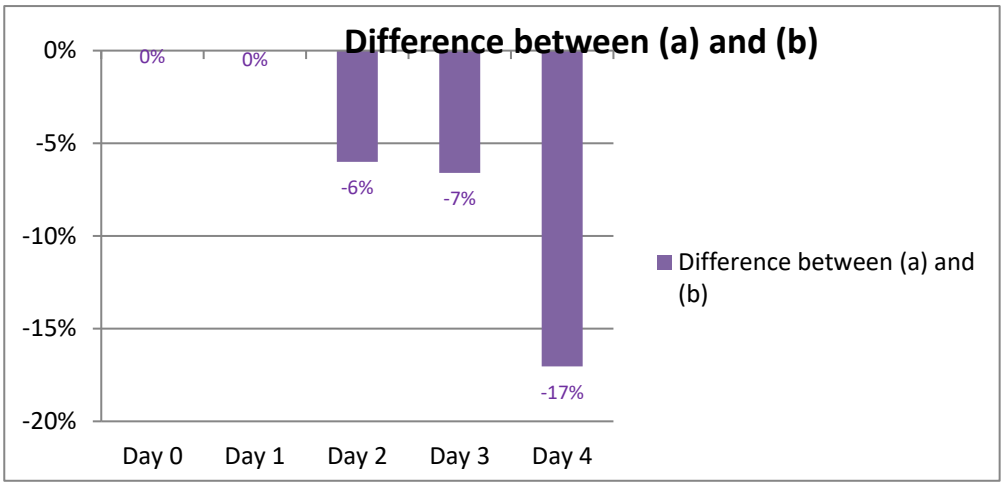
In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

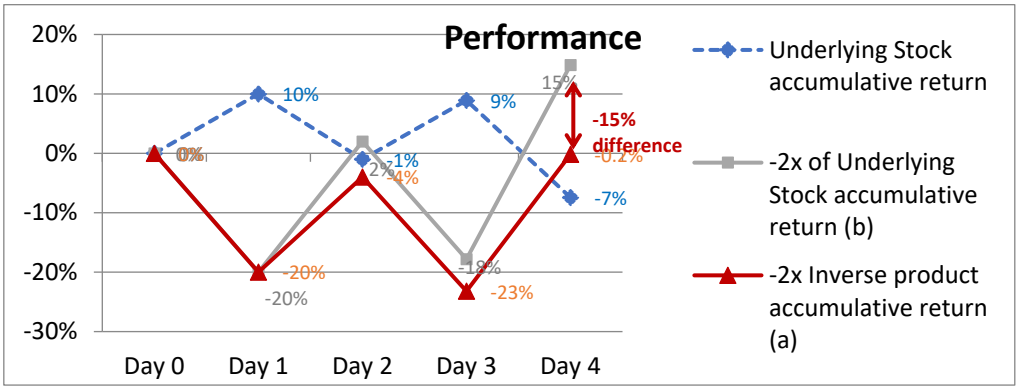


Scenario 4: Volatile downward trend

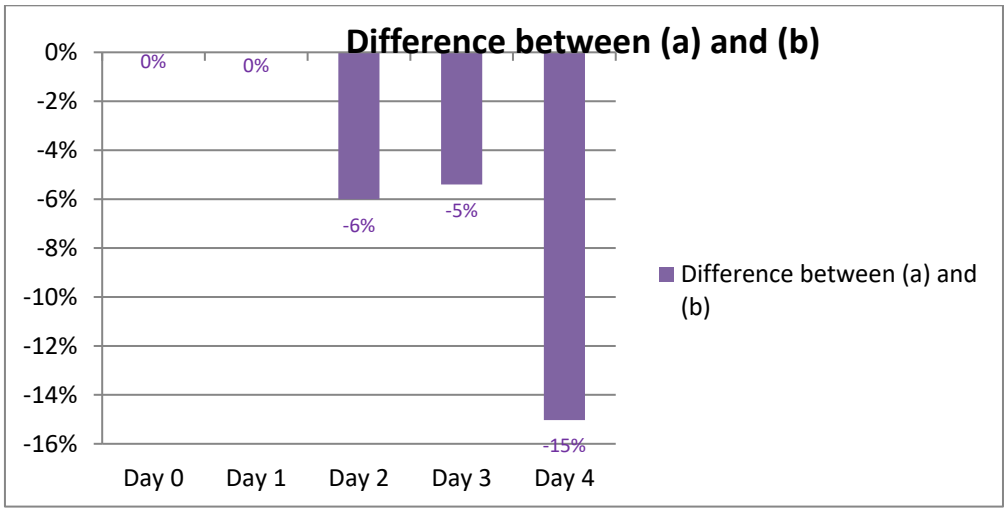
In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



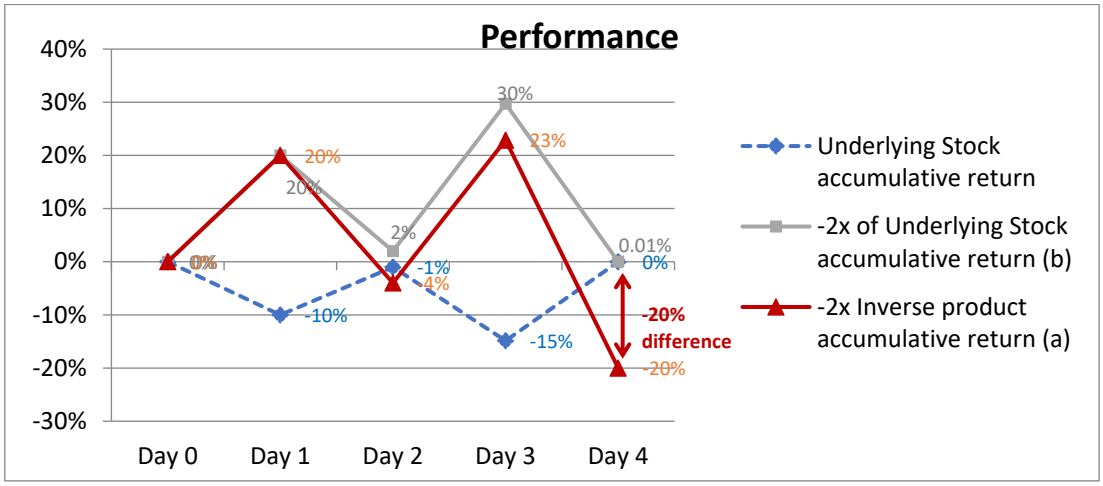
Scenario 5: Volatile market with flat performance of the Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

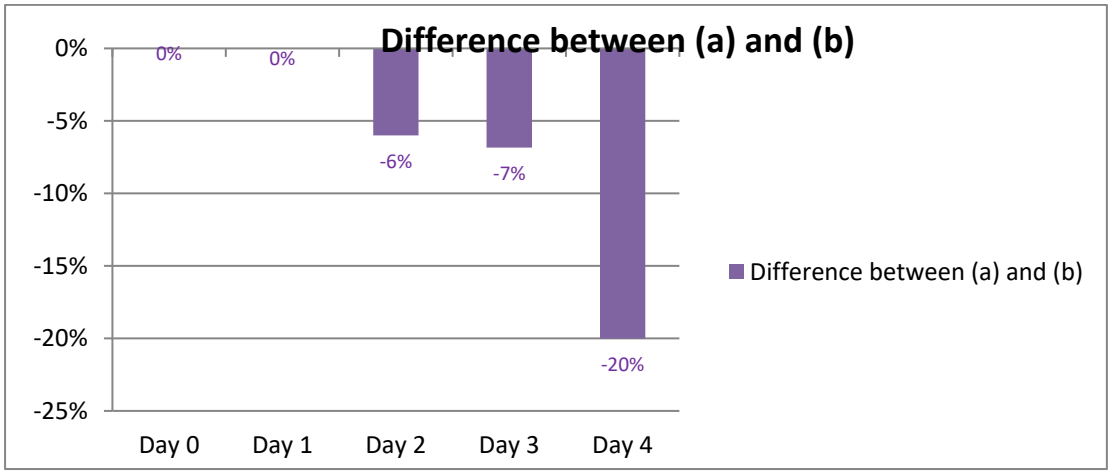
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return, of the Underlying Stock in a volatile market with flat performance of the Underlying Stock over a period greater than 1

Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the two times inverse (-2x) performance of the Underlying Stock (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-tsla-2i (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the two times inverse (-2x) Daily performance of the Underlying Stock, when

comparing the performance of the Underlying Stock and the -2x performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Underlying Stock will not be equal to the simple -2x performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the -2x performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (-2x Inverse of the performance of Underlying Stock)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will fall by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Underlying Stock.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	 • 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9366	7366
Short Stock Name	XI2CSOPTSLA-U	XI2CSOPTSLA
ISIN number	HK0001121224	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate

reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-tsla-2i (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-tsla-2i (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the inverse performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and inverse nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – Tesla, Inc.

The following factors may contribute to the price volatility of the Underlying Stock which may in turn impact the daily Net Asset Value of the Product.

Risks specific to the Underlying Stock

Tesla, Inc. is highly dependent on its CEO, Elon Musk. Communications by Mr. Musk to the public may significantly impact the trading price of the Underlying Stock. Any actual or anticipated large transactions in the Underlying Stock by Mr. Musk may cause the stock price to fluctuate.

Large/mega-capitalisation company risk

Tesla, Inc. is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Tesla, Inc. more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. Stock prices of these companies may exhibit greater volatility due to these factors. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Electric and autonomous vehicles company risk

Developments in automotive technologies (e.g., autonomous vehicle technologies) may require significant capital expenditures that may not generate profits for several years, if ever. Companies in this sector face intense competition, rapid product obsolescence, intellectual property risks, and high R&D and capital expenditures. Investors should be aware that Tesla, Inc.'s valuation may be

disproportionately influenced by market optimism regarding its perceived success in its development of AI, which, if unmet, could lead to substantial volatility in stock price.

Automotive company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to risks of the automotive sector. The automotive sector industry can be highly cyclical, and companies in the industry may suffer periodic operating losses. Automotive companies can be significantly affected by labor relations and fluctuating component prices. Automotive companies may be significantly subject to government policies and regulations regarding imports and exports of automotive products. Governmental policies affecting the automotive industry, such as taxes, tariffs, duties, subsidies, and import and export restrictions on automotive products can influence industry profitability. In addition, such companies must comply with environmental laws and regulations, for which there may be severe consequences for non-compliance. While most of the major automotive manufacturers are large companies, certain others may be non-diversified in both product line and customer base and may be more vulnerable to certain events that may negatively impact the automotive industry.

Technology theme risk

Tesla, Inc. is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. Tesla, Inc. also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of Tesla, Inc.. Tesla, Inc. is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the price of the Underlying Stock could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Underlying Stock over that same period (e.g. the loss may be more than 2 times the increase in the price of the Underlying Stock). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the price of the Underlying Stock for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the price of the Underlying Stock increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse (-2x) investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the inverse performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may

be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product.

These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Inverse Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than two times inverse performance of a single stock. Should the price of the Underlying Stock increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Underlying Stock over a certain period may not be equal to the point-to-point two times inverse performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. As such, the performance of the Product is not two times inversely correlated to the performance of the Underlying Stock over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 16: CSOP COINBASE DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Coinbase Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Coinbase Global, Inc. (NASDAQ: COIN)
Underlying Stock	Coinbase Global, Inc. (NASDAQ: COIN)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9711 HKD Counter: 7711
Short Stock Name	USD Counter: XL2CSOPCOIN-U HKD Counter: XL2CSOPCOIN
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-coin-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Coinbase Global, Inc. (NASDAQ: COIN) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap

Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 60% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

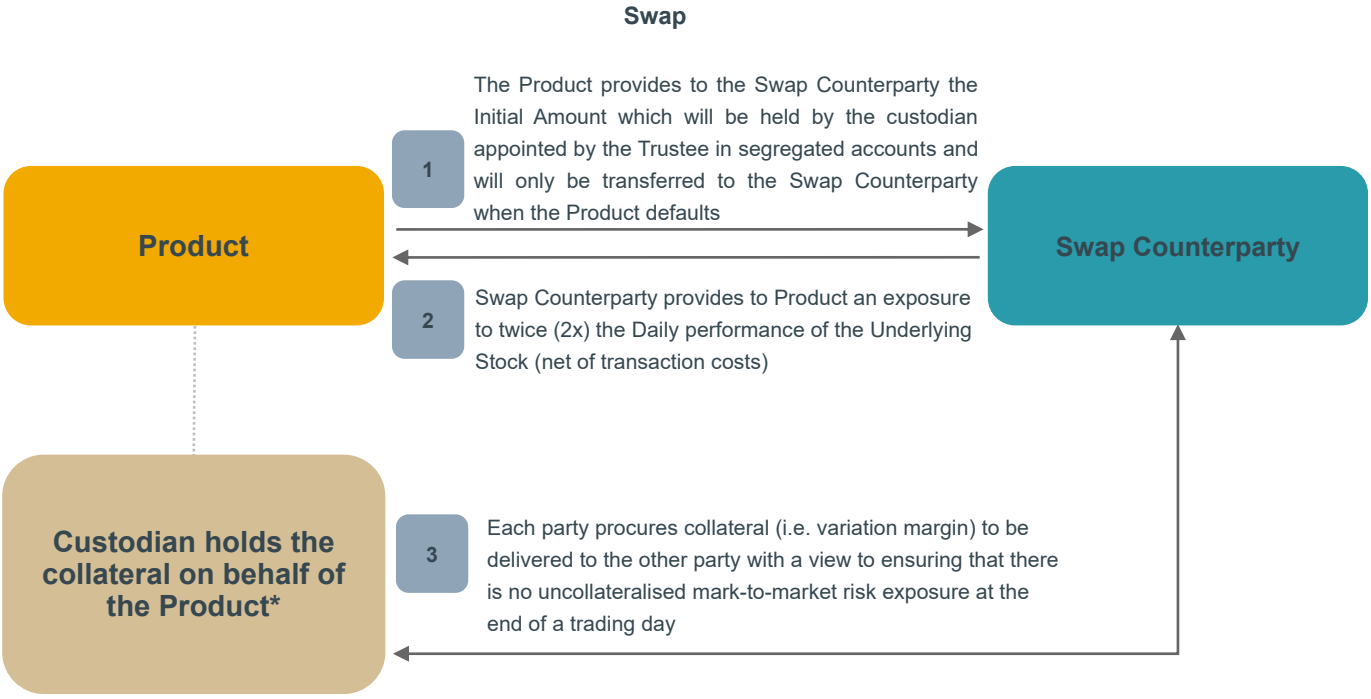
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that

there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned

by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-coin-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-coin-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 10.00% per annum of the Swap notional amount, i.e. from

4.00% to 20.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). At or around the close of trading of the NASDAQ on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Underlying Stock

Coinbase Global, Inc. operates a cryptocurrency exchange platform and provides data and transaction processing services. It offers digital currency wallet and platform for general transactions. Coinbase Global, Inc. is listed on the NASDAQ, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

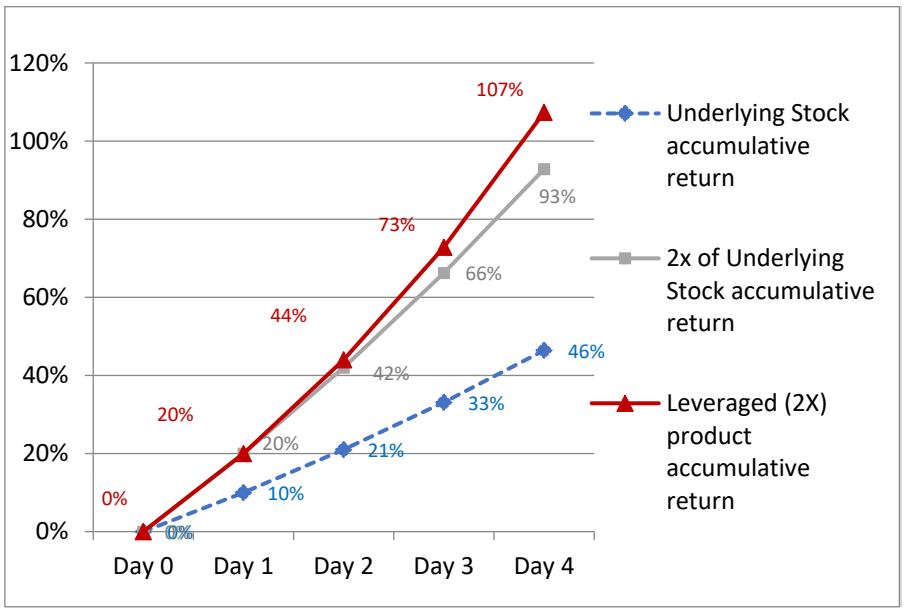
Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.

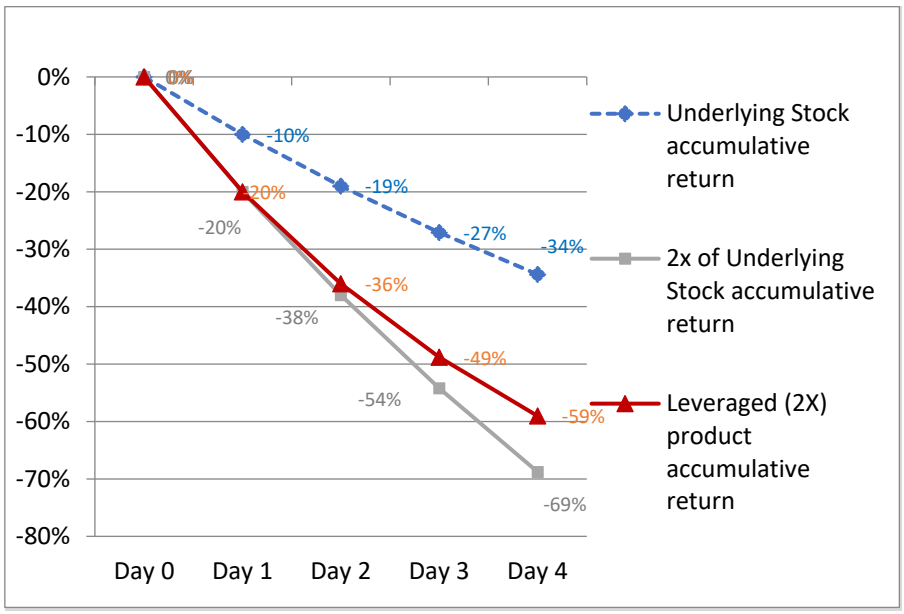


Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.

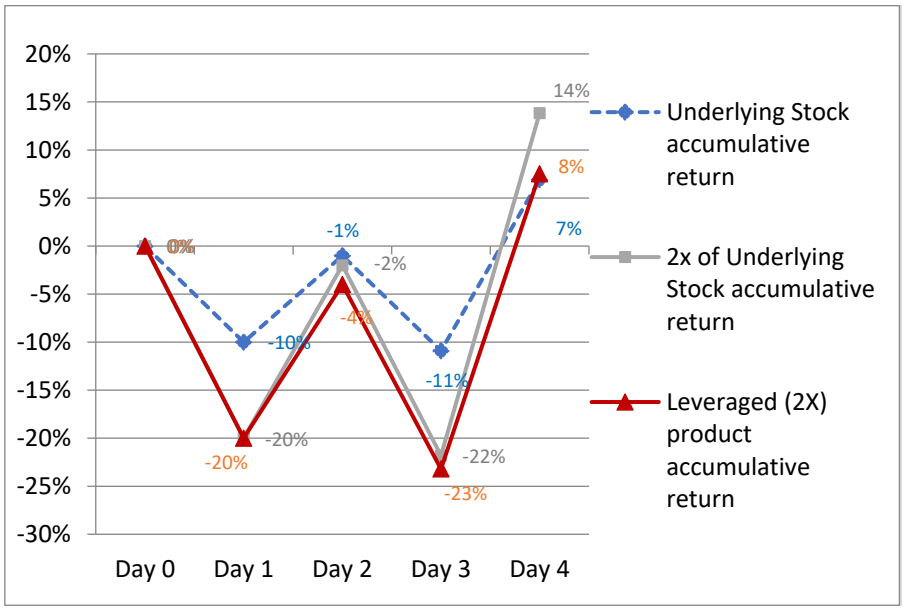


Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

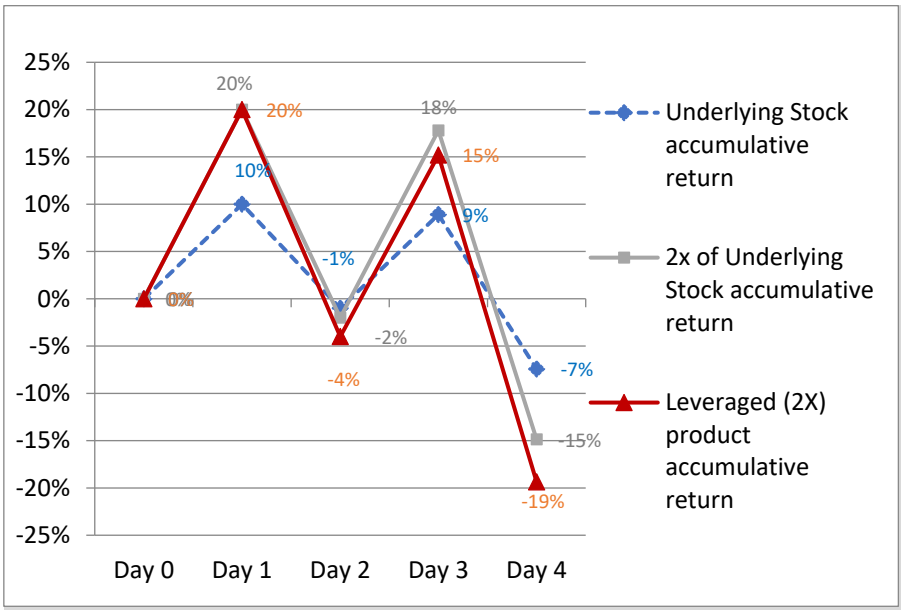


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

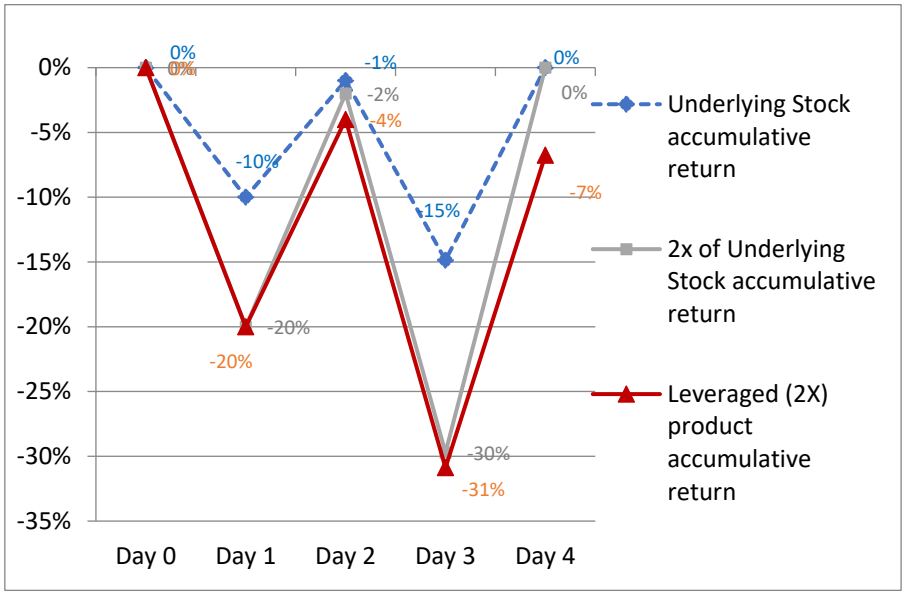


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-coin-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different

stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9711	7711
Short Stock Name	XL2CSOPCOIN-U	XL2CSOPCOIN
ISIN number	HK0001121240	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-coin-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-coin-2l (which has not been reviewed by the SFC) and on HKEX's website

http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price

movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – Coinbase Global, Inc.

Risks specific to the Underlying Stock

Coinbase Global, Inc. is exposed to the following risks: extreme volatility in the prices of cryptocurrencies and fluctuations in trading volumes, which directly impact revenue and profitability, as the company derives a significant portion of its income from transaction fees; legal risks; regulatory uncertainty and evolving legal frameworks governing digital assets, which could result in increased compliance costs, operational restrictions, or outright bans in certain jurisdictions as well as increased government regulations and regulatory scrutiny; reliance on a limited number of revenue streams, primarily tied to cryptocurrency trading, making the business highly sensitive to market cycles and investor sentiment; intense competition from both traditional financial institutions and emerging cryptocurrency platforms; cybersecurity threats, including hacking, data breaches, and ransomware attacks, which could compromise customer assets or erode trust in the platform; potential loss of customer funds due to technical issues; challenges in scaling operations to meet growing demand while maintaining security, compliance, and user experience; exposure to litigation, investigations, or enforcement actions related to its business practices or the broader cryptocurrency industry; and the potential for reputational harm due to negative publicity, regulatory scrutiny, or security incidents.

Cryptocurrency risks

While the Product will not directly invest in cryptocurrencies, it will be subject to the risks associated with cryptocurrencies by virtue of its exposure to the Underlying Stock, which operates as a cryptocurrency exchange. As such, the performance of the Underlying Stock is correlated to the value, trading volume and market sentiment of cryptocurrencies. These risks include extreme price volatility risk, the uncertainty surrounding new technology, limited evaluation due to short trading history of cryptocurrencies, and the potential change in product and market demands over the long term. The extreme volatility of prices of cryptocurrencies is also a risk factor. Regulatory uncertainties, such as potential government interventions and conflicting regulations across jurisdictions, can impact the demand for cryptocurrencies and restrict its usage.

Digital asset and finance services company risks

The performance of the Underlying Stock, and subsequently the Product's performance, is subject to the risks of the digital asset and finance company sectors. Such companies may be impacted by government regulations, economic conditions and credit markets. These companies typically face intense competition and could be affected by new entrants into the market. Competitors in the digital payments space include financial institutions and well-established payment processing companies. In addition, many companies engaged in these businesses store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have an impact on these companies. Online digital asset trading platforms currently operate under less regulatory scrutiny than traditional financial services companies and banks, but there is a growing trend that regulatory oversight could increase in the future. Growing regulatory scrutiny can also impact the current business models of some digital asset-related companies and could severely impact the viability of these companies. These companies could be impacted by disruptions in service caused by issues relating to hardware, software or service by third-party datacenter hosting facilities and maintenance providers.

Technology theme risk

Coinbase Global, Inc. is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. Coinbase Global, Inc. also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services

offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of Coinbase Global, Inc.. Coinbase Global, Inc. is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Large/mega-capitalisation company risk

Coinbase Global, Inc. is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Coinbase Global, Inc. more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 17: CSOP COINBASE DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Coinbase Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of Coinbase Global, Inc. (NASDAQ: COIN)
Underlying Stock	Coinbase Global, Inc. (NASDAQ: COIN)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9311 HKD Counter: 7311
Short Stock Name	USD Counter: XI2CSOPCOIN-U HKD Counter: XI2CSOPCOIN
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-coin-2i

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of Coinbase Global, Inc. (NASDAQ: COIN) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day.**

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby

the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 65% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

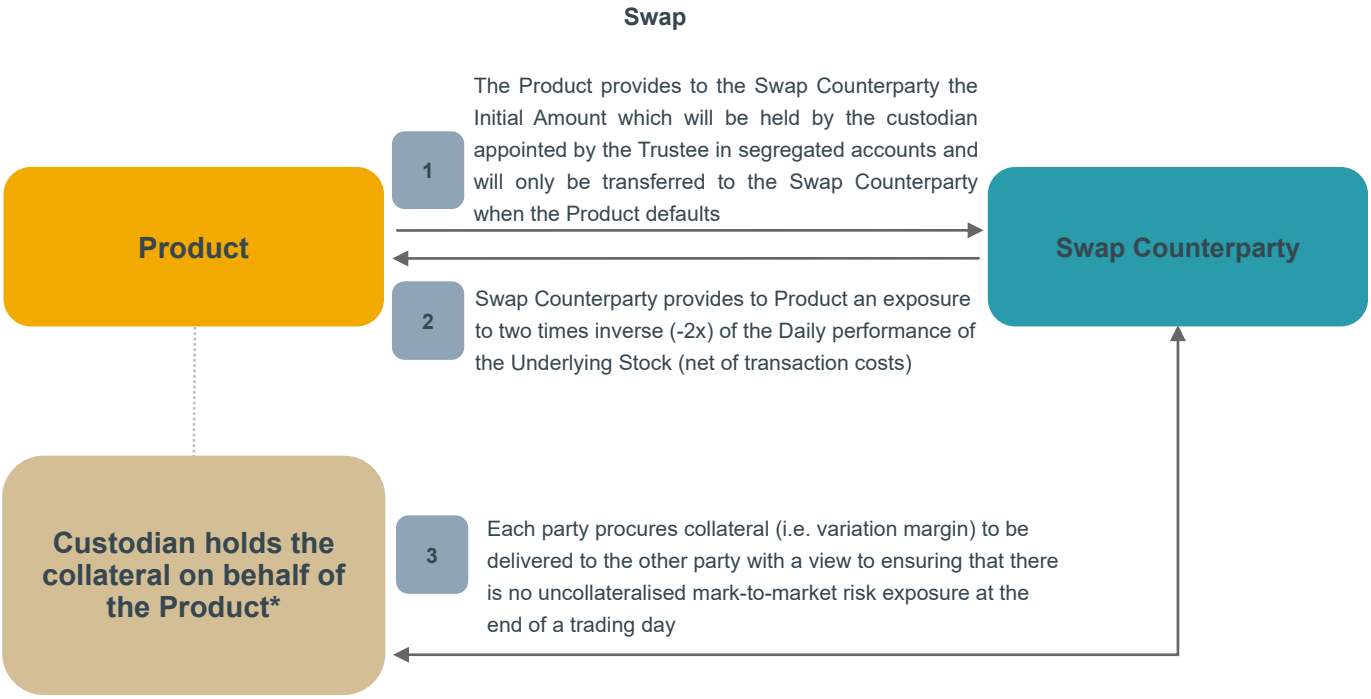
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty

risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned

by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-coin-2i (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-coin-2i (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 8.00% per annum of the Swap notional amount, i.e. from

4.00% to 16.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the NASDAQ, by decreasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily gains or increasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the price of the underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -200 to meet the objective of the Product. If the price of the Underlying Stock decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs an exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily change of price of Underlying Stock (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Underlying Stock

Coinbase Global, Inc. operates a cryptocurrency exchange platform and provides data and transaction processing services. It offers digital currency wallet and platform for general transactions. Coinbase Global, Inc. is listed on the NASDAQ, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the two-time inverse performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

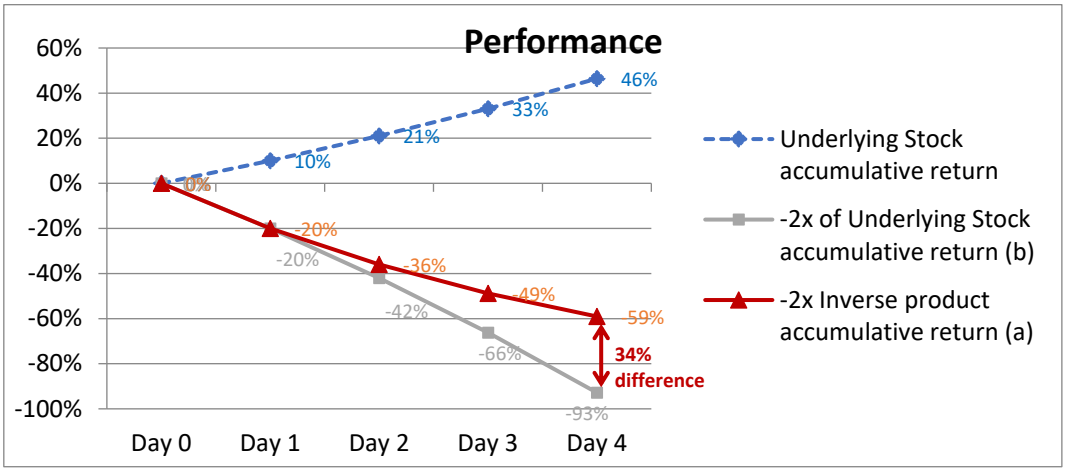
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track -2x the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (-2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

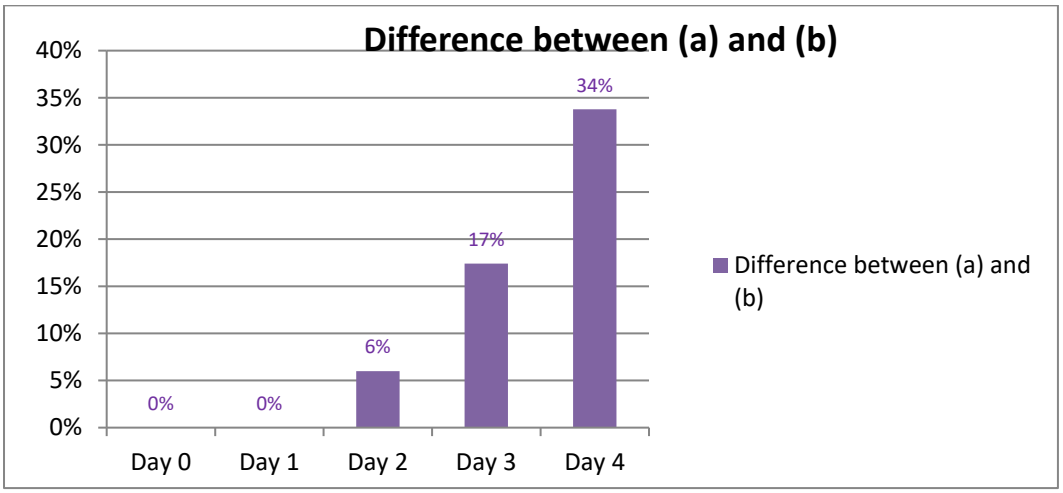
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative gain in the price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

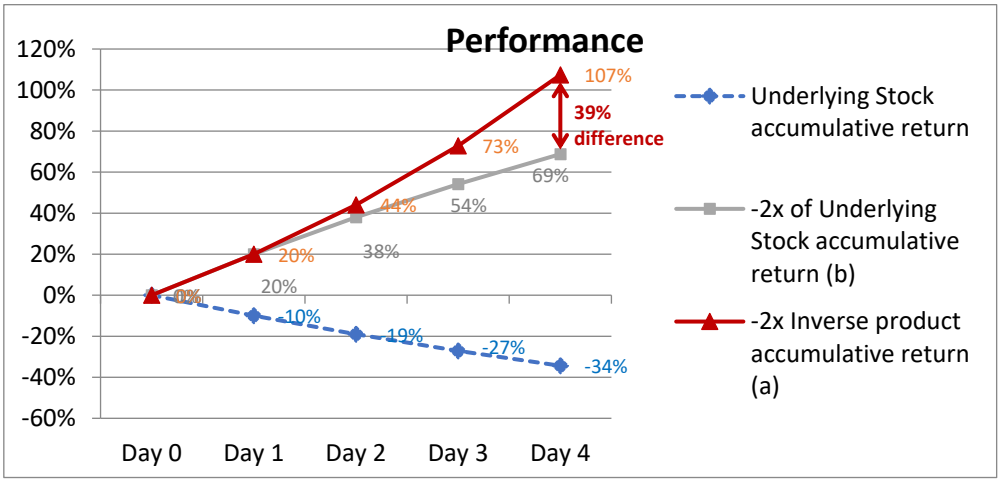


Scenario 2: Downward trending market

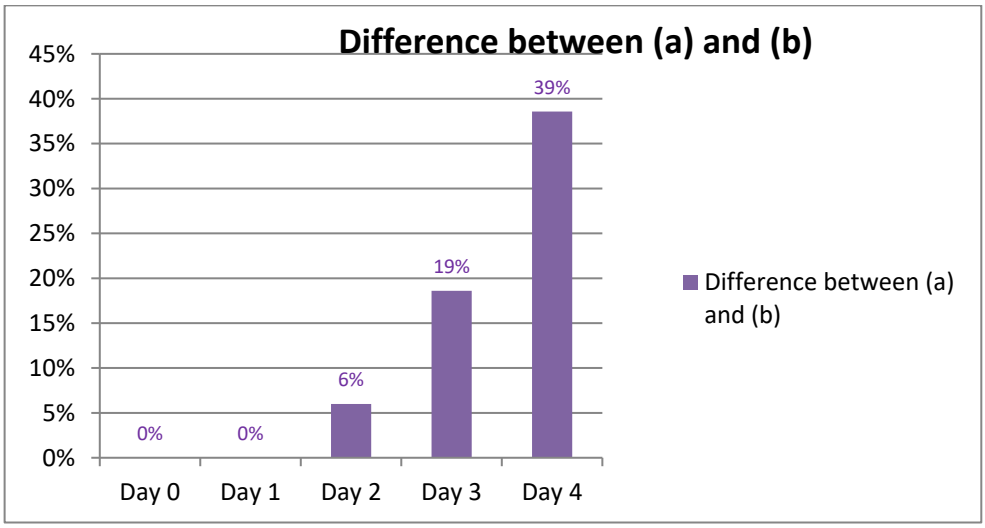
In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

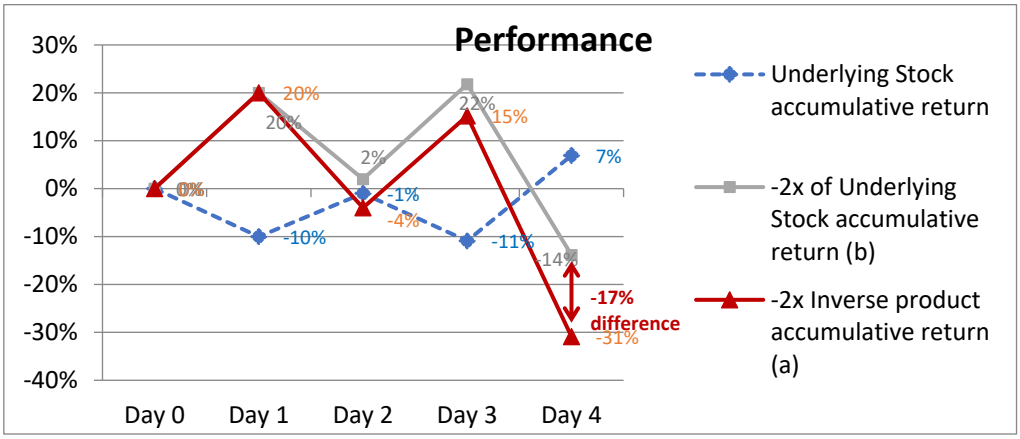


Scenario 3: Volatile upward trend

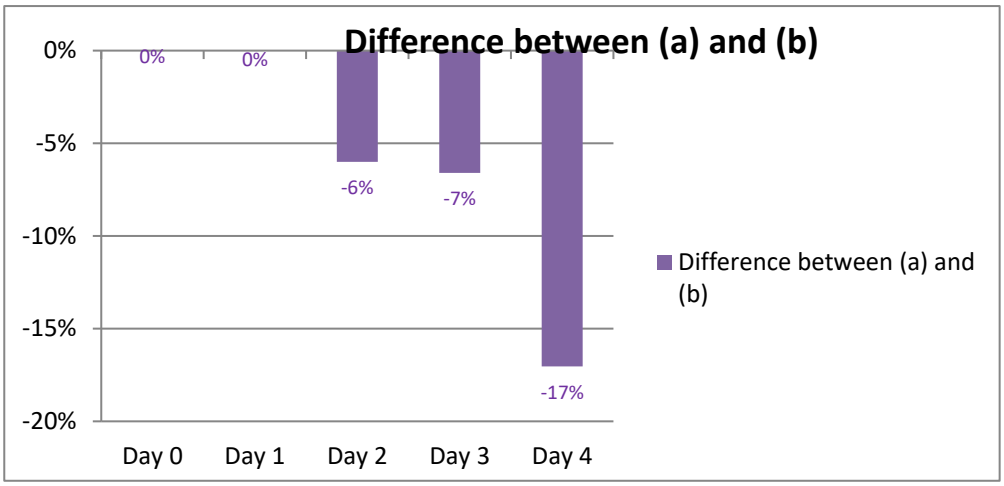
In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

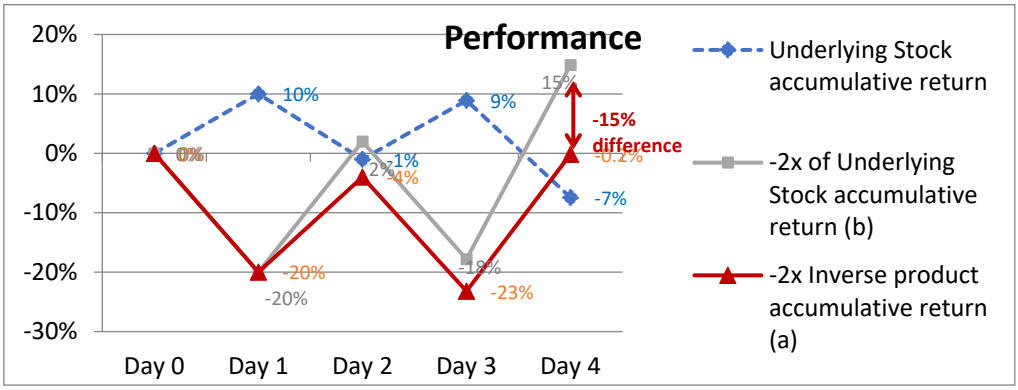


Scenario 4: Volatile downward trend

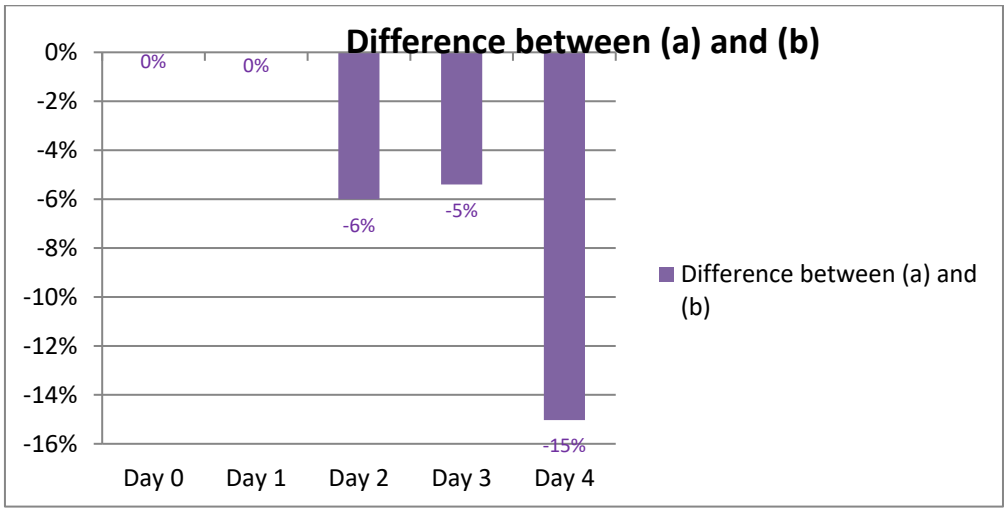
In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



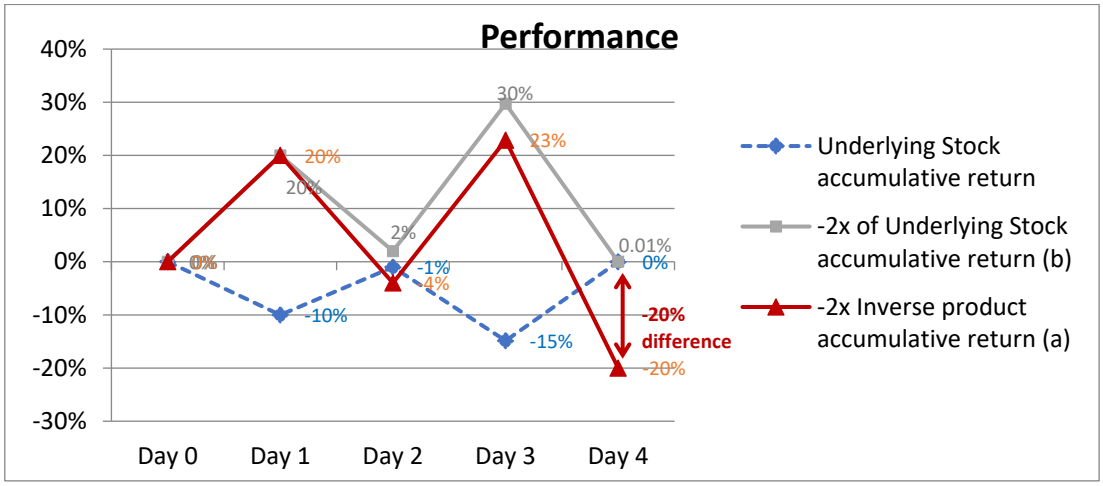
Scenario 5: Volatile market with flat performance of the Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

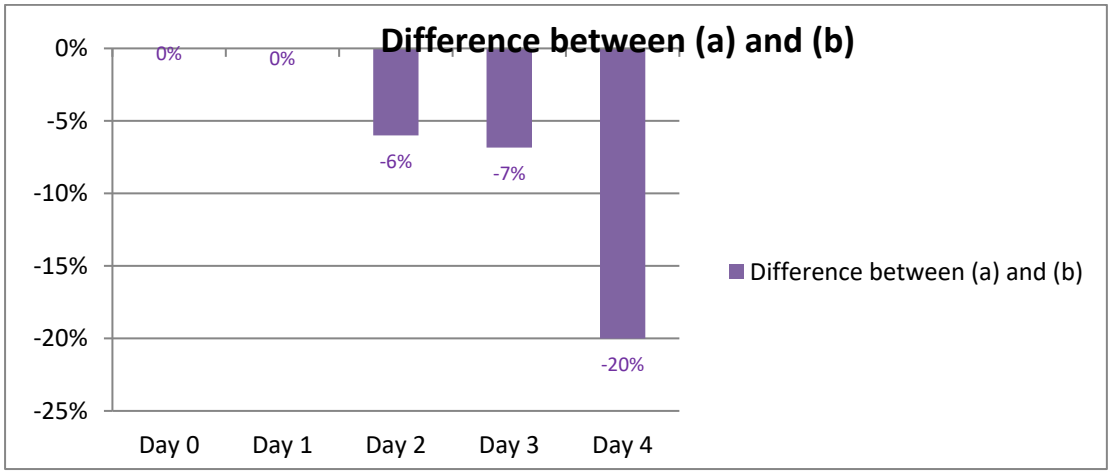
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return, of the Underlying Stock in a volatile market with flat performance of the Underlying Stock over a period greater than 1

Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the two times inverse (-2x) performance of the Underlying Stock (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-coin-2i (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the two times inverse (-2x) Daily performance of the Underlying Stock, when

comparing the performance of the Underlying Stock and the -2x performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Underlying Stock will not be equal to the simple -2x performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the -2x performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (-2x Inverse of the performance of Underlying Stock)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will fall by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Underlying Stock.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9311	7311
Short Stock Name	XI2CSOPCOIN-U	XI2CSOPCOIN
ISIN number	HK0001121265	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate

reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-coin-2i (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-coin-2i (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the inverse performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and inverse nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – Coinbase Global, Inc.

The following factors may contribute to the price volatility of the Underlying Stock which may in turn impact the daily Net Asset Value of the Product.

Risks specific to the Underlying Stock

Coinbase Global, Inc. is exposed to the following risks: extreme volatility in the prices of cryptocurrencies and fluctuations in trading volumes, which directly impact revenue and profitability, as the company derives a significant portion of its income from transaction fees; legal risks; regulatory uncertainty and evolving legal frameworks governing digital assets, which could result in increased compliance costs, operational restrictions, or outright bans in certain jurisdictions as well as increased government regulations and regulatory scrutiny; reliance on a limited number of revenue streams, primarily tied to cryptocurrency trading, making the business highly sensitive to market cycles and investor sentiment; intense competition from both traditional financial institutions and emerging cryptocurrency platforms; cybersecurity threats, including hacking, data breaches, and ransomware attacks, which could compromise customer assets or erode trust in the platform; technical issues; challenges in scaling operations to meet growing demand while maintaining security, compliance, and user experience; exposure to litigation, investigations, or enforcement actions related to its business practices or the broader cryptocurrency industry; and the potential for reputational harm due to negative publicity, regulatory scrutiny, or security incidents.

Cryptocurrency risks

While the Product will not directly invest in cryptocurrencies, it will be subject to the risks associated with cryptocurrencies by virtue of its exposure to the Underlying Stock, which operates as a cryptocurrency exchange. As such, the performance of the Underlying Stock is correlated to the value, trading volume and market sentiment of cryptocurrencies. These risks include extreme price volatility risk, the uncertainty surrounding new technology, limited evaluation due to short trading history of cryptocurrencies, and the potential change in product and market demands over the long term. The extreme volatility of prices of cryptocurrencies is also a risk factor. Regulatory uncertainties, such as potential government interventions and conflicting regulations across jurisdictions, can impact the demand for cryptocurrencies and restrict its usage.

Digital asset and finance services company risks

The performance of the Underlying Stock, and subsequently the Product's performance, is subject to the risks of the digital asset and finance company sectors. Such companies may be impacted by government regulations, economic conditions and credit markets. These companies typically face intense competition and could be affected by new entrants into the market. Competitors in the digital payments space include financial institutions and well-established payment processing companies. In addition, many companies engaged in these businesses store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have an impact on these companies. Online digital asset trading platforms currently operate under less regulatory scrutiny than traditional financial services companies and banks, but there is a growing trend that regulatory oversight could increase in the future. Growing regulatory scrutiny can also impact the current business models of some digital asset-related companies and could severely impact the viability of these companies. These companies could be impacted by disruptions in service caused by issues relating to hardware, software or service by third-party datacenter hosting facilities and maintenance providers.

Technology theme risk

Coinbase Global, Inc. is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. Coinbase Global, Inc. also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of Coinbase Global, Inc.. Coinbase Global, Inc. is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Large/mega-capitalisation company risk

Coinbase Global, Inc. is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Coinbase Global, Inc. more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. Stock prices of these companies may exhibit greater volatility due to these factors. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the price of the Underlying Stock could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Underlying Stock over that same period (e.g. the loss may be more than 2 times the increase in the price of the Underlying Stock). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in

the Product to be equal to two times the inverse percentage change in the price of the Underlying Stock for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the price of the Underlying Stock increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse (-2x) investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of

limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the inverse performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse

products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve

its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Inverse Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than two times inverse performance of a single stock. Should the price of the Underlying Stock increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Underlying Stock over a certain period may not be equal to the point-to-point two times inverse performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. As such, the performance of the Product is not two times inversely correlated to the performance of the Underlying Stock over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for

protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in

the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant

Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 18: CSOP MICROSTRATEGY DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP MicroStrategy Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of MicroStrategy Incorporated (NASDAQ: MSTR).
Underlying Stock	MicroStrategy Incorporated (NASDAQ: MSTR)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9799 HKD Counter: 7799
Short Stock Name	USD Counter: XL2CSOPMSTR-U HKD Counter: XL2CSOPMSTR
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-mstr-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of MicroStrategy Incorporated (NASDAQ: MSTR) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap

Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 80% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

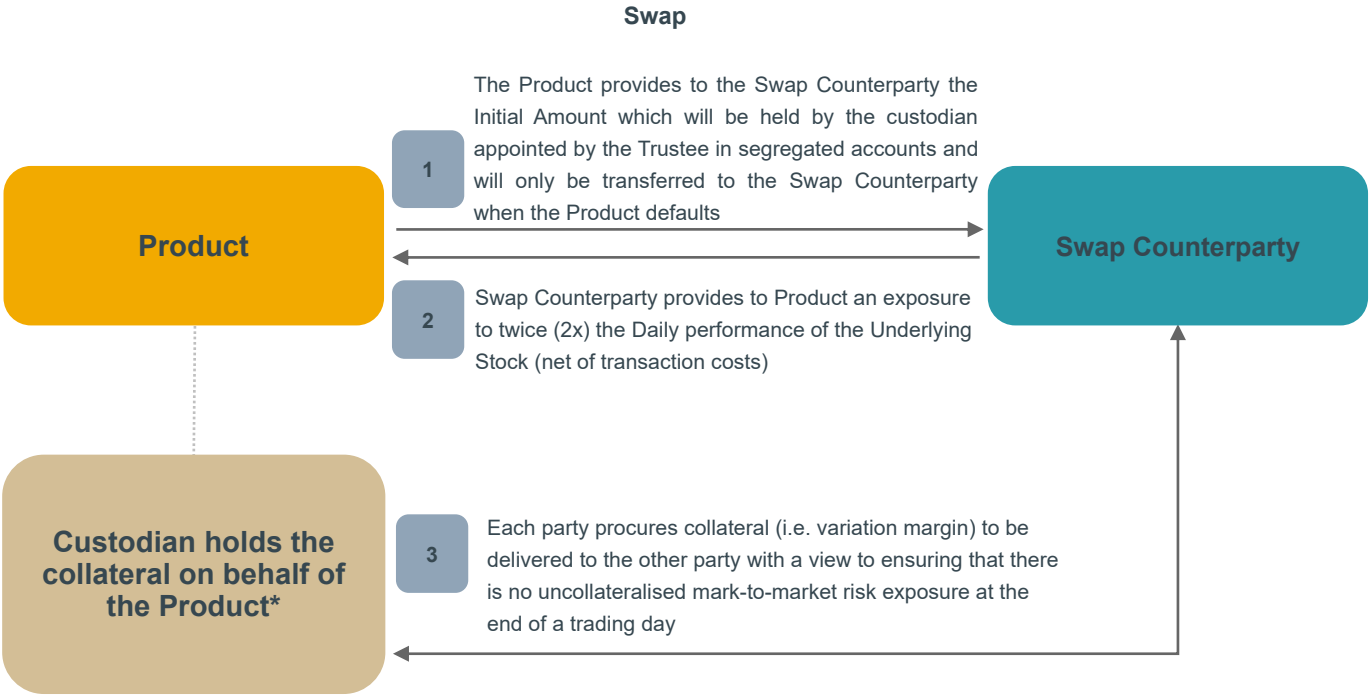
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that

there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned

by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
Citigroup Global Markets Limited	United Kingdom	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-mstr-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-mstr-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 16.00% per annum of the Swap notional amount, i.e. from

4.00% to 32.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). At or around the close of trading of the NASDAQ on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Underlying Stock

MicroStrategy Incorporated operates as one of the largest Bitcoin treasury companies in the world and it offers a range of securities including equity and fixed income instruments to provide investors varying degrees of economic exposure to Bitcoin. It is also a provider of enterprise-ready analytics, mobile, and security software platforms. MicroStrategy Incorporated is listed on the NASDAQ, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

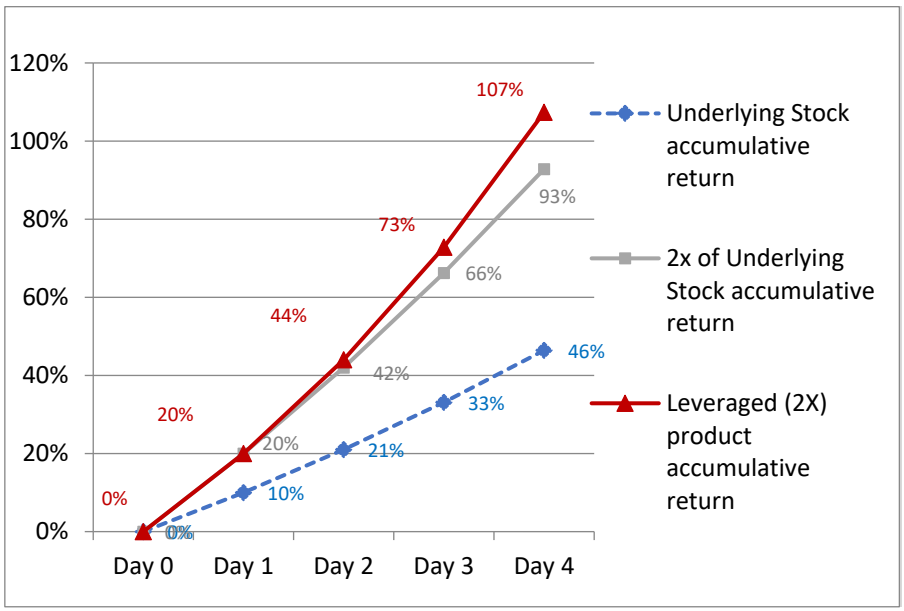
Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.

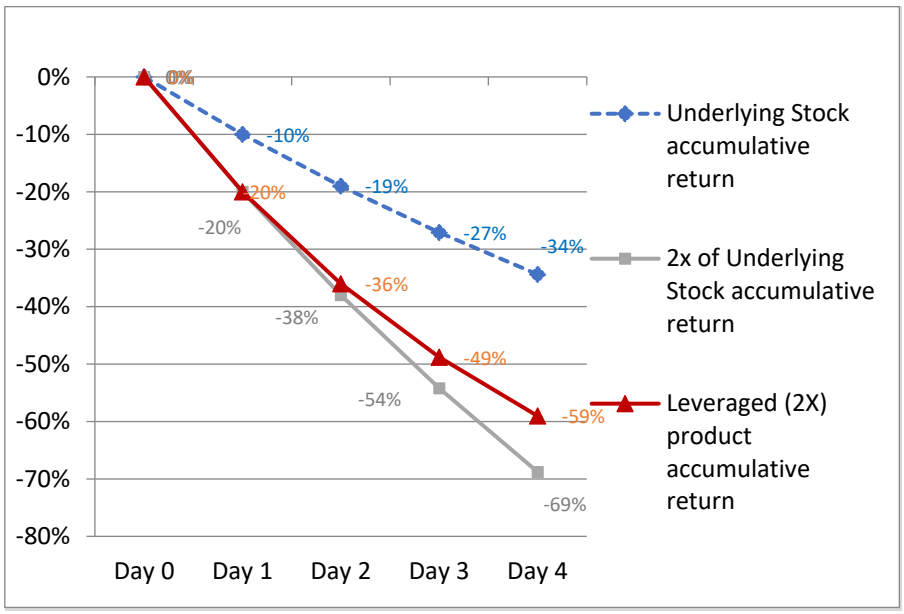


Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.

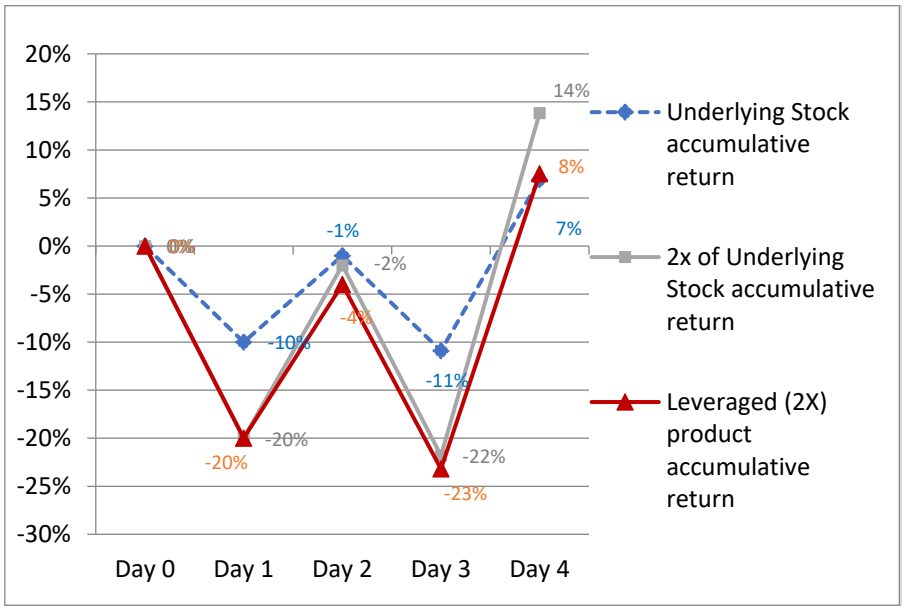


Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

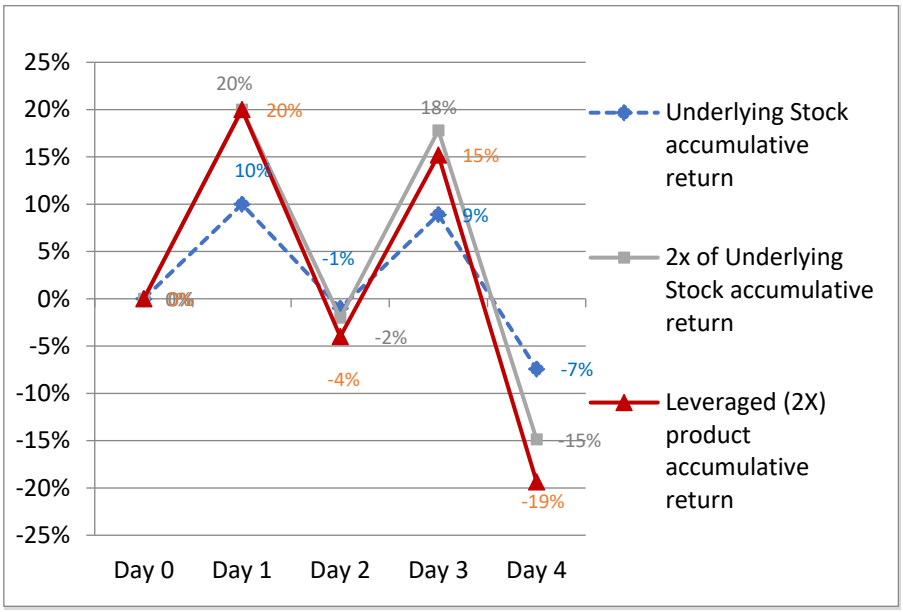


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

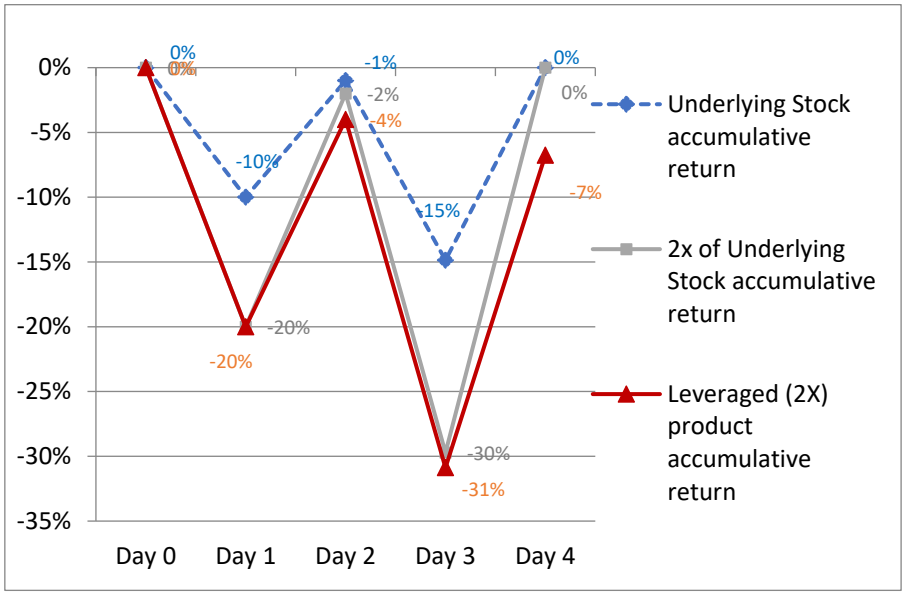


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-mstr-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different

stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9799	7799
Short Stock Name	XL2CSOPMSTR-U	XL2CSOPMSTR
ISIN number	HK0001121281	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-mstr-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-mstr-2l (which has not been reviewed by the SFC) and on HKEX's website

http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price

movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – MicroStrategy Incorporated

Risks specific to the Underlying Stock

The Underlying Stock's performance is tied to the dynamics of the cryptocurrency markets. MicroStrategy Incorporated has relied heavily on financing and debt to purchase Bitcoin and operates a high level of debts which poses risk to investors. Furthermore, the Underlying Stock may trade at a premium over the value of Bitcoin and thus expose investors to further risks associated with Bitcoin.

Bitcoin risk

While the Product will not directly invest in digital assets, it will be subject to the risks associated with Bitcoin by virtue of its exposure to the Underlying Stock, which operates as a Bitcoin treasury company with significant Bitcoin holdings. Investing in Bitcoin exposes investors (such as the Underlying Stock and, in turn, shareholders of the Underlying Stock) to significant risks that are not typically present in other investments. These risks include extreme price volatility risk of Bitcoin, the uncertainty surrounding new technology, limited evaluation due to Bitcoin's short trading history, cybersecurity risks associated with Bitcoin holdings and the potential change in market demands over the long term. Regulatory uncertainties, such as potential government interventions, evolving regulations of Bitcoin and related virtual assets and conflicting regulations across jurisdictions, can impact the demand for, and usage of, Bitcoin. Additionally, risks associated with the sale of newly mined Bitcoin, Bitcoin exchanges, competition from alternative digital assets, mining operations, network modifications, and intellectual property claims pose further challenges to Bitcoin-linked investments. Investors may be exposed to additional risks which are unforeseeable and cannot be currently be predicted.

Computer software industry risk

MicroStrategy Incorporated is a computer software company. Computer software companies are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new products will not be accepted by consumers and businesses. Furthermore, MicroStrategy Incorporated's enterprise software business is subject to cybersecurity risks. These factors can affect the profitability of these companies and, as a result, the value of their securities. Patent protection is integral to the success of many companies in this industry.

Information technology sector risk

MicroStrategy Incorporated is in the information technology sector. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation, and competition, both domestically and internationally, including competition from competitors with lower production costs. In addition, many information technology companies have limited product lines, markets, financial resources or personnel. The prices of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile and less liquid than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the information technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

Large/mega-capitalisation company risk

MicroStrategy Incorporated is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic

expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make MicroStrategy Incorporated more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock . A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes

of hedging. Many regulators have banned “naked” short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty’s ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product’s ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product’s Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product’s Unitholders and in accordance with the Product’s constitutive documents, including suspension of creation of the Product’s units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the “long” performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product’s Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of “path dependency” and compounding of the Daily returns of the Underlying Stock. Please refer to the section “Explanation on Path Dependency” above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product’s investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company’s funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for

protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in

the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant

Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 19: CSOP MICROSTRATEGY DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP MicroStrategy Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of MicroStrategy Incorporated (NASDAQ: MSTR)
Underlying Stock	MicroStrategy Incorporated (NASDAQ: MSTR)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9399 HKD Counter: 7399
Short Stock Name	USD Counter: XI2CSOPMSTR-U HKD Counter: XI2CSOPMSTR
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-mstr-2i

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of MicroStrategy Incorporated (NASDAQ: MSTR) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units

as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 85% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 15% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

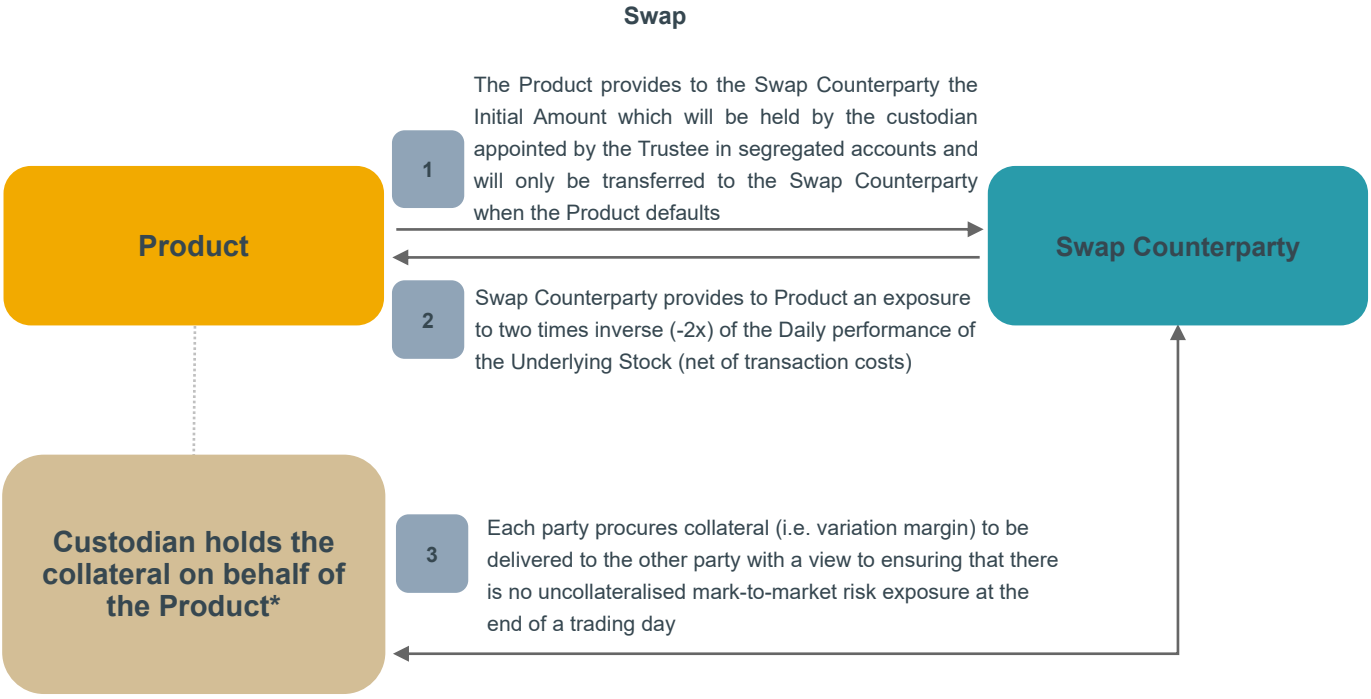
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that

there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events"

contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
Citigroup Global Markets Limited	United Kingdom	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-mstr-2i (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-mstr-2i (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 5.00% to 12.00% per annum of the Swap notional amount, i.e. from

10.00% to 24.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the NASDAQ are open for trading (i.e. a Business Day). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the NASDAQ, by decreasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily gains or increasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the price of the underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -200 to meet the objective of the Product. If the price of the Underlying Stock decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs an exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily change of price of Underlying Stock (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Underlying Stock

MicroStrategy Incorporated operates as one of the largest Bitcoin treasury companies in the world and it offers a range of securities including equity and fixed income instruments to provide investors varying degrees of economic exposure to Bitcoin. It is also a provider of enterprise-ready analytics, mobile, and security software platforms. MicroStrategy Incorporated is listed on the NASDAQ, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the two-time inverse performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

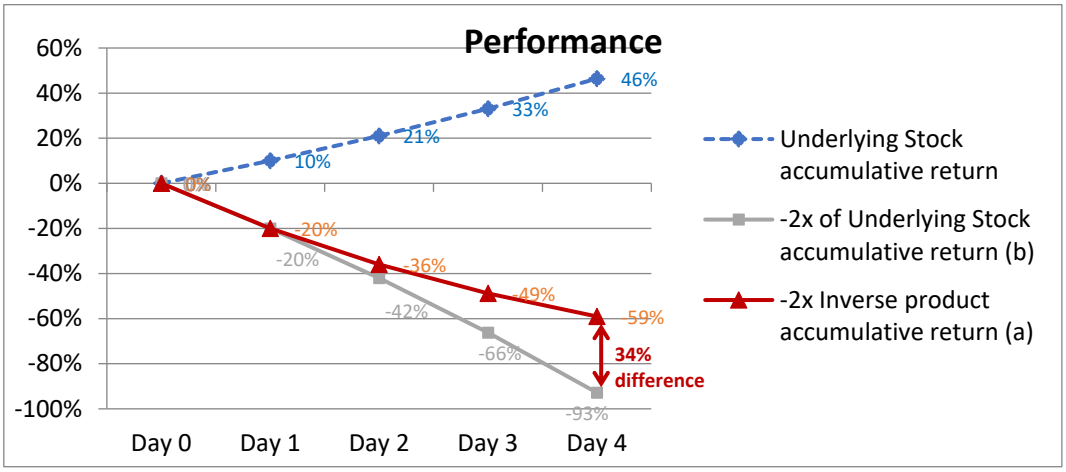
The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track -2x the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (-2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

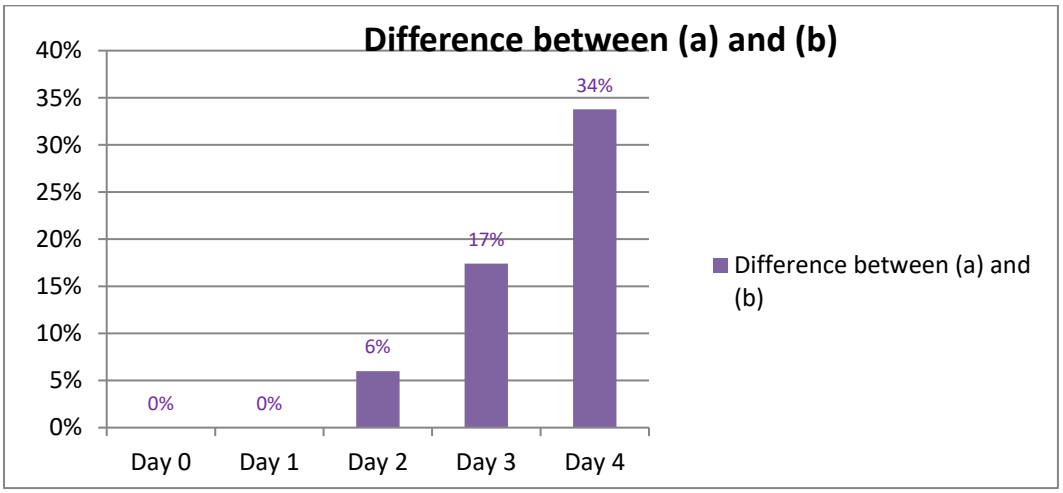
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative gain in the price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%
Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

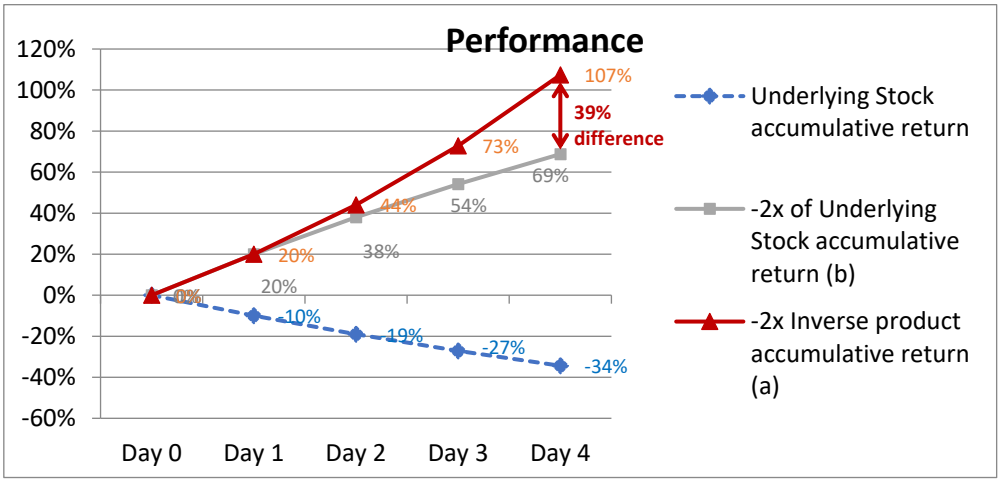


Scenario 2: Downward trending market

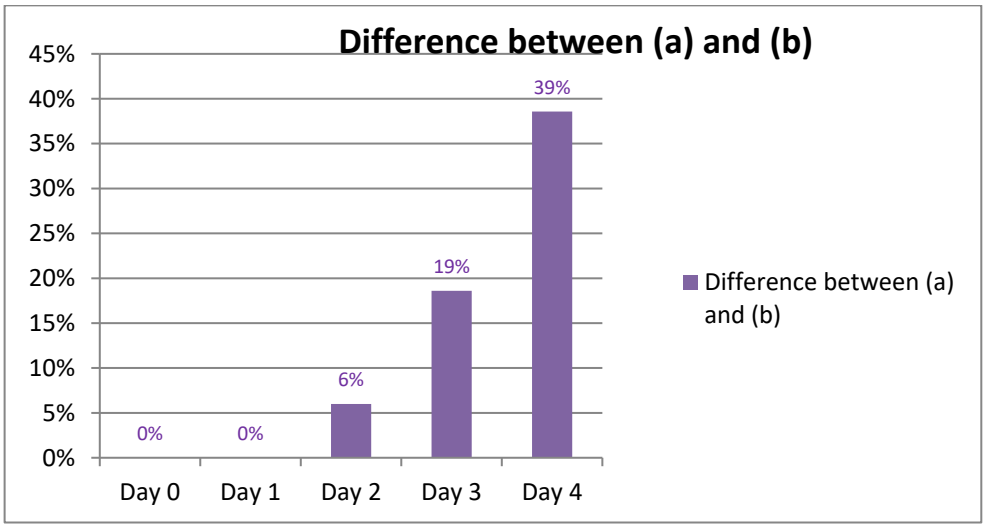
In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%
Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

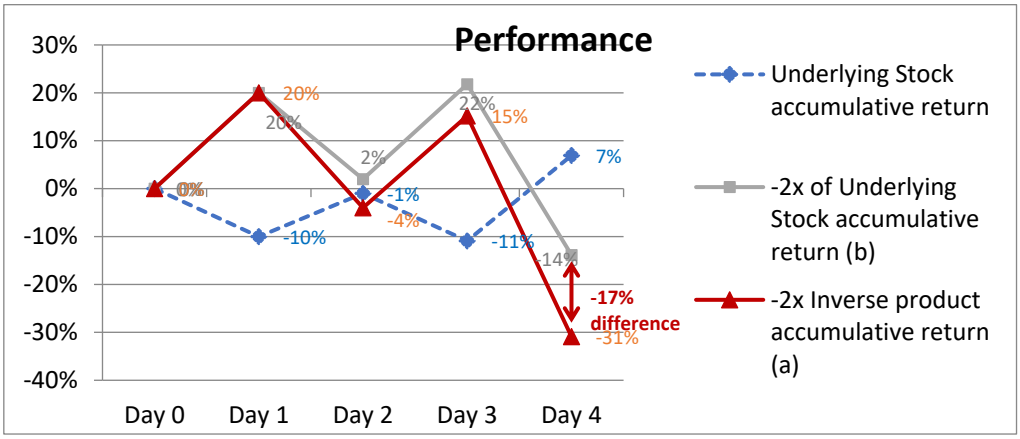


Scenario 3: Volatile upward trend

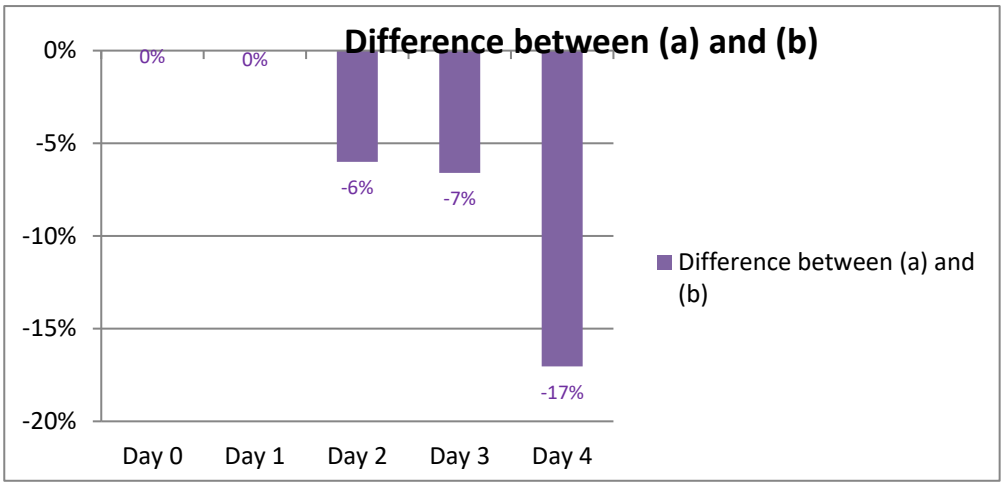
In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.

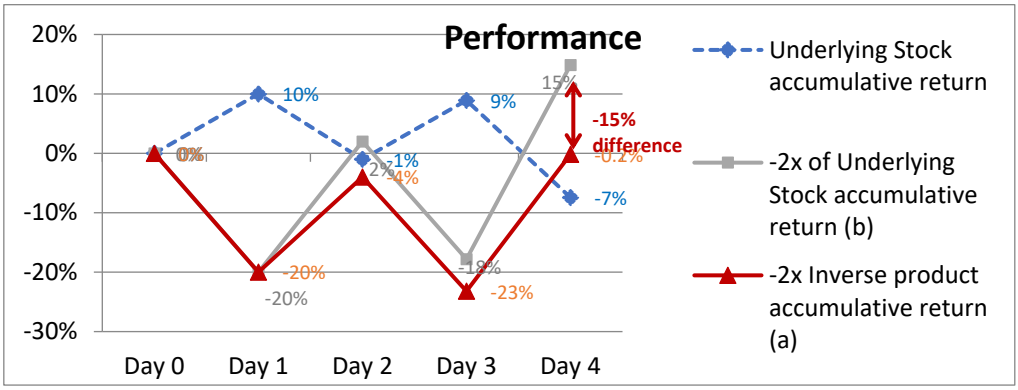


Scenario 4: Volatile downward trend

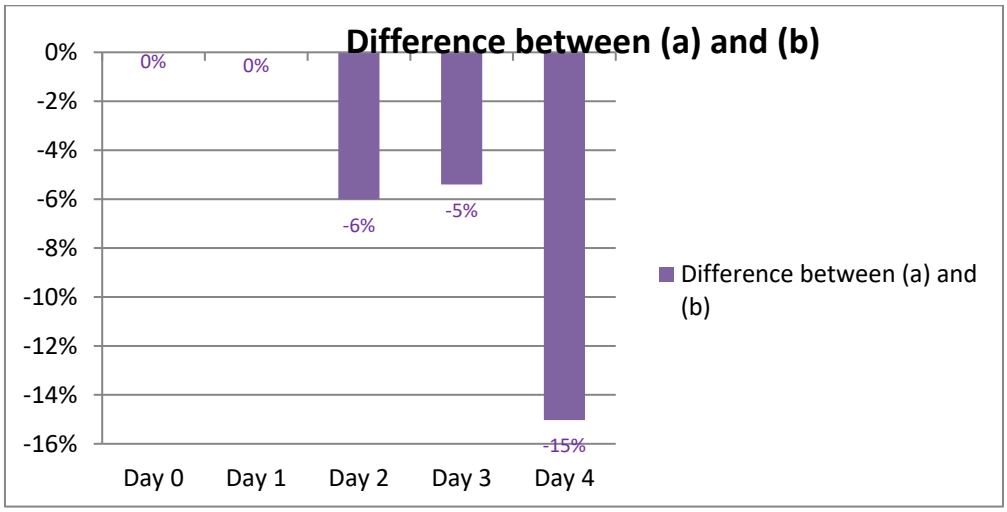
In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



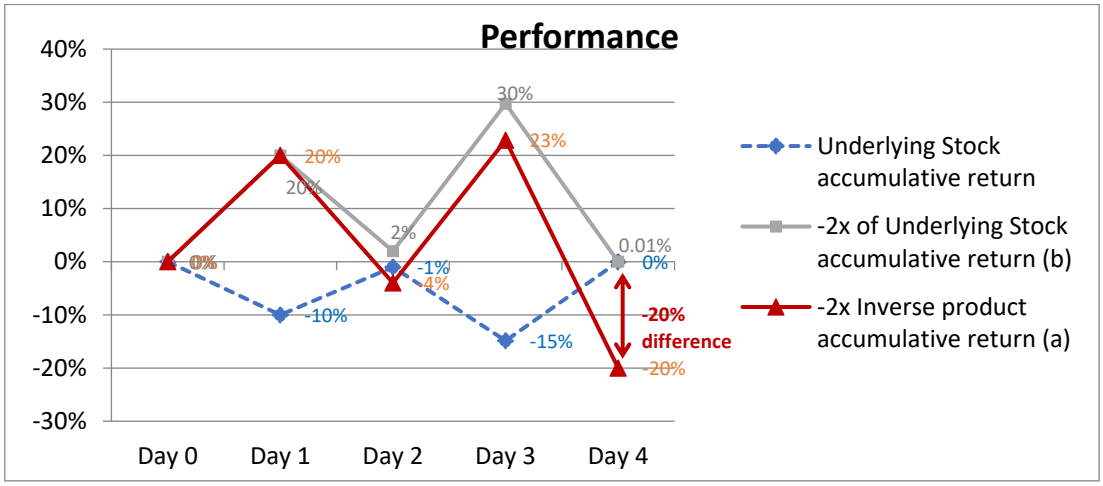
Scenario 5: Volatile market with flat performance of the Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

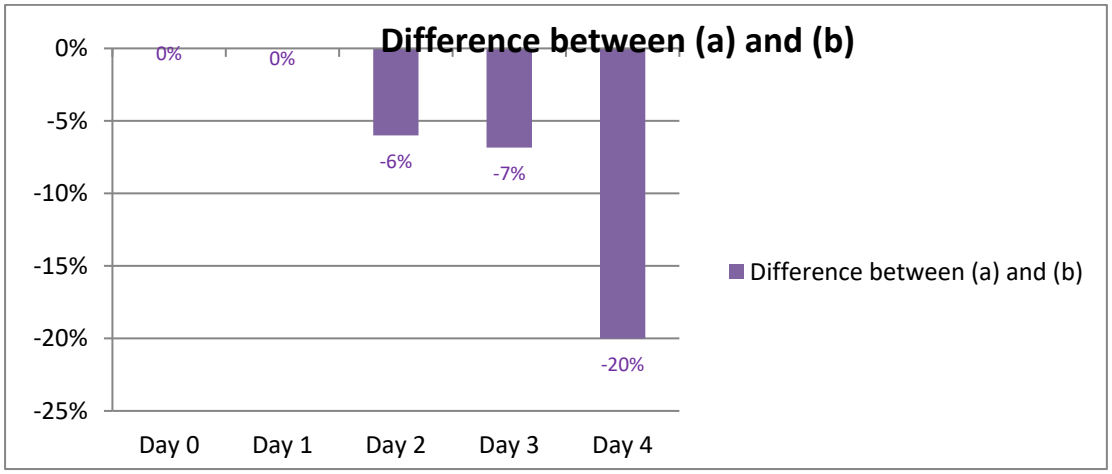
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return, of the Underlying Stock in a volatile market with flat performance of the Underlying Stock over a period greater than 1

Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the two times inverse (-2x) performance of the Underlying Stock (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-mstr-2i (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the two times inverse (-2x) Daily performance of the Underlying Stock, when

comparing the performance of the Underlying Stock and the -2x performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Underlying Stock will not be equal to the simple -2x performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the -2x performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (-2x Inverse of the performance of Underlying Stock)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will fall by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Underlying Stock.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	 • 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9399	7399
Short Stock Name	XI2CSOPMSTR-U	XI2CSOPMSTR
ISIN number	HK0001121307	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate

reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-mstr-2i (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-mstr-2i (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the inverse performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and inverse nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock – MicroStrategy Incorporated

The following factors may contribute to the price volatility of the Underlying Stock which may in turn impact the daily Net Asset Value of the Product.

Risks specific to the Underlying Stock

The Underlying Stock's performance is tied to the dynamics of the cryptocurrency markets. MicroStrategy Incorporated has relied heavily on financing and debt to purchase Bitcoin and operates a high level of debts which poses risk to investors. Furthermore, the Underlying Stock may trade at a premium over the value of Bitcoin and thus expose investors to further risks associated with Bitcoin.

Bitcoin risk

While the Product will not directly invest in digital assets, it will be subject to the risks associated with Bitcoin by virtue of its exposure to the Underlying Stock, which operates as a Bitcoin treasury company with significant Bitcoin holdings. Investing in Bitcoin exposes investors (such as the Underlying Stock and, in turn, shareholders of the Underlying Stock) to significant risks that are not typically present in other investments. These risks include extreme price volatility risk of Bitcoin, the uncertainty surrounding new technology, limited evaluation due to Bitcoin's short trading history, cybersecurity risks associated with Bitcoin holdings and the potential change in market demands over the long term. Regulatory uncertainties, such as potential government interventions, evolving regulations of Bitcoin and related virtual assets and conflicting regulations across jurisdictions, can impact the demand for, and usage of, Bitcoin. Additionally, risks associated with the sale of newly mined Bitcoin, Bitcoin exchanges, competition from alternative digital assets, mining operations, network modifications, and intellectual property claims pose further challenges to Bitcoin-linked investments. Investors may be exposed to additional risks which are unforeseeable and cannot be currently be predicted.

Computer software industry risk

MicroStrategy Incorporated is a computer software company. Computer software companies are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological

developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new products will not be accepted by consumers and businesses. Furthermore, MicroStrategy Incorporated's enterprise software business is subject to cybersecurity risks. These factors can affect the profitability of these companies and, as a result, the value of their securities. Patent protection is integral to the success of many companies in this industry.

Information technology sector risk

MicroStrategy Incorporated is in the information technology sector. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation, and competition, both domestically and internationally, including competition from competitors with lower production costs. In addition, many information technology companies have limited product lines, markets, financial resources or personnel. The prices of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile and less liquid than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the information technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

Large/mega-capitalisation company risk

MicroStrategy Incorporated is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make MicroStrategy Incorporated more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. Stock prices of these companies may exhibit greater volatility due to these factors. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the price of the Underlying Stock could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Underlying Stock over that same period (e.g. the loss may be more than 2 times the increase in the price of the Underlying Stock). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the price of the Underlying Stock for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock.

As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the price of the Underlying Stock increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse (-2x) investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the inverse performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap

exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of

the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Inverse Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than two times inverse performance of a single stock. Should the price of the Underlying Stock increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Underlying Stock over a certain period may not be equal to the point-to-point two times inverse performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. As such, the performance of the Product is not two times inversely correlated to the performance of the Underlying Stock over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 20: CSOP BERKSHIRE DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Berkshire Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Berkshire Hathaway Inc Class B (NYSE: BRK.B).
Underlying Stock	Berkshire Hathaway Inc Class B (NYSE: BRK.B)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 19 March 2025 to 4:30 p.m. (Hong Kong time) of 20 March 2025, or such other date as the Manager may determine
Initial Issue Date	21 March 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD10
Listing Date (SEHK)	Expected to be 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9777 HKD Counter: 7777
Short Stock Name	USD Counter: XL2CSOPBRKB-U HKD Counter: XL2CSOPBRKB
Trading Board Lot Size	USD Counter: 10 Units HKD Counter: 10 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Dealing Deadline	5:30 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-brk-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Berkshire Hathaway Inc Class B (NYSE: BRK.B) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian

appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 60% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Not less than 20% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

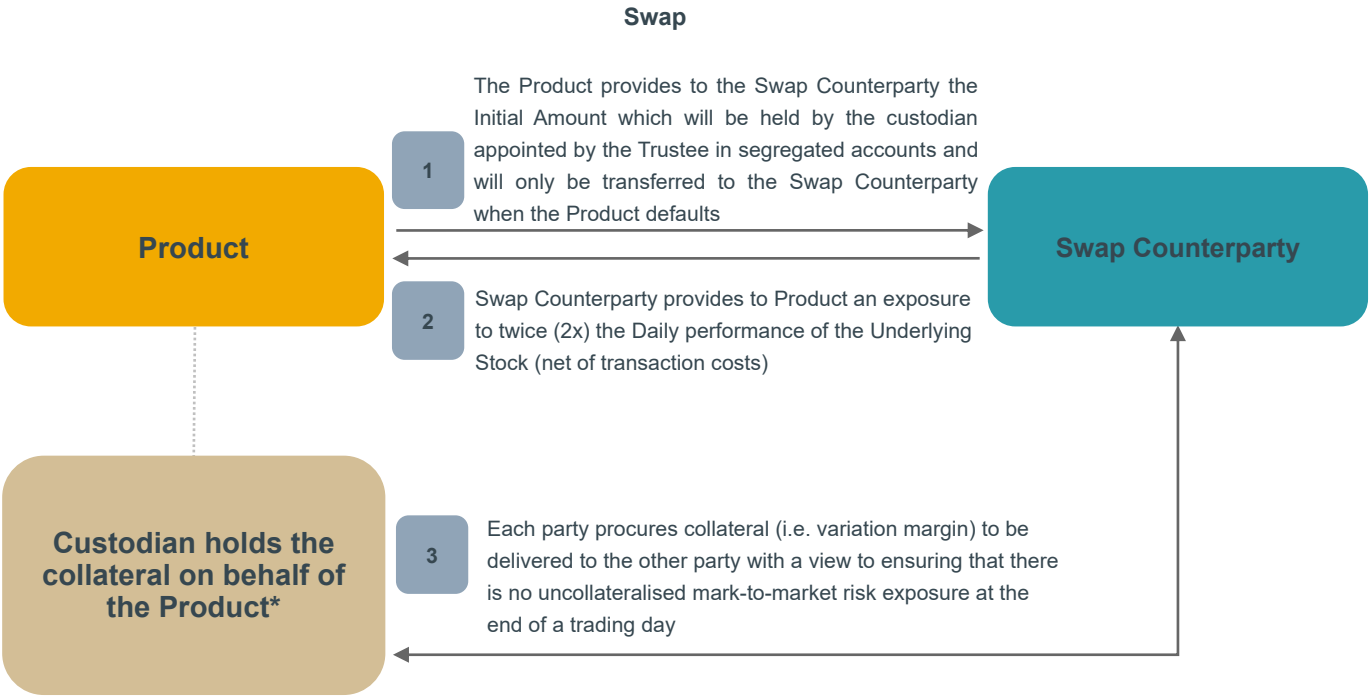
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty

risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in

which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Swap Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Societe Generale	France	A
HSBC Bank Plc	England & Wales	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Swap Counterparty of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-brk-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Swap Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Swap Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Swap Counterparty becomes insolvent, or if a Swap Counterparty fails to pay any sum payable under the Swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the Product, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Swap Counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-brk-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (SOFR plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (SOFR plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 8.00% per annum of the Swap notional amount, i.e. from

4.00% to 16.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the New York Stock Exchange (NYSE) are open for trading (i.e. a Business Day). At or around the close of trading of the NYSE on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Underlying Stock

Berkshire Hathaway Inc engages in the provision of property and casualty insurance and reinsurance, utilities and energy, freight rail transportation, finance, manufacturing, and retailing services. It is listed on the NYSE, a stock exchange based in the US.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

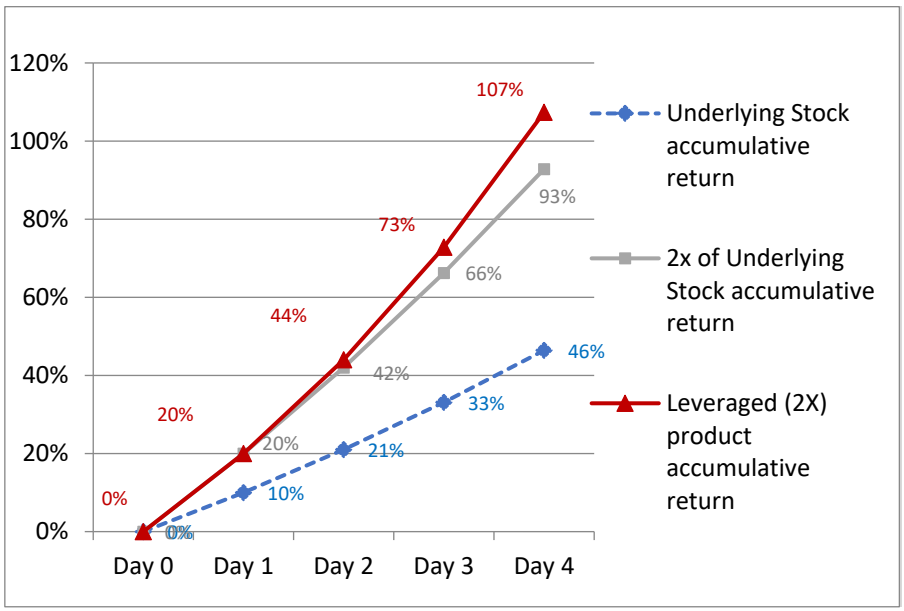
Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market
In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.

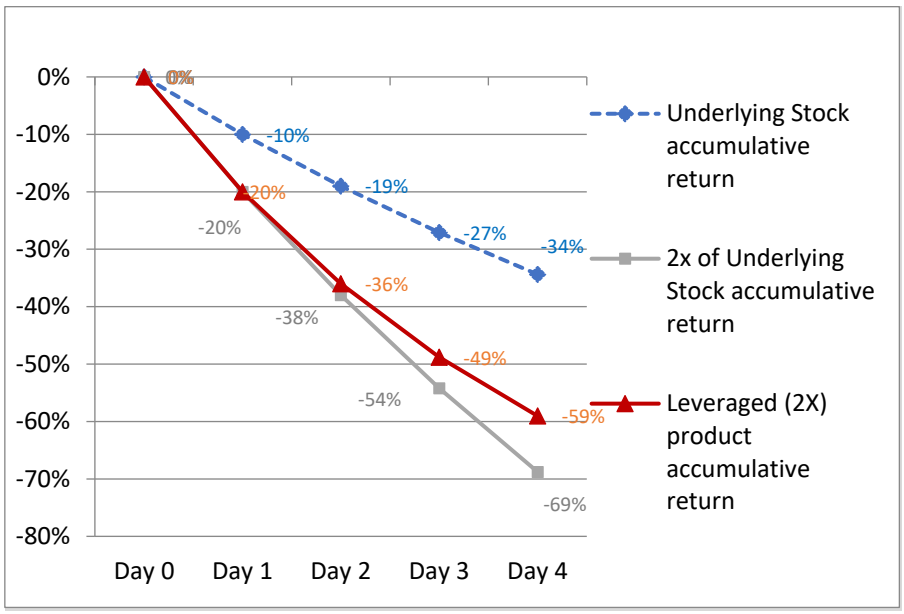


Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.

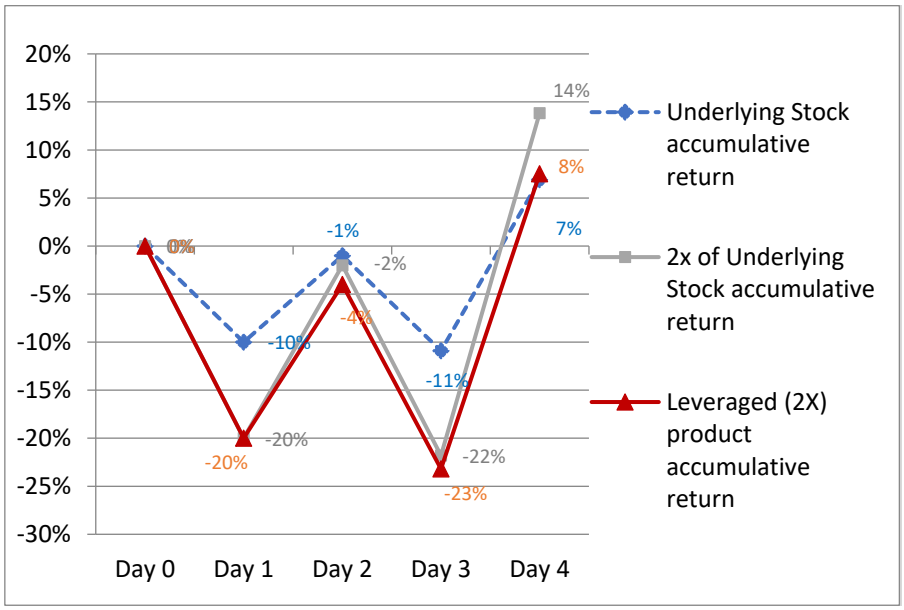


Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

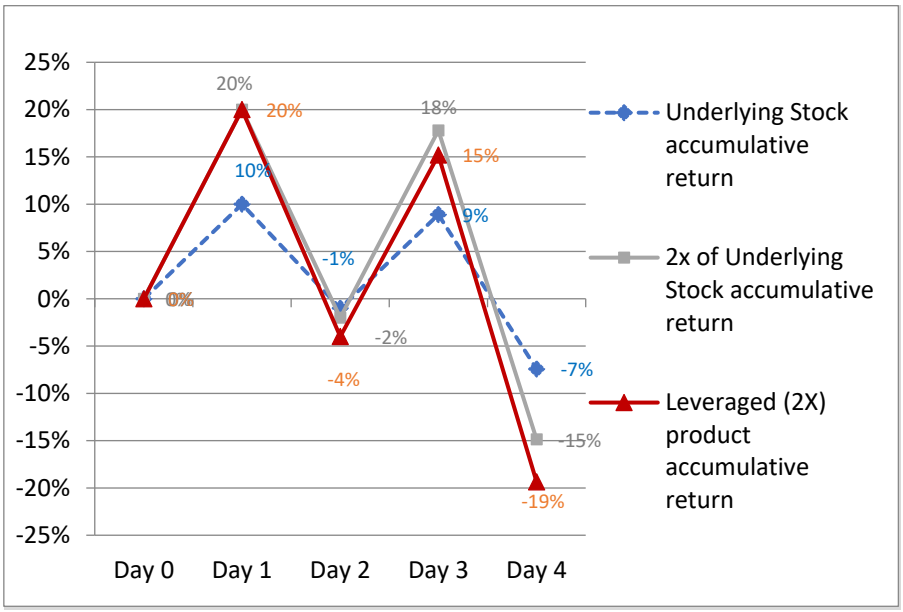


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

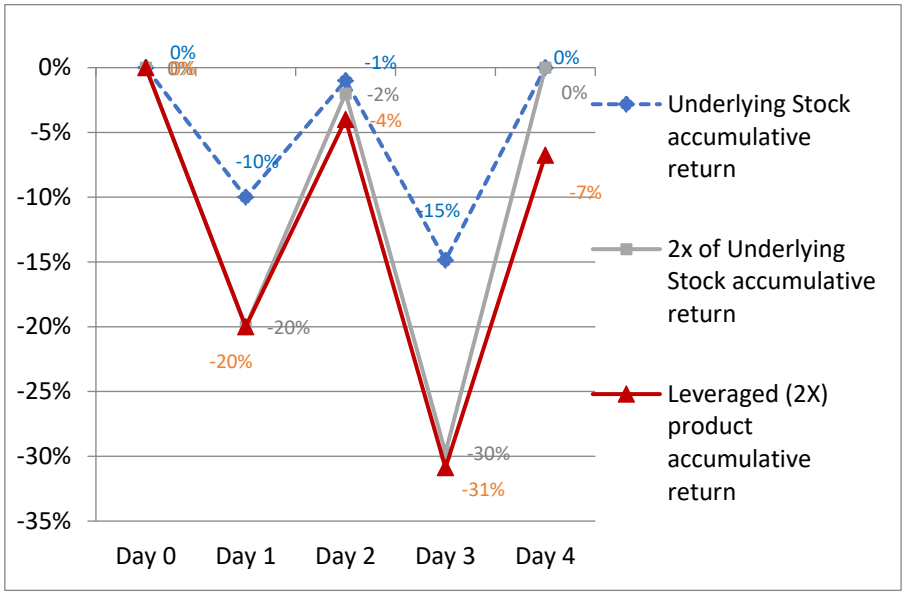


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-brk-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 19 March 2025 and ends at 4:30 p.m. (Hong Kong time) on 20 March 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 24 March 2025 but may be postponed by the Manager to a date no later than 24 April 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 5:30 p.m. (Hong Kong time) on each Dealing Day.

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 19 March 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 April 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 20 March 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 21 April 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 24 March 2025, but may be postponed by the Manager to a date no later than 24 April 2025 • 9:00 a.m. (Hong Kong time) to 5:30 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 24 March 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different

stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9777	7777
Short Stock Name	XL2CSOPBRKB-U	XL2CSOPBRKB
ISIN number	HK0001121323	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-brk-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-brk-2l (which has not been reviewed by the SFC) and on HKEX's website

http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price

movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risks associated with the Underlying Stock - Berkshire Hathaway Inc Class B

Risks specific to the Underlying Stock

Berkshire Hathaway Inc. faces risks associated with: being a conglomerate; increasing regulatory challenges and oversights; geopolitical events that cause loses to its business and the value of securities it owns; dependence on a few key people for investment and capital allocation decisions; concentration of investments in equities; risks that may impact its insurance businesses, including epidemics, pandemics and other similar outbreaks, cybersecurity events, terrorism and underwriting losses; and regulatory changes that adversely impact operating results.

Financials sector risk

Berkshire Hathaway Inc. exposed to risks associated with the financials sector Performance of companies in the financials sector may be materially impacted by many factors, including but not limited to, government regulations, economic conditions, credit rating downgrades, changes in interest rates and decreased liquidity in credit markets. Profitability of these companies is largely dependent on the availability and cost of capital and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers also can negatively impact the sector. These companies are also subject to substantial government regulation and intervention, which may adversely impact the scope of their activities, the prices they can charge, the amount of capital they must maintain, and potentially, their size. Government regulation may change frequently and may have significant adverse consequences for financial companies, including effects that are not intended by such regulation. The impact of more stringent capital requirements, or recent or future regulation in various countries on any individual financial company or of the financials sector as a whole, cannot be predicted. The financials sector is also a target for cyber attacks and may experience technology malfunctions and disruptions, which have occurred more frequently in recent years.

Large/mega-capitalisation company risk

Berkshire Hathaway Inc. is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Berkshire Hathaway Inc. more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Swap Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock . A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct

Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions

to the extent possible, such advance notice may not be possible in some circumstances.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the 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 Product 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 Product, 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 Product before making any investment decision.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Appendix dated 15 July 2026

APPENDIX 21: CSOP SAMSUNG ELECTRONICS DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Samsung Electronics Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Samsung Electronics Co Ltd (KRX: 005930).
Underlying Stock	Samsung Electronics Co Ltd (KRX: 005930)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 14 May 2025 to 4:30 p.m. (Hong Kong time) of 15 May 2025, or such other date as the Manager may determine
Initial Issue Date	16 May 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1
Listing Date (SEHK)	Expected to be 19 May 2025, but may be postponed by the Manager to a date no later than 25 June 2025
Exchange Listing	SEHK – Main Board
Stock Code	USD Counter: 9747 HKD Counter: 7747
Short Stock Name	USD Counter: XL2CSOPSMSN-U HKD Counter: XL2CSOPSMSN
Trading Board Lot Size	USD Counter: 100 Units HKD Counter: 100 Units
Base Currency	USD
Trading Currencies	USD Counter: US Dollars (USD) HKD Counter: Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs.

	Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 500,000 Units (or multiples thereof)
Dealing Deadline	2:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-smsn-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of Samsung Electronics Co Ltd (KRX: 005930) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by primarily using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap

Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 80% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Depending on market conditions and swap capacity constraints, in addition to swaps, the Product may also invest up to 40% of its Net Asset Value (as option premium) in options as an additional means to obtain the leveraged exposure to the Underlying Stock. The Manager expects the use of options to be controlled at around 25% of its Net Asset Value (as option premium). The allocation may be increased up to 40% of its Net Asset Value under exceptional circumstances or in extreme market turbulence, taking into account the overall fee level of the Product in the best interests of investors. For the avoidance of doubt, the Product prioritises the use of swaps and primarily uses swaps for exposure to the Underlying Stock, and uses options as an additional means for flexibility.

Not less than 10% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

In cases where the swap or option capacity is tight or has already reached the capacity limit that the Product can utilise, no more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product. This may involve borrowing of up to 10% of the Product's Net Asset Value.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible or non-eligible schemes (as defined by the SFC), or authorised or not authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

All investments of the Product other than Swaps and Options will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

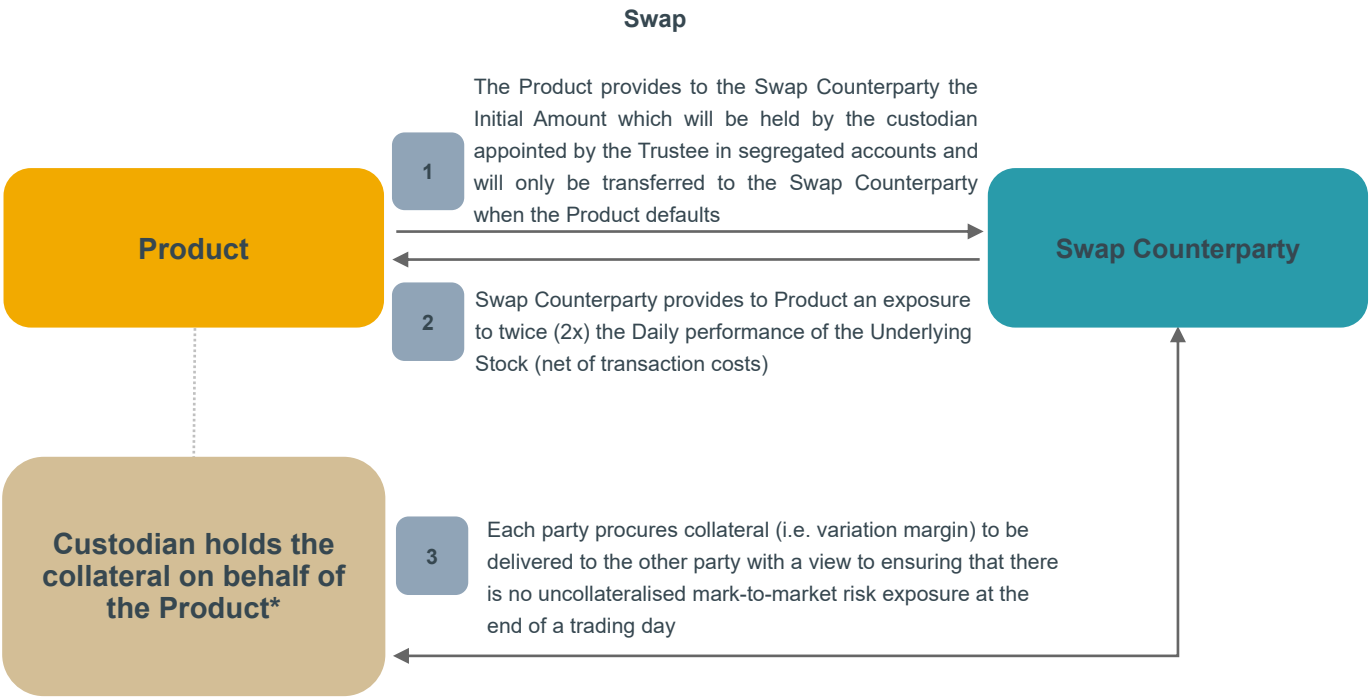
Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

The Product will maintain full collateralisation and there should be no net exposure to any single counterparty of over-the-counter financial derivative instruments.

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the

Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty and Option Counterparty ("Derivative Counterparty")

In selecting a Derivative Counterparty (or a replacement Derivative Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Derivative Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Derivative Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Derivative Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Nomura Singapore Limited	Singapore	A-

BNP Paribas	France	A+
Goldman Sachs International	United Kingdom	A+
UBS AG	Switzerland	A+
Morgan Stanley & Co. International Plc	United Kingdom	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Derivative Counterparty of the Product, as well as the Product's gross and net exposure to each such Derivative Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-smsn-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Derivative Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Derivative Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Derivative Counterparty becomes insolvent, or if a Derivative Counterparty fails to pay any sum payable under the Swap or the Option when due and after a demand has been made, or if other events of default specified in the relevant swap agreement or the option contract occur, the Product, subject to the terms of the swap agreement or the option contract, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Derivative Counterparty's obligation to pay under the swap agreement or the option contract.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-smsn-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Option Transactions

The Product may engage in option transactions (only call option buyer in respect of the Product), which are financial derivative instruments that provide the Product with the right to buy an underlying asset at a predetermined price on or before a specified future date. These transactions may be conducted either through listed options on regulated exchanges or OTC options negotiated directly with financial institutions (the "**Option Counterparties**").

Listed options are standardized contracts with terms set by the exchange, offering greater liquidity and transparency, with the exchange's clearinghouse acting as the central counterparty. In contrast, OTC options are customized agreements tailored to the Product's specific needs regarding strike price, expiry, or underlying asset, and are directly negotiated with one or more Option Counterparties through any form or terms of the contract that are mutually agreed. The Product will provide an initial margin or premium, as applicable, which will be held in segregated accounts by the Custodian. This collateral may be transferred to the Option Counterparty only upon the occurrence of specified events, such as a default by the Product under the terms of the option agreement. In return for providing this option exposure, the Option Counterparties are entitled to the premium paid by the Product. The primary purpose of entering into such option transactions is to gain or enhance the Product's targeted exposure to the Underlying Stock.

Costs from Swaps and Options

The Product will bear the costs from Swaps and Options.

The swap fees include all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus South Korean Base Rate Daily[1] ("**KOCRD**") which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (KOCRD plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (KOCRD plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 4.00% to 20.00% per annum of the Product's Net Asset

[1] The Bank of Korea Base Rate is the reference policy rate applied in transactions between the Bank of Korea and financial institutions, such as repurchase agreements (RPs) and the Bank's liquidity adjustment deposits and loans. It is called the Base Rate for short.

The Bank of Korea uses the Base Rate as a fixed bid rate for its sales of 7-day RPs and as the minimum bid rate for its purchases of 7-day RPs. The interest rate for liquidity adjustment deposits is 50bp below the Base Rate, with a minimum of 0%. For liquidity adjustment loans. the interest rate is 50bp above the Base Rate, and if the Base Rate is less than 0.5%, it will be twice the Base Rate.

The Monetary Policy Board of the Bank of Korea meets eight times per year to determine the Base Rate, taking into overall consideration the price movements, domestic and overseas economic and financial market conditions and so on. The Base Rate has a prompt impact on the call rate, i.e. overnight inter-bank lending rate, and this leads to changes in short- and long-term market rates and deposit and loan rates, thus ultimately influencing activities in the real economy.

Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The costs from swaps and options are expected to:

- range from 2.75% to 11.00% per annum of the swap and option notional amount, i.e. from 5.50% to 22.00% per annum of the Product's Net Asset Value, with the expected use of options at around 25% of the Product's Net Asset Value;
- range from 3.20% to 17.60% per annum of the swap and option notional amount, i.e. from 6.40% to 35.20% per annum of the Product's Net Asset Value, under exceptional circumstances or in extreme market turbulence where the Product invests up to 40% of its Net Asset Value in options.

This is a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the costs of portfolio construction may increase significantly and in return increase the costs from swaps and options. When the actual costs from swaps and options exceeds the disclosed level, the Manager will issue notice to the investors.

The Manager will disclose the swap fees and costs from options in the semi-annual and annual financial reports of the Product.

The swap fees and costs from options will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the Korea Exchange are open for normal trading (i.e. a Business Day*). At or around the close of trading of the Korea Exchange on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108

* Circumstances (as the case may be and as applicable) such as, but not limited to, trading halts due to stock price limits, market circuit breakers, unforeseen incidents, or other disruptions may impede normal trading activities. On such occasions, the day may not qualify as a Business Day, unless otherwise agreed by the Manager and the Trustee. There may be no rebalancing for the day which may not qualify as a Business Day.

(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

The above figures are calculated before fees and expenses.

Overview of Korean Capital Market

The Korea Exchange (KRX) was established in 2005 through the merger of the Korea Stock Exchange (founded in 1956), the KOSDAQ Market (launched in 1996 for tech and venture firms), and the Korea Futures Exchange. The KRX operates three equity market segments, namely the KOSPI Market, the KOSDAQ Market and the KONEX Market. The KOSPI Market serves as the main board and is largely comprised of large-cap and blue-chip companies. The KOSDAQ Market focuses mainly on startup companies as well as SMEs in such tech-savvy area as IT (information technology), BT (bio technology) and CT (culture technology). The KONEX Market is a new market established in 2013 for small- and medium-sized enterprises exclusively in order to form the basis of creative economy by reinforcing support through the capital market for SMEs at the early stage. As of 8 April 2026, there are 2,769 listed companies across the equity markets in the KRX, with a total market capitalisation of KRW 5,444 trillion.

The key trading information of the Korean stock market are as follows:

Key indexes	KOSPI / KOSPI 200 / KOSDAQ
Trading hours (Korea Standard Time)	Pre-hours session: 0800-0900 (0700-0800 Hong Kong time) Regular trading session: 0900-1530 (0800-1430 Hong Kong time) After-hours session: 1540-1800 (1440-1700 Hong Kong time)
Trading lot size	1 share
Settlement	T+2
Daily price limit	For the KOSPI and the KOSDAQ Markets: +/-30% For the KONEX Market: +/-15% The daily price limits apply to an individual security based on the closing price of the security on the previous day. Once the daily price limit is reached, no trades can be executed outside the aforementioned ranges for the remainder of the trading session. For the avoidance of doubt, trading can continue to take place within ranges, including at the limit price itself.
Circuit breakers	The 3 phases of circuit breakers in the KOSPI and the KOSDAQ Markets are below:

	• Phase 1: If the index (KOSPI or KOSDAQ Index) decreases by 8% or more from the previous day's closing price for one minute, the trading of the market will be suspended for 20 minutes. • Phase 2: If the index (KOSPI or KOSDAQ Index) decreases by 15% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the first set of circuit breaker is exercised. The trading of the market will be suspended for 20 minutes. • Phase 3: If the index (KOSPI or KOSDAQ Index) decreases by 20% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the second set of circuit breaker is exercised. The trading of the market will be suspended for the remainder of the day with no off-market trading. The implementation of each phase of circuit breakers is limited to one time in one day. Phases 1 and 2 are not triggered during 40 minutes before the market closing whereas phase 3 is triggered during that time period.
Volatility interruption	When the price changes by 10% or more from the previous single price execution (static VI), or the newly executed price is +/-2~6%* than the previously latest executed price (dynamic VI), a two-minute cooling period (periodic call auction for 2 minutes) will be triggered.

Note:

** Percentage differs depending on its market or the trading hours.*

For more information, please refer to the KRX's website: https://global.krx.co.kr/main/main.jsp (which has not been reviewed by the SFC).

Underlying Stock

Samsung Electronics Co Ltd is a company that manufactures consumer and industrial electronics, including mobile phones, watches, personal computer, home appliances, display products and Internet of Things (IoT). Samsung Electronics Co Ltd also operates a foundry business and manufactures semiconductors. Samsung Electronics Co Ltd is listed on the Korea Exchange, a stock exchange based in the Korea.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track

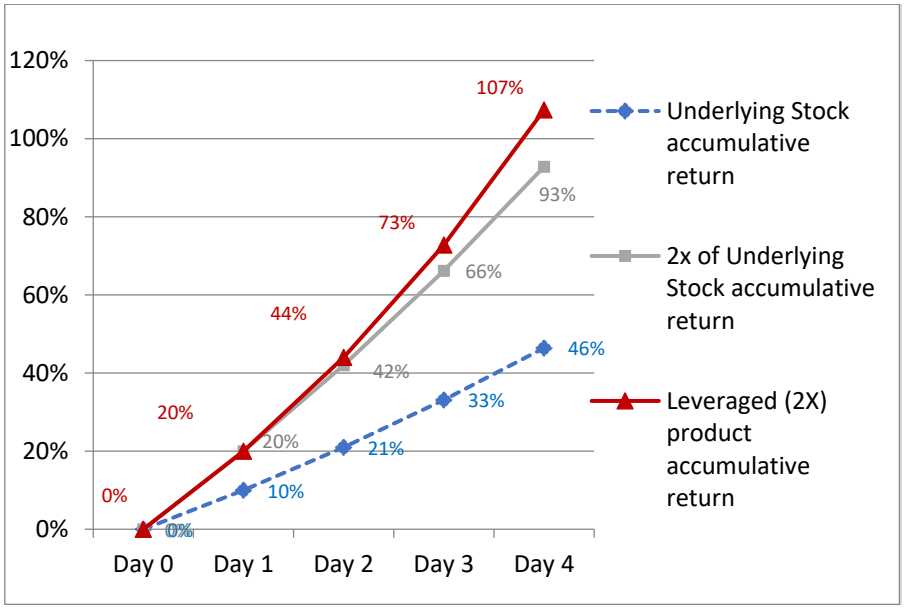
twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

Scenario 1: Upward trending market

In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.



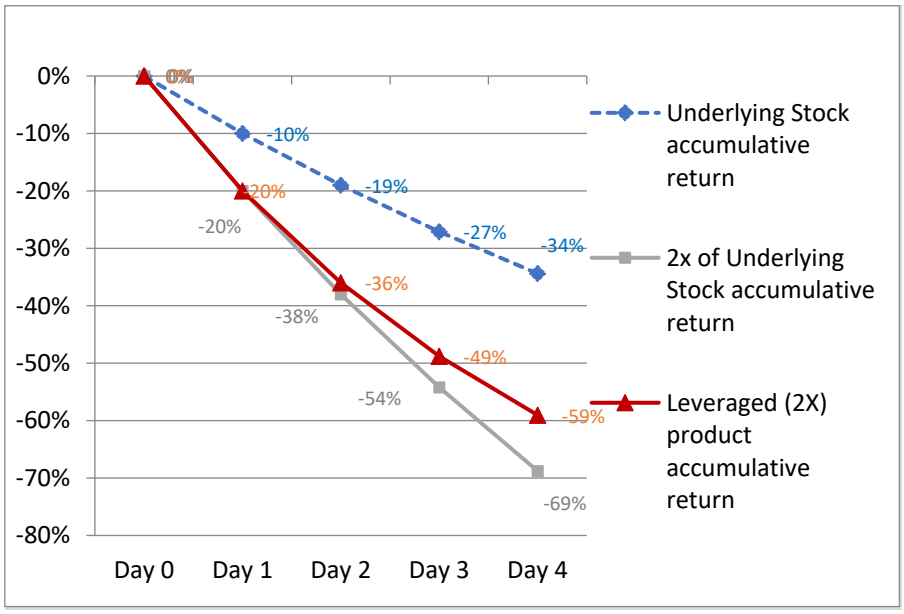
Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more

than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.



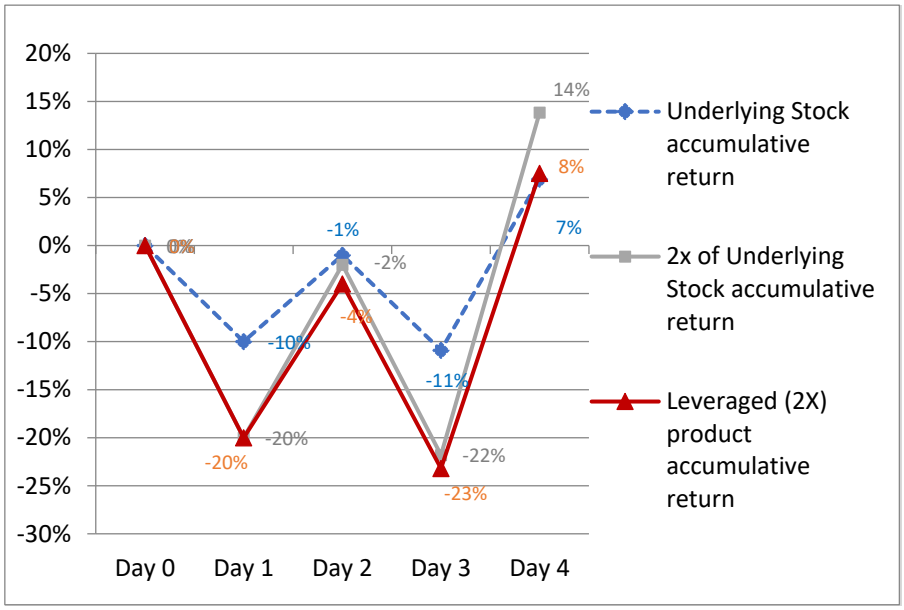
Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%

Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

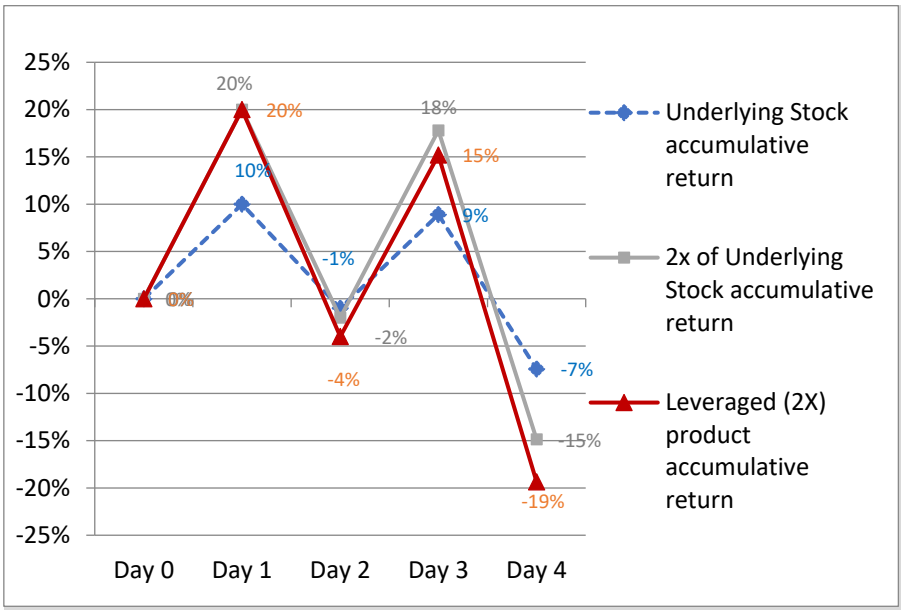


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

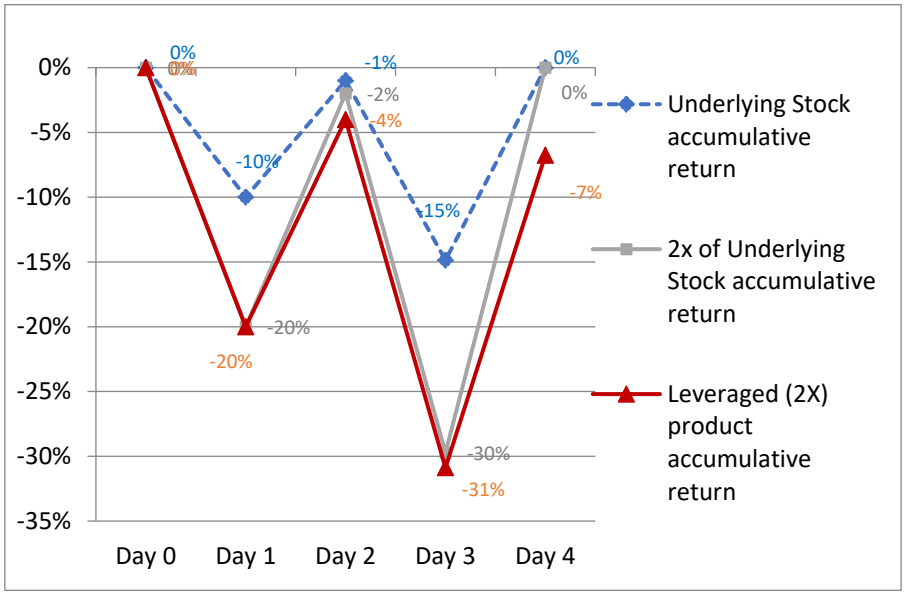


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-smsn-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 14 May 2025 and ends at 4:30 p.m. (Hong Kong time) on 15 May 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 19 May 2025 but may be postponed by the Manager to a date no later than 25 June 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 2:00 p.m. (Hong Kong time) on each Dealing Day.

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 14 May 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 19 June 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 15 May 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 20 June 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 19 May 2025, but may be postponed by the Manager to a date no later than 25 June 2025 • 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

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 USD and 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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in USD and HKD are expected to begin on 19 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.

Dual Counter Trading

The Manager has arranged for Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in USD. Despite the Dual Counter arrangement, the creation of new Units and redemption of Units in the primary market are settled in USD only. The Product offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and share the same ISIN, and all Unitholders of both counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	USD Counter	HKD Counter
Stock Code	9747	7747
Short Stock Name	XL2CSOPSMSN-U	XL2CSOPSMSN
ISIN number	HK0001121349	

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in the other counter provided their brokers provide both USD and HKD 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 Units traded in the USD 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 Trading Risks".

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-smsn-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-smsn-2l (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Risks Associated with Investing in Financial Derivative Instruments (the "FDIs")

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 Product 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 Products are exposed to a higher degree of fluctuation in value than a Product 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 Product. Exposure to FDIs may lead to a high risk of significant loss by a Product. There is no assurance that any derivative strategy used by a Product will succeed.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

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 Product 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 Product, 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 Product before making any investment decision.

Under exceptional circumstances where the Product is at significant risk of becoming non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include (i) liquidating swap positions and re-entering the swap contracts at the market close on the same Business Day depending on market condition; (ii) activating a stop loss mechanism for swap positions; and (iii) suspending trading of the Product, in order to safeguard the interests of the Product and its Unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme price movements of the Underlying Stock and the Manager will issue a notice to inform investors.

Regarding the stop loss mechanism, the Manager has pre-agreed with each Swap Counterparty in the contractual terms set out in the agreements a mechanism that aims to limit the downside of the relevant swap positions so that such positions retain at least 10% of the Product's NAV of the last Business Day (before any fees and costs, including but not limited to swap fee and unwinding fee) for each dealing day should the Underlying Stock experience extreme price movements. For the avoidance of doubt, this mechanism applies solely at the level of the relevant swap positions and does not constitute, nor should it be construed as, a floor or guarantee on the Product's overall portfolio or its NAV. If that eventuates, the indicative NAV of the Product will reflect the impact of the stop loss mechanism in respect of the swap positions, among other factors. However, the NAV or indicative NAV of the Product may not necessarily be maintained at 10% of the Product's NAV of the last Business Day, including as a result of fees, costs, expenses, other investments of the Product, market movements or other circumstances.

The stop loss mechanism may result in a greater tracking difference and a higher risk that the Product is traded at a premium or discount in the secondary market. Investors should refer to the indicative NAV and NAV of the last Business Day of the Product on the Product's website and should take caution to ascertain whether the secondary trading prices are reasonable.

Please note that there is no guarantee that (i) the stop loss mechanism will fully and effectively achieve its desired result; and (ii) the secondary trading prices of the Product will reflect such swap stop loss mechanism.

Separately, in managing the options positions, the Manager may have regard to a residual value reference level for such options positions of approximately 10% of the Product's NAV as of the

previous Business Day, before any fees, costs, foreign exchange impact and other variables. However, there is no assurance or guarantee that any such reference level will be achieved and no particular level of protection, residual value or NAV is guaranteed.

Risks associated with the Underlying Stock – Samsung Electronics Co Ltd

Risks specific to the Underlying Stock

The Underlying Stock is subject to many risks that can negatively impact its revenue and viability including, but are not limited to price volatility risk, management risk, inflation risk, global economic risk, growth risk, supply and demand risk, operations risk, regulatory risk, environmental risk, terrorism risk and the risk of natural disasters. The Underlying Stock performance may be affected by the company's ability to identify new products, technologies or services, global competition and business conditions, its dependence on third-party product manufacturers, product defect issues, cybersecurity breaches, and customer concentration.

Furthermore, Samsung Electronics Co Ltd faces intense global competition in various segments of its business. Major competitors include, for example, Apple Inc. in respect of its mobile phone business; Taiwan Semiconductor Manufacturing Company Limited in respect of its foundry business; Xiaomi Corporation in respect of its consumer electronics.

Korean market risk

Investors should be aware of the potential market risks associated with trading in the Korean market, particularly the impact of circuit breakers and daily price limits. The Korean stock exchange has mechanisms such as circuit breakers or daily limit up/down rules that may have possibilities to lead to a market halt, resulting in the suspension of trading activities for the day. These interruptions can affect the normal rebalancing process of the Product, thereby impacting its ability to achieve the targeted exposure levels. Consequently, this may lead to an increased tracking difference. In extreme scenarios where trading is halted due to these mechanisms, there is a possibility that the returns of the Underlying Stock could accumulate and reflect in the Product on the next normal trading day. This accumulation may exceed the daily 30% down limit set by the Korean market. Such circumstances can result in significant losses.

Electronics and technology hardware industry risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the electronics and technology hardware industry. Electronics and technology hardware companies can be significantly affected by cyclical market patterns, rapid product obsolescence, frequent new product introductions, evolving industry standards, competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. In addition, many technology hardware companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies.

Semi-conductor company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the semiconductor sector. The risks of investments in the semiconductor sector industry include: intense competition, both domestically and internationally, including competition from subsidized foreign competitors with lower production costs; risks of rapid obsolescence of products; economic performance of the customers of semiconductor companies; and rapidly changing product and market demands. The semiconductor industry may also be affected by risks that affect the broader technology sector, including: government regulation; dramatic and often unpredictable changes in growth rates and competition for qualified personnel; heavy dependence on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability; and a small number of companies representing a large portion of the technology sector as a whole. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

Technology theme risk

Samsung Electronics Co Ltd is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. Samsung Electronics Co Ltd also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of Samsung Electronics Co Ltd. Samsung Electronics Co Ltd is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Large/mega-capitalisation company risk

Samsung Electronics Co Ltd is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Samsung Electronics Co Ltd more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Derivative Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock . A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected

to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Options contracts risks

The Investment in options contracts involves specific risks such as high volatility, leverage, rollover and margin risks. There may be imperfect correlation between the value of the underlying reference assets and the options contracts, which may prevent the Product from achieving its investment objective.

Risks associated with options include counterparty/credit risk, liquidity risk (given some options may not have a liquid secondary market), valuation risk and over-the-counter transaction risk. The costs associated with portfolio construction may rise significantly, which could adversely impact the Product. Further, over-the counter options may also be subject to under collateralisation risk, default risk and intra-day counterparty risk similar to those associated with swaps mentioned above.

The Option Counterparties may also be subject to a capacity limit to conduct the Option transactions to provide the required exposure to the Underlying Stock for the Product. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Option Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Option transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to

the Product.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

The Product will be subject to the risks associated with the underlying funds. The Product 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 NAV of the Product.

The underlying funds in which the Product may invest may not be regulated 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 sufficient liquidity to meet the Product's redemption

requests as and when made.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply

and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

The Product will be subject to a higher tracking difference as the cost of portfolio construction is higher with the use of options. In extreme market conditions and exceptional circumstances, the cost of portfolio construction may increase significantly and may have an adverse impact on the Net Asset Value and tracking difference of the Product.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Dual Counter Trading Risks

Dual Counter risk

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

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 Participants may not be familiar with and

may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the USD counter and the HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or Participant may need to be used. This may inhibit or delay dealing in the USD traded Units and HKD traded Units and may mean investors may only be able to trade their 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 USD and HKD, the market price on the SEHK of Units traded in USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of USD traded Units or HKD 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 Units traded in USD or buying Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk

Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the Product are denominated in USD and the Net Asset Value of the Product will be calculated in USD.

USD Distributions Risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Korean Tax Risk

Under Korea tax laws, income derived from the Product's investments in Korean securities and derivative instruments generally constitutes Korea-sourced income and may be subject to Korean taxation. Currently, income derived by a foreign investor such as the Product from portfolio investments in South Korea is subject to Korean withholding tax. Dividends (including dividends received by domestic corporations in connection with OTC derivative transactions) and certain other Korea-sourced income received by such foreign investors having no domestic place of business in Korea are generally subject to withholding tax at a rate of 22% inclusive of local income tax.

Pursuant to the Convention between the Government of the Republic of Korea and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (the "**KR-HK tax treaty**"), the withholding tax rate applicable to Korea-sourced dividends may be reduced to 10% or 15%, and an exemption from Korean taxation may be available for certain other items of Korea-sourced income, subject to satisfaction of the tax treaty conditions and completion of the prescribed procedural requirements under the Korea tax laws. There can be no assurance, however, that the Product will qualify for such treaty benefits or that such benefits will not be challenged or denied by the Korean tax authorities.

In contrast, capital gains derived from the sale of shares listed and traded on the KRX are currently not taxed under applicable South Korean income and corporate tax laws, provided that a foreign investor is a minor shareholder who holds less than 25% of the listed shares (by voting power or value) at any time during the five-year period preceding the transfer. Capital gains arising from the transfer of equity securities that do not satisfy the above conditions may be subject to Korean withholding tax at the lower of (i) 11% of the gross sales proceeds or (ii) 22% of the net capital gains, in each case inclusive of local income tax.

However, there can be no assurance that the Korean government will not in the future increase the applicable withholding tax rates, impose new taxes, or otherwise change the current tax treatment of investments in Korean securities. In particular, the Korean government may introduce additional taxation, including capital gains tax or transaction-based taxes, on the purchase or sale of KRX-listed shares, including transactions effected by foreign investors or collective investment schemes domiciled outside South Korea.

To the extent the Product obtains exposure through FDI like swaps, futures or options, and other standardized derivatives traded on a derivatives market in accordance with the Financial Investment Services and Capital Markets Act ("**FISCMA**") is generally not subject to Korean withholding tax for a foreign investor under applicable South Korean income and corporate tax laws. By contrast, income derived from OTC derivative transactions may constitute Korea-sourced income unless such transactions qualify as hedging transactions under the FISCMA. Accordingly, capital gains arising from the disposal of OTC derivatives that do not qualify as hedging transactions may be subject to Korean withholding tax.

Korea has introduced taxes on futures and options, and future changes to the tax treatment of derivative instruments, or the imposition of new taxes or levies, could increase the Product's costs, and adversely affect the Product's ability to achieve its investment objective.

Appendix dated 15 July 2026

APPENDIX 22: CSOP SAMSUNG ELECTRONICS DAILY (-2X) INVERSE PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP Samsung Electronics Daily (-2x) Inverse Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of Samsung Electronics Co Ltd (KRX: 005930)
Underlying Stock	Samsung Electronics Co Ltd (KRX: 005930)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 14 May 2025 to 4:30 p.m. (Hong Kong time) of 15 May 2025, or such other date as the Manager may determine
Initial Issue Date	16 May 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1
Listing Date (SEHK)	28 May 2025
Exchange Listing	SEHK – Main Board
Stock Code	7347
Short Stock Name	XI2CSOPSMSN
Trading Board Lot Size	5 Units
Base Currency	USD
Trading Currency	Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. There is no guarantee of any regular distribution.

	All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 500,000 Units (or multiples thereof)
Dealing Deadline	2:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2025. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2025 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-smsn-2i

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of Samsung Electronics Co Ltd (KRX: 005930) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by primarily using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("Initial Amount") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 80% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Depending on market conditions and swap capacity constraints, in addition to swaps, the Product may also invest up to 25% of its Net Asset Value (as option premium) in options as an additional means to obtain the inverse exposure to the Underlying Stock. The allocation of the use of options may be increased up to 25% of its Net Asset Value under exceptional circumstances or in extreme market turbulence, taking into account the overall fee level of the Product in the best interests of investors. For the avoidance of doubt, the Product prioritises the use of swaps and primarily uses swaps for exposure to the Underlying Stock, and uses options as an additional means for flexibility.

Not less than 10% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible schemes (as defined by the SFC) or authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

For the avoidance of doubt, the Product will not invest in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

All investments of the Product other than Swaps and Options will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

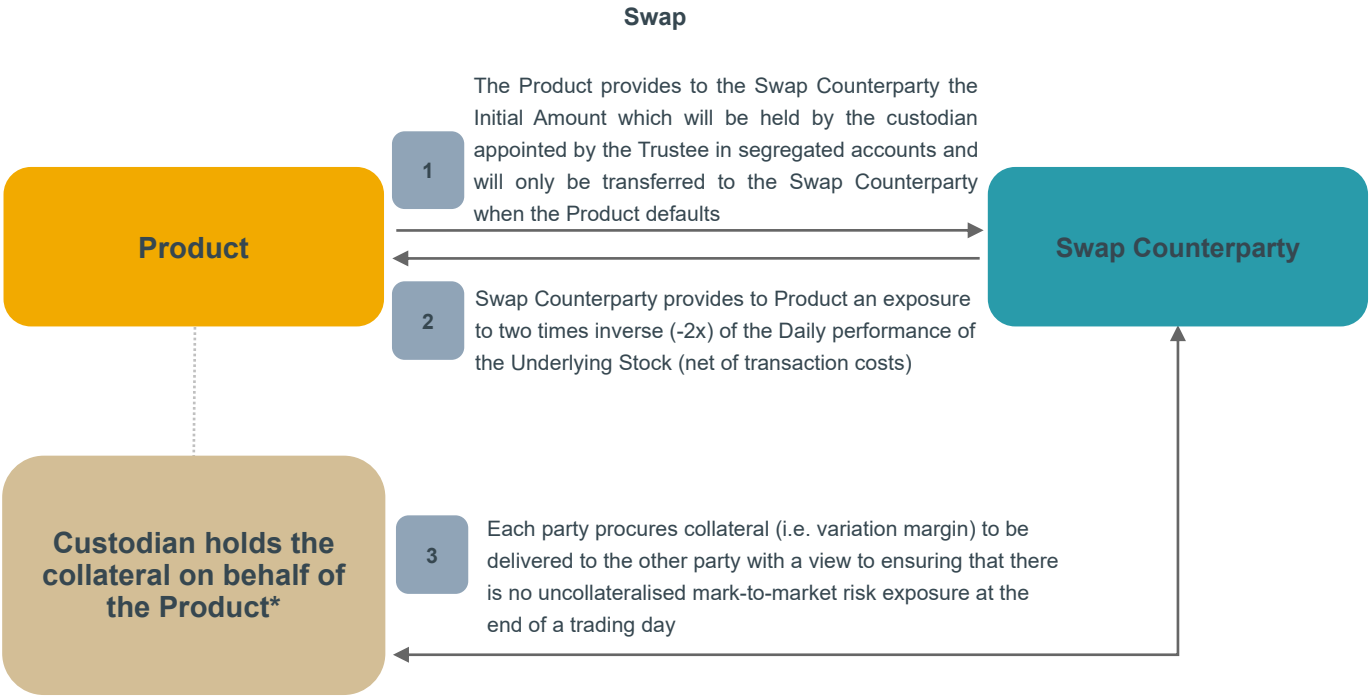
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty

risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

The Product will maintain full collateralisation and there should be no net exposure to any single counterparty of over-the-counter financial derivative instruments.

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and

multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty and Option Counterparty ("Derivative Counterparty")

In selecting a Derivative Counterparty (or a replacement Derivative Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Derivative Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Derivative Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Derivative Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Nomura Singapore Limited	Singapore	A-
BNP Paribas	France	A+
UBS AG	Switzerland	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Derivative Counterparty of the Product, as well as the Product's gross and net exposure to each such Derivative Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-smsn-2i (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed “Counterparty Exposure” above. The collateral held by the Product should represent at least 100% of the Product’s gross total counterparty risk exposure towards the Derivative Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Derivative Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Derivative Counterparty becomes insolvent, or if a Derivative Counterparty fails to pay any sum payable under the Swap or the Option when due and after a demand has been made, or if other events of default specified in the relevant swap agreement or the option contract occur, the Product, subject to the terms of the swap agreement or the option contract, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product’s obligations to return the collateral will be offset against the Derivative Counterparty’s obligation to pay under the swap agreement or the option contract.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager’s website at https://www.csopasset.com/en/products/hk-smsn-2i (which has not been reviewed by the SFC).

The Product’s net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Option Transactions

The Product may engage in option transactions (only put option buyer in respect of the Product), which are financial derivative instruments that provide the Product with the right to sell an underlying asset at a predetermined price on or before a specified future date. These transactions may be conducted either through listed options on regulated exchanges or OTC options negotiated directly with financial institutions (the "**Option Counterparties**").

Listed options are standardized contracts with terms set by the exchange, offering greater liquidity and transparency, with the exchange's clearinghouse acting as the central counterparty. In contrast, OTC options are customized agreements tailored to the Product's specific needs regarding strike price, expiry, or underlying asset, and are directly negotiated with one or more Option

Counterparties through any form or terms of the contract that are mutually agreed. The Product will provide an initial margin or premium, as applicable, which will be held in segregated accounts by the Custodian. This collateral may be transferred to the Option Counterparty only upon the occurrence of specified events, such as a default by the Product under the terms of the option agreement. In return for providing this option exposure, the Option Counterparties are entitled to the premium paid by the Product. The primary purpose of entering into such option transactions is to gain or enhance the Product's targeted exposure to the Underlying Stock.

Costs from Swaps and Options

The Product will bear the costs from Swaps and Options.

The swap fees include all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus South Korean Base Rate Daily[1] ("**KOCRD**") which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Stock.

If the swap fee (KOCRD plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (KOCRD plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 2.00% to 8.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The costs from swaps and options are expected to range from 2.00% to 6.75% per annum of the swap and option notional amount, i.e. from 4.00% to 13.50% per annum of the Product's NAV. This is a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the costs of portfolio construction may increase significantly and in return increase the costs from swaps and options. When the actual costs from swaps and options exceeds the disclosed level, the Manager will issue notice to the investors.

The Manager will disclose the swap fees and costs from options in the semi-annual and annual financial reports of the Product.

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[1] The Bank of Korea Base Rate is the reference policy rate applied in transactions between the Bank of Korea and financial institutions, such as repurchase agreements (RPs) and the Bank's liquidity adjustment deposits and loans. It is called the Base Rate for short.

The Bank of Korea uses the Base Rate as a fixed bid rate for its sales of 7-day RPs and as the minimum bid rate for its purchases of 7-day RPs. The interest rate for liquidity adjustment deposits is 50bp below the Base Rate, with a minimum of 0%. For liquidity adjustment loans. the interest rate is 50bp above the Base Rate, and if the Base Rate is less than 0.5%, it will be twice the Base Rate.

The Monetary Policy Board of the Bank of Korea meets eight times per year to determine the Base Rate, taking into overall consideration the price movements, domestic and overseas economic and financial market conditions and so on. The Base Rate has a prompt impact on the call rate, i.e. overnight inter-bank lending rate, and this leads to changes in short- and long-term market rates and deposit and loan rates, thus ultimately influencing activities in the real economy.

The swap fees and costs from options will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the Korea Exchange are open for normal trading (i.e. a Business Day*). On such days the Product will seek to rebalance its portfolio at or around the close of trading of the Korea Exchange, by decreasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily gains or increasing exposure in response to the Underlying Stock's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as an inverse product will rebalance its position following the movement of the price of the underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of -200 to meet the objective of the Product. If the price of the Underlying Stock decreases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product -180. As the Product needs an exposure of -240, which is -2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional -60. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock increases by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × -2	-200	-240	-216
(c) Daily change of price of Underlying Stock (%)		-10%	5%	-5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	-180	-252	-205.2
(g) Target exposure to maintain inverse ratio	(g) = (e) × -2	-240	-216	-237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	-60	36	-32.4

The above figures are calculated before fees and expenses.

Overview of Korean Capital Market

The Korea Exchange (KRX) was established in 2005 through the merger of the Korea Stock Exchange (founded in 1956), the KOSDAQ Market (launched in 1996 for tech and venture firms), and the Korea Futures Exchange. The KRX operates three equity market segments, namely the KOSPI Market, the KOSDAQ Market and the KONEX Market. The KOSPI Market serves as the main board and is largely comprised of large-cap and blue-chip companies. The KOSDAQ Market focuses mainly on startup companies as well as SMEs in such tech-savvy area as IT (information technology), BT (bio technology) and CT (culture technology). The KONEX Market is a new market established in 2013 for small- and medium-sized enterprises exclusively in order to form the basis of creative economy by reinforcing support through the capital market for SMEs at the early stage. As of 8 April 2026, there are 2,769 listed companies across the equity markets in the KRX, with a

* Circumstances (as the case may be and as applicable) such as, but not limited to, trading halts due to stock price limits, market circuit breakers, unforeseen incidents, or other disruptions may impede normal trading activities. On such occasions, the day may not qualify as a Business Day, unless otherwise agreed by the Manager and the Trustee. There may be no rebalancing for the day which may not qualify as a Business Day.

total market capitalisation of KRW 5,444 trillion.

The key trading information of the Korean stock market are as follows:

Key indexes	KOSPI / KOSPI 200 / KOSDAQ
Trading hours (Korea Standard Time)	Pre-hours session: 0800-0900 (0700-0800 Hong Kong time) Regular trading session: 0900-1530 (0800-1430 Hong Kong time) After-hours session: 1540-1800 (1440-1700 Hong Kong time)
Trading lot size	1 share
Settlement	T+2
Daily price limit	For the KOSPI and the KOSDAQ Markets: +/-30% For the KONEX Market: +/-15% The daily price limits apply to an individual security based on the closing price of the security on the previous day. Once the daily price limit is reached, no trades can be executed outside the aforementioned ranges for the remainder of the trading session. For the avoidance of doubt, trading can continue to take place within ranges, including at the limit price itself.
Circuit breakers	The 3 phases of circuit breakers in the KOSPI and the KOSDAQ Markets are below: • Phase 1: If the index (KOSPI or KOSDAQ Index) decreases by 8% or more from the previous day's closing price for one minute, the trading of the market will be suspended for 20 minutes. • Phase 2: If the index (KOSPI or KOSDAQ Index) decreases by 15% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the first set of circuit breaker is exercised. The trading of the market will be suspended for 20 minutes. • Phase 3: If the index (KOSPI or KOSDAQ Index) decreases by 20% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the second set of circuit breaker is exercised. The trading of the market will be suspended for the remainder of the day with no off-market trading. The implementation of each phase of circuit breakers is limited to one time in one day. Phases 1 and 2 are not triggered during 40 minutes before the market closing whereas phase 3 is triggered during that time period.
Volatility interruption	When the price changes by 10% or more from the previous single price execution (static VI), or the newly executed price is +/-2~6%* than the

	previously latest executed price (dynamic VI), a two-minute cooling period (periodic call auction for 2 minutes) will be triggered.

Note:

** Percentage differs depending on its market or the trading hours.*

For more information, please refer to the KRX's website: https://global.krx.co.kr/main/main.jsp (which has not been reviewed by the SFC).

Underlying Stock

Samsung Electronics Co Ltd is a company that manufactures consumer and industrial electronics, including mobile phones, watches, personal computer, home appliances, display products and Internet of Things (IoT). Samsung Electronics Co Ltd also operates a foundry business and manufactures semiconductors. Samsung Electronics Co Ltd is listed on the Korea Exchange, a stock exchange based in the Korea.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the two-time inverse performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined inverse factor (-2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track -2x the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by -200% generally will not equal -200% of the Product's performance over that same period. It is also expected that the Product will underperform the return of -200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (-2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

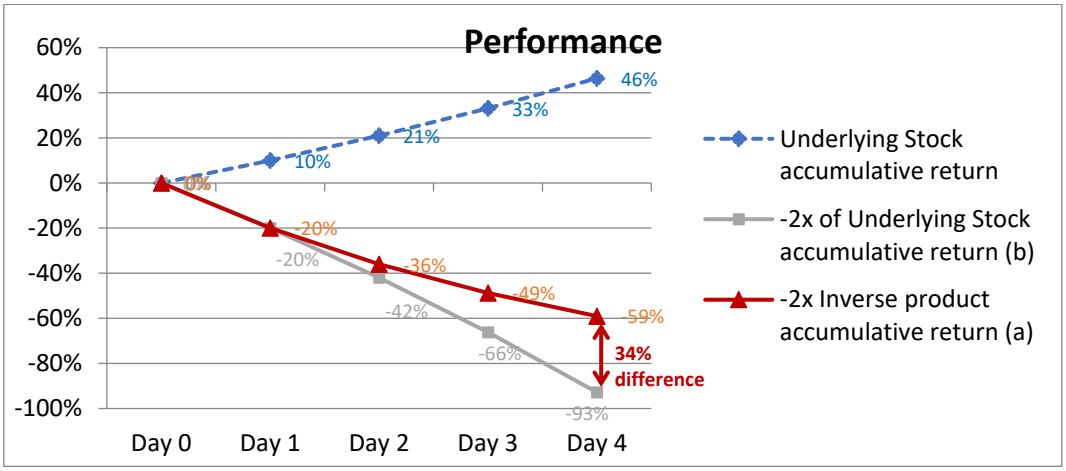
Scenario 1: Upward trending market

In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated loss will be less than -2x the accumulative gain in the price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 93% loss which is -2x the accumulative return of the Underlying Stock.

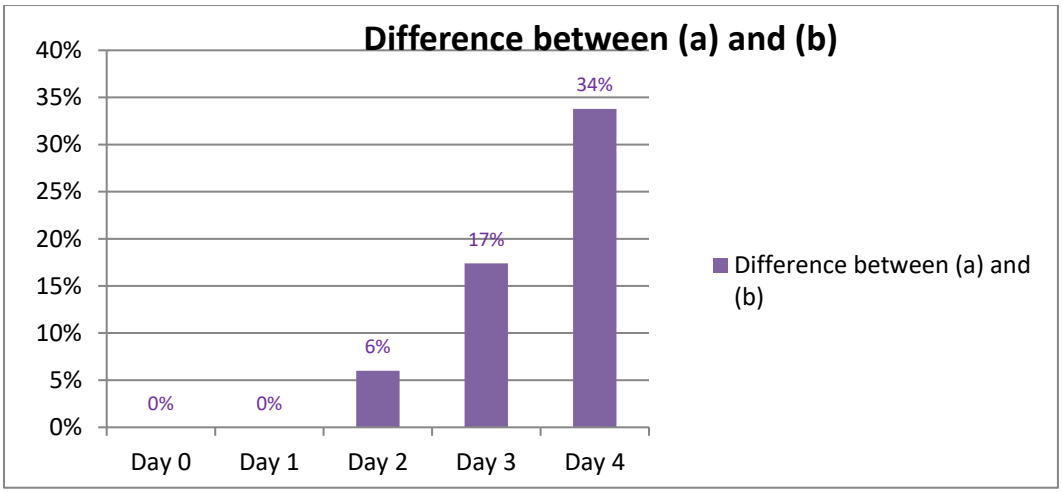
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	121.00	21%	-20%	64.00	-36%	-42%	6%
Day 3	10%	133.10	33%	-20%	51.20	-49%	-66%	17%

Day 4	10%	146.41	46%	-20%	40.96	-59%	-93%	34%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



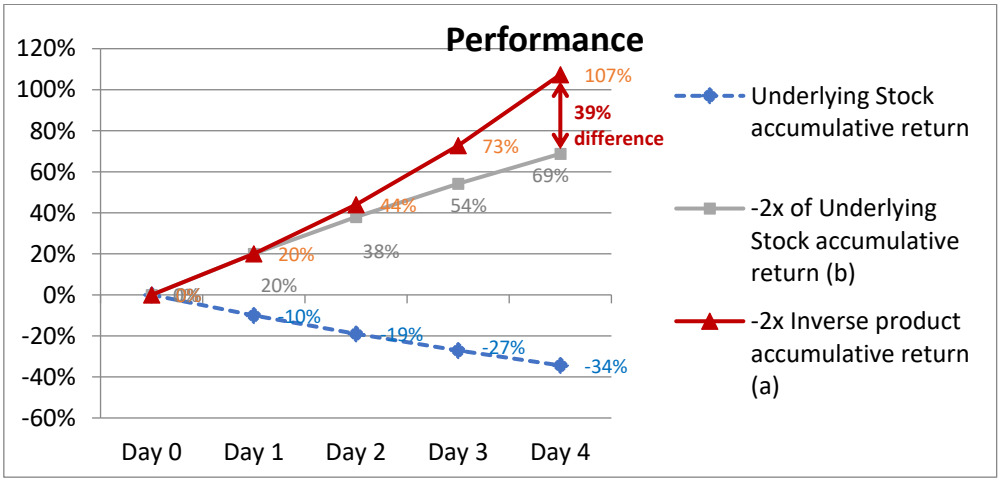
Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated gains will be greater than -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 69% gain which is -2x the accumulative return of the Underlying Stock.

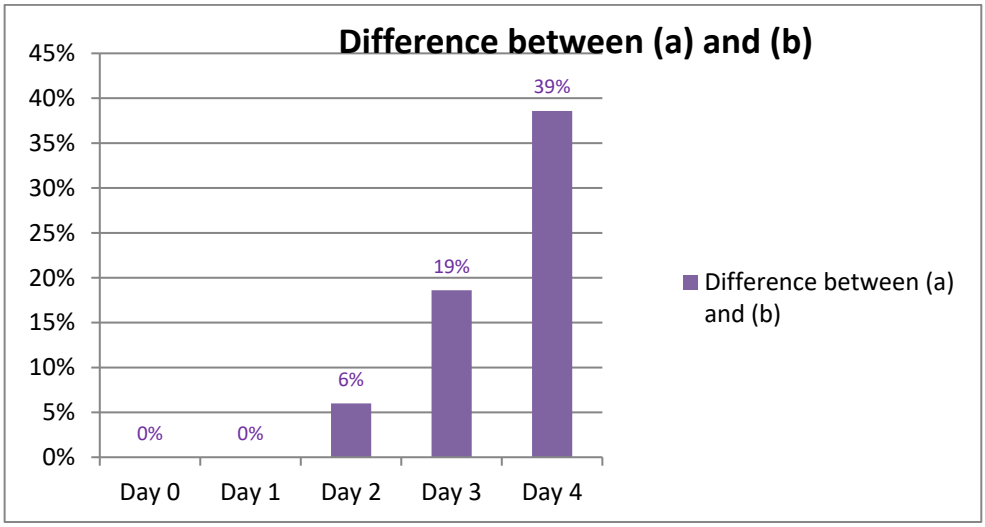
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%
Day 2	-10%	81.00	-19%	20%	144.00	44%	38%	6%
Day 3	-10%	72.90	-27%	20%	172.80	73%	54%	19%

Day 4	-10%	65.61	-34%	20%	207.36	107%	69%	39%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



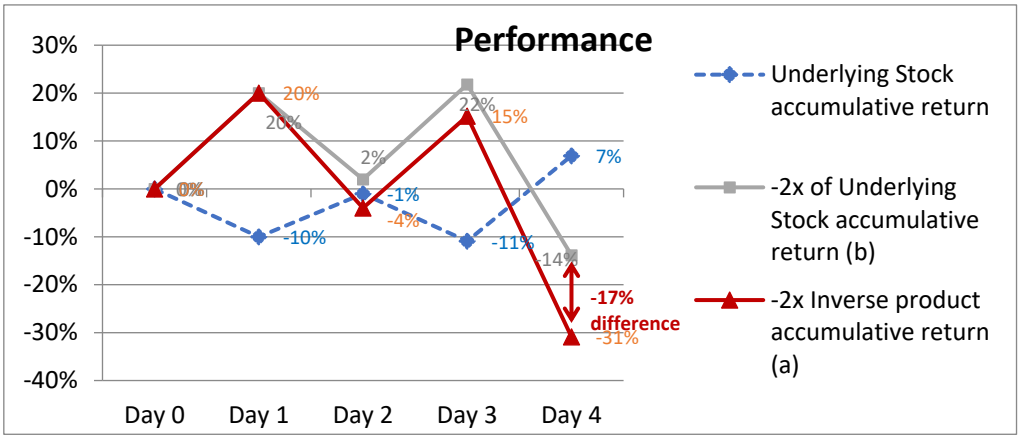
Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 31%, compared with a 14% loss which is -2x the accumulative return of the Underlying Stock.

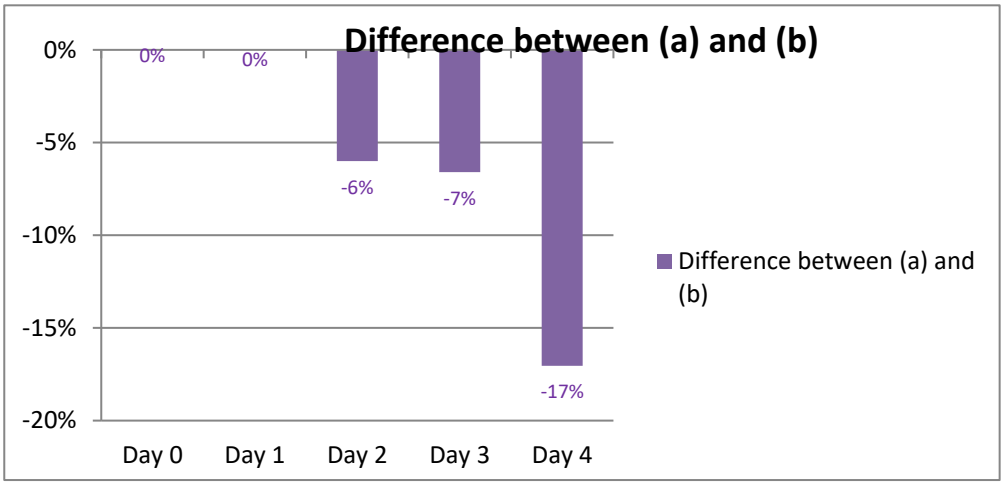
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%

Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-10%	89.10	-11%	20%	115.20	15%	22%	-7%
Day 4	20%	106.92	7%	-40%	69.12	-31%	-14%	-17%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



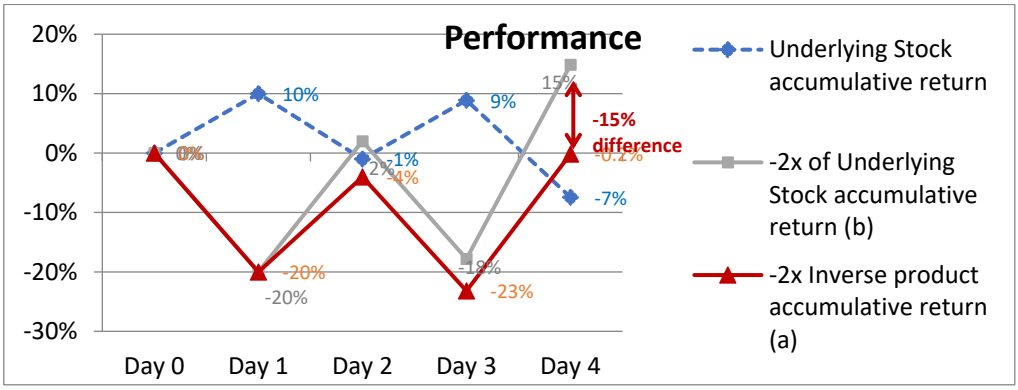
Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of -2x the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 0.2%, compared with a 15% gain which is -2x the accumulative return of the Underlying Stock.

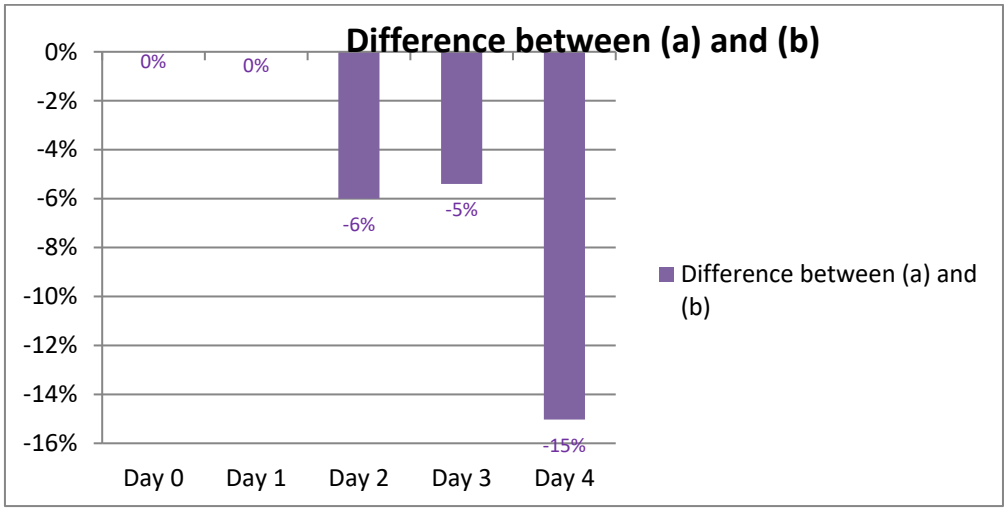
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			

Day 1	10%	110.00	10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	99.00	-1%	20%	96.00	-4%	2%	-6%
Day 3	10%	108.90	9%	-20%	76.80	-23%	-18%	-5%
Day 4	-15%	92.57	-7%	30%	99.84	-0.2%	15%	-15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



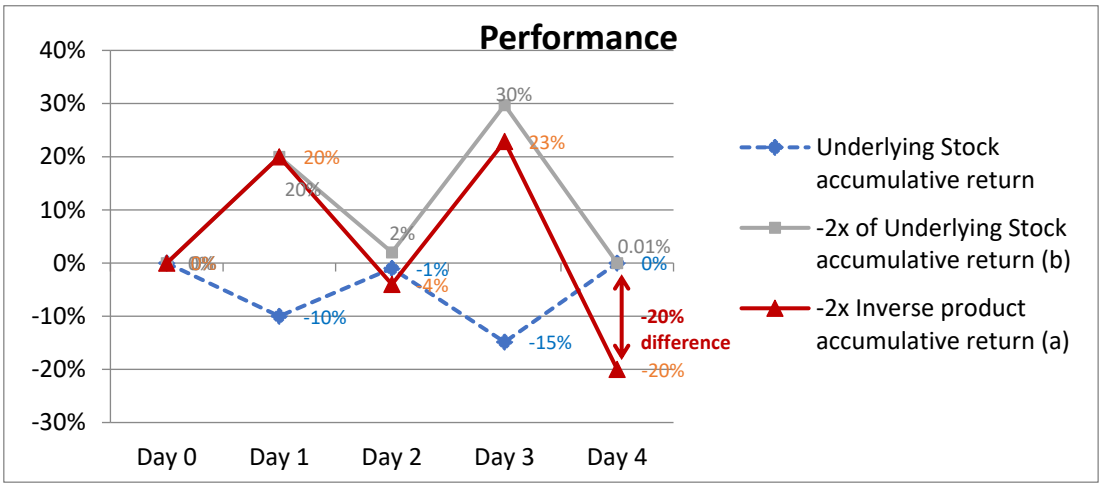
Scenario 5: Volatile market with flat performance of the Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

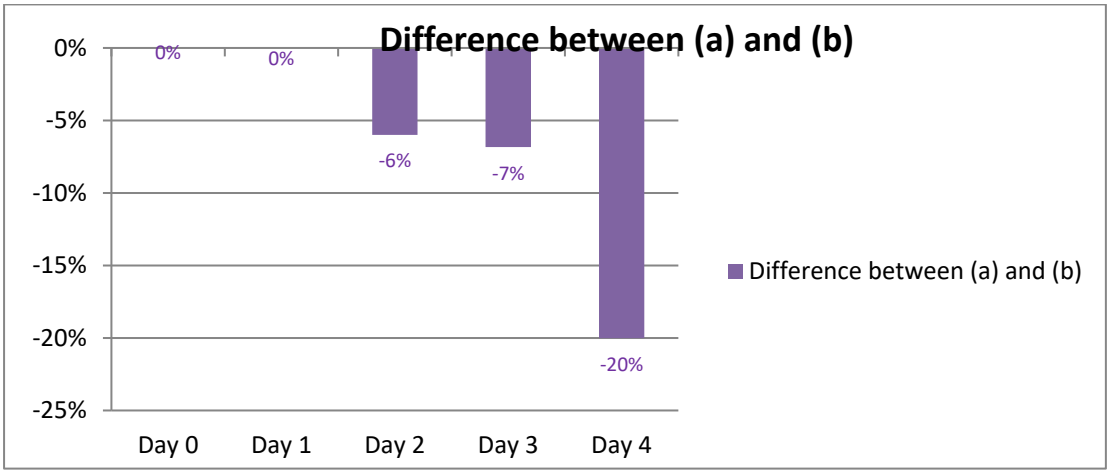
	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	-2x Inverse product Daily return	-2x Inverse product NAV	-2x Inverse product accumulative return	-2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	20%	120.00	20%	20%	0%

Day 2	10%	99.00	-1%	-20%	96.00	-4%	2%	-6%
Day 3	-14%	85.14	-15%	28%	122.88	23%	30%	-7%
Day 4	17%	100.00	0%	-35%	79.99	-20%	0%	-20%

The chart below further illustrates the difference between (i) the Product's performance; (ii) -2x the accumulative return of the Underlying Stock and (iii) accumulative return, of the Underlying Stock in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



The chart below sets out the difference between (a) -2x inverse product accumulative return and (b) -2x of accumulative return of the Underlying Stock in this scenario.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to the accumulative two times inverse performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the two times inverse (-2x) performance of the Underlying Stock (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at

https://www.csopasset.com/en/products/hk-smsn-2i (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the two times inverse (-2x) performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the two times inverse (-2x) Daily performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the -2x performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical -2x performance of the Underlying Stock will not be equal to the simple -2x performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the -2x performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (-2x Inverse of the performance of Underlying Stock)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00
Day 2	+10.00%	110.00	-20% = 10.00%*-2	80.00
Day 3	-9.09%	100.00	+18.18% = -9.09% *-2	94.54

Assuming the Product tracks the -2x performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice that of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will fall by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will rise by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and the closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 94.54 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple -2x performance of the Underlying Stock.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 14 May 2025 and ends at 4:30 p.m. (Hong Kong time) on 15 May 2025, or such other date as the Manager may determine.

The Listing Date is on 28 May 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 2:00 p.m. (Hong Kong time) on each Dealing Day.

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 14 May 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 19 June 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	• 4:30 p.m. (Hong Kong time) on 15 May 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 20 June 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 28 May 2025 • 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD began on 28 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.

The ISIN number of the Product is HK0001121364.

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-smsn-2i (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-smsn-2i (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix

Risk Factors Specific to the Product

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 Product.

Risks Associated with Investing in Financial Derivative Instruments (the "FDIs")

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 Product 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 Products are exposed to a higher degree of fluctuation in value than a Product 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 Product. Exposure to FDIs may lead to a high risk of significant loss by a Product. There is no assurance that any derivative strategy used by a Product will succeed.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the inverse performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is

concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

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 Product 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 Product, 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 Product before making any investment decision.

Under exceptional circumstances where the Product is at significant risk of becoming non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include (i) liquidating swap positions and re-entering the swap contracts at the market close on the same Business Day depending on market condition; (ii) activating a stop loss mechanism for swap positions; and (iii) suspending trading of the Product, in order to safeguard the interests of the Product and its Unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme price movements of the Underlying Stock and the Manager will issue a notice to inform investors.

Regarding the stop loss mechanism, the Manager has pre-agreed with each Swap Counterparty in the contractual terms set out in the agreements a mechanism that aims to limit the downside of the relevant swap positions so that such positions retain at least 10% of the Product's NAV of the last Business Day (before any fees and costs, including but not limited to swap fee and unwinding fee) for each dealing day should the Underlying Stock experience extreme price movements. For the avoidance of doubt, this mechanism applies solely at the level of the relevant swap positions and does not constitute, nor should it be construed as, a floor or guarantee on the Product's overall portfolio or its NAV. If that eventuates, the indicative NAV of the Product will reflect the impact of the stop loss mechanism in respect of the swap positions, among other factors. However, the NAV or indicative NAV of the Product may not necessarily be maintained at 10% of the Product's NAV of the last Business Day, including as a result of fees, costs, expenses, other investments of the Product, market movements or other circumstances.

The stop loss mechanism may result in a greater tracking difference and a higher risk that the Product is traded at a premium or discount in the secondary market. Investors should refer to the indicative NAV and NAV of the last Business Day of the Product on the Product's website and should take caution to ascertain whether the secondary trading prices are reasonable.

Please note that there is no guarantee that (i) the stop loss mechanism will fully and effectively achieve its desired result; and (ii) the secondary trading prices of the Product will reflect such swap stop loss mechanism.

Separately, in managing the options positions, the Manager may have regard to a residual value reference level for such options positions of approximately 10% of the Product's NAV as of the previous Business Day, before any fees, costs, foreign exchange impact and other variables. However, there is no assurance or guarantee that any such reference level will be achieved and no particular level of protection, residual value or NAV is guaranteed.

Risks associated with the Underlying Stock – Samsung Electronics Co Ltd

The following factors may contribute to the price volatility of the Underlying Stock which may in turn impact the daily Net Asset Value of the Product.

Risks specific to the Underlying Stock

The Underlying Stock is subject to many risks that can impact its trading price including, but are not

limited to price volatility risk, management risk, inflation risk, global economic risk, growth risk, supply and demand risk, operations risk, regulatory risk, environmental risk, terrorism risk and the risk of natural disasters. The Underlying Stock performance may be affected by the company's ability to identify new products, technologies or services, global competition and business conditions, its dependence on third-party product manufacturers, product defect issues, cybersecurity breaches, and customer concentration.

Furthermore, Samsung Electronics Co Ltd faces intense global competition in various segments of its business. Major competitors include, for example, Apple Inc. in respect of its mobile phone business; Taiwan Semiconductor Manufacturing Company Limited in respect of its foundry business; Xiaomi Corporation in respect of its consumer electronics.

Korean market risk

Investors should be aware of the potential market risks associated with trading in the Korean market, particularly the impact of circuit breakers and daily price limits. The Korean stock exchange has mechanisms such as circuit breakers or daily limit up/down rules that may have possibilities to lead to a market halt, resulting in the suspension of trading activities for the day. These interruptions can affect the normal rebalancing process of the Product, thereby impacting its ability to achieve the targeted exposure levels. Consequently, this may lead to an increased tracking difference. In extreme scenarios where trading is halted due to these mechanisms, there is a possibility that the returns of the Underlying Stock could accumulate and reflect in the Product on the next normal trading day. This accumulation may exceed the daily 30% up limit set by the Korean market. Such circumstances can result in significant losses.

Electronics and technology hardware industry risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the electronics and technology hardware industry. Electronics and technology hardware companies can be significantly affected by cyclical market patterns, rapid product obsolescence, frequent new product introductions, evolving industry standards, competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. In addition, many technology hardware companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies.

Semi-conductor company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the semiconductor sector. The risks of investments in the semiconductor sector industry include: intense competition, both domestically and internationally, including competition from subsidized foreign competitors with lower production costs; risks of rapid obsolescence of products; economic performance of the customers of semiconductor companies; and rapidly changing product and market demands. The semiconductor industry may also be affected by risks that affect the broader technology sector, including: government regulation; dramatic and often unpredictable changes in growth rates and competition for qualified personnel; heavy dependence on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability; and a small number of companies representing a large portion of the technology sector as a whole. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

Technology theme risk

Samsung Electronics Co Ltd is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. Samsung Electronics Co Ltd also face intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of Samsung Electronics Co Ltd.

Samsung Electronics Co Ltd is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Large/mega-capitalisation company risk

Samsung Electronics Co Ltd is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make Samsung Electronics Co Ltd more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. Stock prices of these companies may exhibit greater volatility due to these factors. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the price of the Underlying Stock could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

Long Term Holding Risk

The Product is not suitable for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the two times inverse performance of the Underlying Stock over that same period (e.g. the loss may be more than 2 times the increase in the price of the Underlying Stock). This effect of compounding becomes more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the price of the Underlying Stock for periods of longer than one day.

The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. The deviation of the Product's performance from the two times inverse performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.

Inverse Product vs. Short Selling Risk

Investing in the Product is different from taking a short position. Because of rebalancing the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

Unconventional Return Pattern Risk

Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the price of the Underlying Stock increases for extended periods, the Product will likely to lose most or all of its value.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Derivative Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than the two times inverse (-2x) investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock. A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the inverse performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the inverse performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior

to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's

limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Options contracts risks

The Investment in options contracts involves specific risks such as high volatility, leverage, rollover and margin risks. There may be imperfect correlation between the value of the underlying reference assets and the options contracts, which may prevent the Product from achieving its investment objective.

Risks associated with options include counterparty/credit risk, liquidity risk (given some options may

not have a liquid secondary market), valuation risk and over-the-counter transaction risk. The costs associated with portfolio construction may rise significantly, which could adversely impact the Product. Further, over-the counter options may also be subject to under collateralisation risk, default risk and intra-day counterparty risk similar to those associated with swaps mentioned above.

The Option Counterparties may also be subject to a capacity limit to conduct the Option transactions to provide the required exposure to the Underlying Stock for the Product. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Option Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Option transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Inverse Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than two times inverse performance of a single stock. Should the price of the Underlying Stock increase, it could have a negative effect on the performance of the Product and the negative effect will be magnified by approximately two times. As such, Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking two times inverse (-2x) Daily results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking an inverse position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical two times inverse (-2x) Daily performance of the Underlying Stock over a certain period may not be equal to the point-to-point two times inverse performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. As such, the performance of the Product is not two times inversely correlated to the performance of the Underlying Stock over a certain period of time. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the inverse performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount

of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

The Product will be subject to a higher tracking difference as the cost of portfolio construction is higher with the use of options. In extreme market conditions and exceptional circumstances, the cost of portfolio construction may increase significantly and may have an adverse impact on the Net Asset Value and tracking difference of the Product.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Foreign Exchange Risk

The Product's Base Currency is in USD but has Units traded in HKD. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading units in the secondary market.

USD Distributions Risk

Investors should note that Unitholders will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and

charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Korean Tax Risk

Under Korea tax laws, income derived from the Product's investments in Korean securities and derivative instruments generally constitutes Korea-sourced income and may be subject to Korean taxation. Currently, income derived by a foreign investor such as the Product from portfolio investments in South Korea is subject to Korean withholding tax. Dividends (including dividends received by domestic corporations in connection with OTC derivative transactions) and certain other Korea-sourced income received by such foreign investors having no domestic place of business in Korea are generally subject to withholding tax at a rate of 22% inclusive of local income tax.

Pursuant to the Convention between the Government of the Republic of Korea and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (the "**KR-HK tax treaty**"), the withholding tax rate applicable to Korea-sourced dividends may be reduced to 10% or 15%, and an exemption from Korean taxation may be available for certain other items of Korea-sourced income, subject to satisfaction of the tax treaty conditions and completion of the prescribed procedural requirements under the Korea tax laws. There can be no assurance, however, that the Product will qualify for such treaty benefits or that such benefits will not be challenged or denied by the Korean tax authorities.

In contrast, capital gains derived from the sale of shares listed and traded on the KRX are currently not taxed under applicable South Korean income and corporate tax laws, provided that a foreign investor is a minor shareholder who holds less than 25% of the listed shares (by voting power or value) at any time during the five-year period preceding the transfer. Capital gains arising from the transfer of equity securities that do not satisfy the above conditions may be subject to Korean withholding tax at the lower of (i) 11% of the gross sales proceeds or (ii) 22% of the net capital gains, in each case inclusive of local income tax.

However, there can be no assurance that the Korean government will not in the future increase the applicable withholding tax rates, impose new taxes, or otherwise change the current tax treatment of investments in Korean securities. In particular, the Korean government may introduce additional taxation, including capital gains tax or transaction-based taxes, on the purchase or sale of KRX-listed shares, including transactions effected by foreign investors or collective investment schemes domiciled outside South Korea.

To the extent the Product obtains exposure through FDI like swaps, futures or options, and other standardized derivatives traded on a derivatives market in accordance with the Financial Investment Services and Capital Markets Act ("**FISCMA**") is generally not subject to Korean withholding tax for a foreign investor under applicable South Korean income and corporate tax laws. By contrast, income derived from OTC derivative transactions may constitute Korea-sourced income unless such transactions qualify as hedging transactions under the FISCMA. Accordingly, capital gains arising from the disposal of OTC derivatives that do not qualify as hedging transactions may be subject to Korean withholding tax.

Korea has introduced taxes on futures and options, and future changes to the tax treatment of derivative instruments, or the imposition of new taxes or levies, could increase the Product's costs, and adversely affect the Product's ability to achieve its investment objective.

Appendix dated 15 July 2026

APPENDIX 23: CSOP SK HYNIX DAILY (2X) LEVERAGED PRODUCT

Key Information

Set out below is a summary of key information in respect of the CSOP SK Hynix Daily (2x) Leveraged Product (the "Product") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of SK hynix Inc. (KRX: 000660).
Underlying Stock	SK hynix Inc. (KRX: 000660)
Initial Offer Period	9:00 a.m. (Hong Kong time) of 13 October 2025 to 4:30 p.m. (Hong Kong time) of 14 October 2025, or such other date as the Manager may determine
Initial Issue Date	15 October 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1 or its equivalent
Listing Date (SEHK)	Expected to be 16 October 2025, but may be postponed by the Manager to a date no later than 21 November 2025
Exchange Listing	SEHK – Main Board
Stock Code	7709
Short Stock Name	XL2CSOPHYNIX
Trading Board Lot Size	100 Units
Base Currency	USD
Trading Currency	Hong Kong Dollars (HKD)
Distribution Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore,

	distributions may be paid effectively out of capital. There is no guarantee of any regular distribution. All Units will receive distributions in the base currency (USD) only.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 500,000 Units (or multiples thereof)
Dealing Deadline	2:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Management Fee	Currently 1.6% per year of the Net Asset Value
Financial Year End	31 December (The first financial year-end of the Product will be 31 December 2026. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2026 and 30 June 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-skhy-2l

What is the Investment Objective?

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the common stock of SK hynix Inc. (KRX: 000660) (the "**Underlying Stock**"). **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

What is the Investment Strategy?

The Product seeks to achieve its investment objective by primarily using a Swap-based synthetic replication strategy as discussed below.

The investment strategy of the Product is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Swap-based synthetic replication investment strategy

Synthetic Replication using Swap

The Product will enter into more than one partially-funded Swaps (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparties) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Underlying Stock (net of transaction costs).

Initial Amount

No more than 80% of the Net Asset Value of the Product from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps.

Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Other investments

Depending on market conditions and swap capacity constraints, in addition to swaps, the Product may also invest up to 49% of its Net Asset Value (as option premium) in options as an additional means to obtain the leveraged exposure to the Underlying Stock. The allocation may be increased up to 49% of its Net Asset Value, taking into account the market conditions and the overall fee level of the Product in the best interests of investors. For the avoidance of doubt, the Product prioritises the use of swaps and primarily uses swaps for exposure to the Underlying Stock, and uses options as an additional means for flexibility.

Not less than 10% of the Net Asset Value (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code. Yield in HKD or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses, the remainder will be distributed by the Manager to the Unitholders in USD.

In cases where the swap or option capacity is tight or has already reached the capacity limit that the Product can utilise, no more than 10% of the Net Asset Value may be invested in the Underlying Stock of the Product. This may involve borrowing of up to 10% of the Product's Net Asset Value.

No more than 10% of the Net Asset Value may be invested in collective investment schemes which may be eligible or non-eligible schemes (as defined by the SFC), or authorised or not authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Product's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investment in 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.

All investments of the Product other than Swaps and Options will comply with 7.36 to 7.38 of the Code. The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transaction in respect of the Product.

Collateral

Counterparty Exposure

Collateral arrangements will be taken in relation to these derivative transactions with a view that the percentage of the counterparty risk exposure (expressed as a percentage of net assets) is reduced to zero.

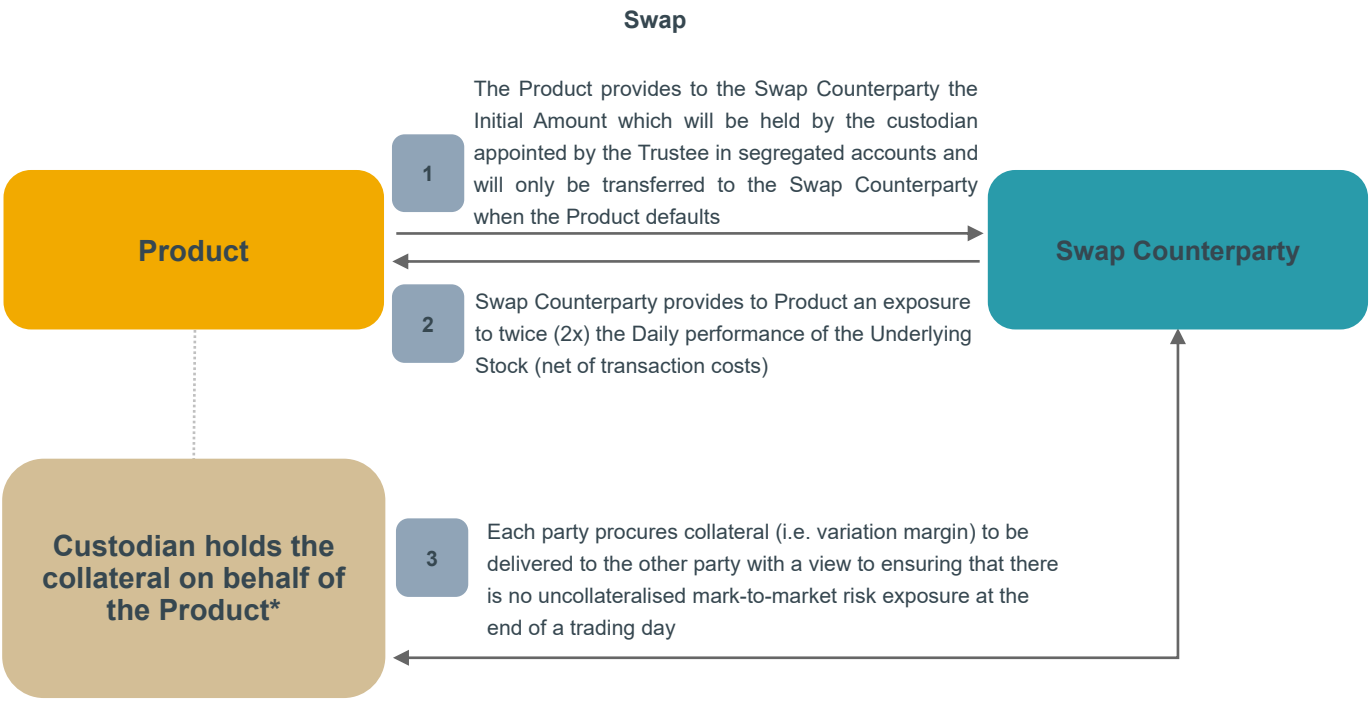
To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer)

granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

Diagrammatic Illustration of Synthetic Replication Strategy

Please see below a diagram illustrating the operation of the swap-based synthetic replication investment strategy above:



** The Initial Amount will be held by the custodian in segregated accounts subject to security interest.*

The Product will maintain full collateralisation and there should be no net exposure to any single counterparty of over-the-counter financial derivative instruments.

Swap Transaction

Each Swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the Product and the Swap Counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a Swap Counterparty under a Swap, the Manager has obtained (if such Swap Counterparty is an existing swap counterparty) or will obtain (if such Swap Counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the Swap Counterparties reasonably acceptable to the Product, confirming that (a) such Swap Counterparty has the capacity and authority to enter into the relevant Swap and (b) the obligations expressed to be assumed by such Swap Counterparty under the relevant Swap

constitute legal, valid, binding obligations of the Swap Counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each Swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant Swap Counterparty (although some of them have been amended to reflect the nature of the Swap Counterparty, the Trustee and the Product and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the Product). The Trustee (on behalf of the Product) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the Swap Counterparty that are continuing at the relevant time, to terminate the Swap on behalf of the Product at any time (such termination may take effect immediately) and without any approval from the Swap Counterparty.

The actual termination events vary according to the negotiation between the Manager and each Swap Counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the Product to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the Swap Counterparty or the Product to perform its obligations under the Swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the Product.

Criteria for Selection of Swap Counterparty and Option Counterparty ("Derivative Counterparty")

In selecting a Derivative Counterparty (or a replacement Derivative Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Derivative Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Derivative Counterparty must be independent of the Manager.

As at the date of this Prospectus, the Derivative Counterparties to the Product and their guarantors (where relevant) are:

Swap Counterparty	**Place of incorporation of the Swap Counterparty**	**Standard & Poor's credit rating**
J.P. Morgan Securities PLC	United Kingdom	AA-
Nomura Singapore Limited	Singapore	A-
BNP PARIBAS	France	A+
Goldman Sachs International	United Kingdom	A+
Citigroup Global Markets Limited	United Kingdom	A+

UBS AG	Switzerland	A+
Morgan Stanley & Co. International Plc	United Kingdom	A+

The Manager will publish, *inter alia*, the latest list of the identity of the Derivative Counterparty of the Product, as well as the Product's gross and net exposure to each such Derivative Counterparty, on the Manager's website at https://www.csopasset.com/en/products/hk-skhy-2l (which has not been reviewed by the SFC).

Collateral Arrangements

The Manager seeks the provision of collateral to mitigate potential counterparty risks, with a view to ensuring that there is no uncollateralized counterparty risk exposure subject to the minimum transfer amounts described in the section headed "Counterparty Exposure" above. The collateral held by the Product should represent at least 100% of the Product's gross total counterparty risk exposure towards the Derivative Counterparties, with the value of the collateral marked to market by the end of each trading day. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the Derivative Counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of bonds and/or cash. If a Derivative Counterparty becomes insolvent, or if a Derivative Counterparty fails to pay any sum payable under the Swap or the Option when due and after a demand has been made, or if other events of default specified in the relevant swap agreement or the option contract occur, the Product, subject to the terms of the swap agreement or the option contract, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the Product's obligations to return the collateral will be offset against the Derivative Counterparty's obligation to pay under the swap agreement or the option contract.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the Product on an ongoing basis.

Collaterals taken by the Product shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the Product: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in Part 1 of this Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the Product are set out in Part 1 of this Prospectus.

Collateral provided to the Product must be held by the Trustee or any custodian duly appointed by the Trustee.

Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/hk-skhy-2l (which has not been reviewed by the SFC).

The Product's net derivative exposure may be more than 100% of its Net Asset Value.

The Product's net derivative exposure to financial derivative instruments will not exceed 202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements.

Option Transactions

The Product may engage in option transactions (only call option buyer in respect of the Product), which are financial derivative instruments that provide the Product with the right to buy an underlying asset at a predetermined price on or before a specified future date. These transactions may be conducted either through listed options on regulated exchanges or OTC options negotiated directly with financial institutions (the "**Option Counterparties**").

Listed options are standardized contracts with terms set by the exchange, offering greater liquidity and transparency, with the exchange's clearinghouse acting as the central counterparty. In contrast, OTC options are customized agreements tailored to the Product's specific needs regarding strike price, expiry, or underlying asset, and are directly negotiated with one or more Option Counterparties through any form or terms of the contract that are mutually agreed. The Product will provide an initial margin or premium, as applicable, which will be held in segregated accounts by the Custodian. This collateral may be transferred to the Option Counterparty only upon the occurrence of specified events, such as a default by the Product under the terms of the option agreement. In return for providing this option exposure, the Option Counterparties are entitled to the premium paid by the Product. The primary purpose of entering into such option transactions is to gain or enhance the Product's targeted exposure to the Underlying Stock.

Costs from Swaps and Options

The Product will bear the costs from Swaps and Options.

The swap fees include all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus South Korean Base Rate Daily[1] ("**KOCRD**") which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times leveraged performance of the Underlying Stock.

If the swap fee (KOCRD plus spread) is a positive figure, then it will be borne by the Product and may have an adverse impact on its Net Asset Value and the performance of the Product, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fee (KOCRD plus spread) is a negative figure, the Swap Counterparty will pay the swap fee to the Product and may lead to a positive impact on the tracking difference of the Product (currently the swap fees are expected to range from 4.00% to 20.00% per annum of the Product's Net Asset Value. This is a best estimate only and may deviate from the actual market conditions). In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum

[1] The Bank of Korea Base Rate is the reference policy rate applied in transactions between the Bank of Korea and financial institutions, such as repurchase agreements (RPs) and the Bank's liquidity adjustment deposits and loans. It is called the Base Rate for short.

The Bank of Korea uses the Base Rate as a fixed bid rate for its sales of 7-day RPs and as the minimum bid rate for its purchases of 7-day RPs. The interest rate for liquidity adjustment deposits is 50bp below the Base Rate, with a minimum of 0%. For liquidity adjustment loans. the interest rate is 50bp above the Base Rate, and if the Base Rate is less than 0.5%, it will be twice the Base Rate.

The Monetary Policy Board of the Bank of Korea meets eight times per year to determine the Base Rate, taking into overall consideration the price movements, domestic and overseas economic and financial market conditions and so on. The Base Rate has a prompt impact on the call rate, i.e. overnight inter-bank lending rate, and this leads to changes in short- and long-term market rates and deposit and loan rates, thus ultimately influencing activities in the real economy.

unwinding fee payable by the Product is 50bps per transaction on the notional amount of the Swap unwound.

The costs from swaps and options are expected to range from 7.50% to 20.00% per annum of the swap and option notional amount, i.e. from 15.00% to 40.00% per annum of the Product's NAV where the Product invests up to 49% of its NAV in options.

This is a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the costs of portfolio construction may increase significantly and in return increase the costs from swaps and options. When the actual costs from swaps and options exceeds the disclosed level, the Manager will issue notice to the investors.

The Manager will disclose the swap fees and costs from options in the semi-annual and annual financial reports of the Product.

The swap fees and costs from options will be borne by the Product and hence may have an adverse impact on the Net Asset Value and the performance of the Product, and may result in higher tracking error.

Daily rebalancing of the Product

The Product will rebalance its position on a day when the SEHK and the Korea Exchange are open for normal trading (i.e. a Business Day*). At or around the close of trading of the Korea Exchange on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Underlying Stock's two times Daily gains or reducing exposure in response to the Underlying Stock's two times Daily losses, so that its Daily leveraged exposure ratio to the Underlying Stock is consistent with the Product's investment objective.

The table below illustrates how the Product as a leveraged product will rebalance its position following the movement of the price of the Underlying Stock by the end of trading of the relevant markets. Assuming that the initial Net Asset Value of the Product is 100 on day 0, the Product will need to have an exposure of 200 to meet the objective of the Product. If the price of the Underlying Stock increases by 10% during the day, the Net Asset Value of the Product would have increased to 120, making the exposure of the Product 220. As the Product needs an exposure of 240, which is 2x the Product's Net Asset Value at closing, the Product will need to rebalance its position by an additional 20. Day 1 illustrates the rebalancing requirements if the price of the Underlying Stock falls by 5% on the subsequent day.

	Calculation	**Day 0**	**Day 1**	**Day 2**
(a) Initial Product NAV		100	120	108
(b) Initial exposure	(b) = (a) × 2	200	240	216
(c) Daily change of price of Underlying Stock (%)		10%	-5%	5%
(d) Profit / loss on exposure	(d) = (b) × (c)	20	-12	10.8
(e) Closing Product NAV	(e) = (a) + (d)	120	108	118.8
(f) Exposure	(f) = (b) × (1+(c))	220	228	226.8
(g) Target exposure to maintain leverage ratio	(g) = (e) × 2	240	216	237.6
(h) Required rebalancing amounts	(h) = (g) - (f)	20	-12	10.8

* Circumstances (as the case may be and as applicable) such as, but not limited to, trading halts due to stock price limits, market circuit breakers, unforeseen incidents, or other disruptions may impede normal trading activities. On such occasions, the day may not qualify as a Business Day, unless otherwise agreed by the Manager and the Trustee. There may be no rebalancing for the day which may not qualify as a Business Day.

The above figures are calculated before fees and expenses.

Overview of Korean Capital Market

The Korea Exchange (KRX) was established in 2005 through the merger of the Korea Stock Exchange (founded in 1956), the KOSDAQ Market (launched in 1996 for tech and venture firms), and the Korea Futures Exchange. The KRX operates three equity market segments, namely the KOSPI Market, the KOSDAQ Market and the KONEX Market. The KOSPI Market serves as the main board and is largely comprised of large-cap and blue-chip companies. The KOSDAQ Market focuses mainly on startup companies as well as SMEs in such tech-savvy area as IT (information technology), BT (bio technology) and CT (culture technology). The KONEX Market is a new market established in 2013 for small- and medium-sized enterprises exclusively in order to form the basis of creative economy by reinforcing support through the capital market for SMEs at the early stage. As of 8 April 2026, there are 2,769 listed companies across the equity markets in the KRX, with a total market capitalisation of KRW 5,444 trillion.

The key trading information of the Korean stock market are as follows:

Key indexes	KOSPI / KOSPI 200 / KOSDAQ
Trading hours (Korea Standard Time)	Pre-hours session: 0800-0900 (0700-0800 Hong Kong time) Regular trading session: 0900-1530 (0800-1430 Hong Kong time) After-hours session: 1540-1800 (1440-1700 Hong Kong time)
Trading lot size	1 share
Settlement	T+2
Daily price limit	For the KOSPI and the KOSDAQ Markets: +/-30% For the KONEX Market: +/-15% The daily price limits apply to an individual security based on the closing price of the security on the previous day. Once the daily price limit is reached, no trades can be executed outside the aforementioned ranges for the remainder of the trading session. For the avoidance of doubt, trading can continue to take place within ranges, including at the limit price itself.
Circuit breakers	The 3 phases of circuit breakers in the KOSPI and the KOSDAQ Markets are below: • Phase 1: If the index (KOSPI or KOSDAQ Index) decreases by 8% or more from the previous day's closing price for one minute, the trading of the market will be suspended for 20 minutes. • Phase 2: If the index (KOSPI or KOSDAQ Index) decreases by 15% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the first set of circuit breaker is exercised. The trading of the market will be suspended for 20 minutes. • Phase 3: If the index (KOSPI or KOSDAQ Index) decreases by 20% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the

	second set of circuit breaker is exercised. The trading of the market will be suspended for the remainder of the day with no off-market trading. The implementation of each phase of circuit breakers is limited to one time in one day. Phases 1 and 2 are not triggered during 40 minutes before the market closing whereas phase 3 is triggered during that time period.
Volatility interruption	When the price changes by 10% or more from the previous single price execution (static VI), or the newly executed price is +/-2~6%* than the previously latest executed price (dynamic VI), a two-minute cooling period (periodic call auction for 2 minutes) will be triggered.

Note:

** Percentage differs depending on its market or the trading hours.*

For more information, please refer to the KRX's website: https://global.krx.co.kr/main/main.jsp (which has not been reviewed by the SFC).

Underlying Stock

SK hynix Inc. is a company that engages in the design, manufacture and sale of advanced memory semiconductors, including dynamic random-access memory and NAND flash memory. SK hynix Inc. is listed on the Korea Exchange, a stock exchange based in the Korea.

Borrowing policy and restriction

Borrowing against the assets of the Product is allowed up to a maximum of 10% of its latest available Net Asset Value, only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Comparison between the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance)

The Product's objective is to provide returns which are of a predetermined leverage factor (2x) of the Daily performance of the Underlying Stock. As such, the Product's performance may not track twice the accumulative return of the Underlying Stock over a period greater than 1 Business Day. This means that the return of the Underlying Stock over a period of time greater than a single day multiplied by 200% generally will not equal 200% of the Product's performance over the same period. It is also expected that the Product will underperform the return of 200% of the Underlying Stock in a trendless or flat market. This is caused by compounding, which is the accumulative effect of previous earnings generating earning or losses in addition to the principal amount, and will be amplified by the volatility of the market and the holding period of the Product. In addition, the effects of volatility are magnified in the Product due to leverage. The following scenarios illustrate how the Product's performance may deviate from that of the accumulative return (2x) of the Underlying Stock over a longer period of time in various market conditions. All the scenarios are based on a hypothetical $100 investment in the Product.

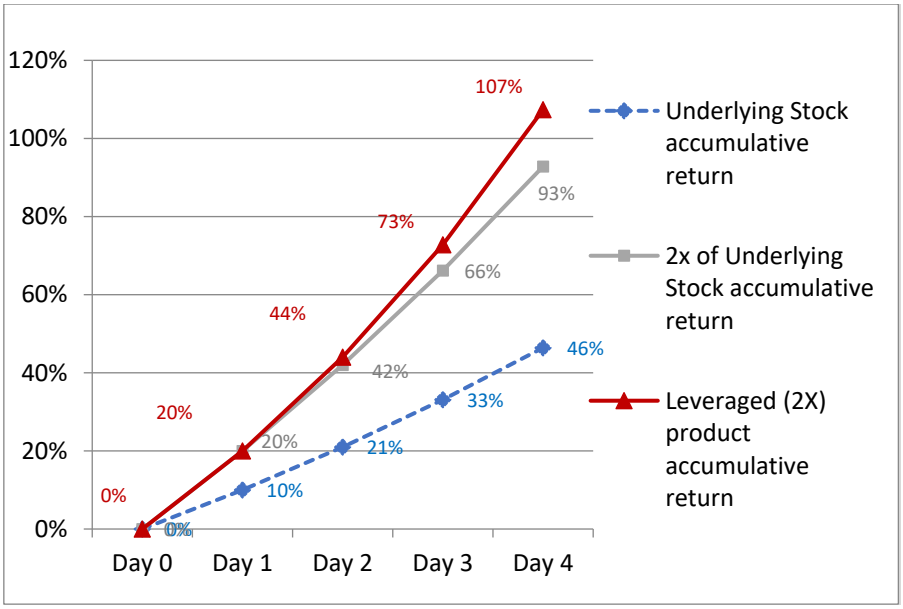
Scenario 1: Upward trending market

In a continuous upward trend, where the price of the Underlying Stock rises steadily for more than 1 Business Day, the Product's accumulated return will be greater than twice the accumulative gain in price of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock grows by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated gain of 107%, compared with a 93% gain

which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	10%	121.00	21%	20%	144.00	44%	42%	2%
Day 3	10%	133.10	33%	20%	172.80	73%	66%	7%
Day 4	10%	146.41	46%	20%	207.36	107%	93%	15%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous upward market trend over a period greater than 1 Business Day.

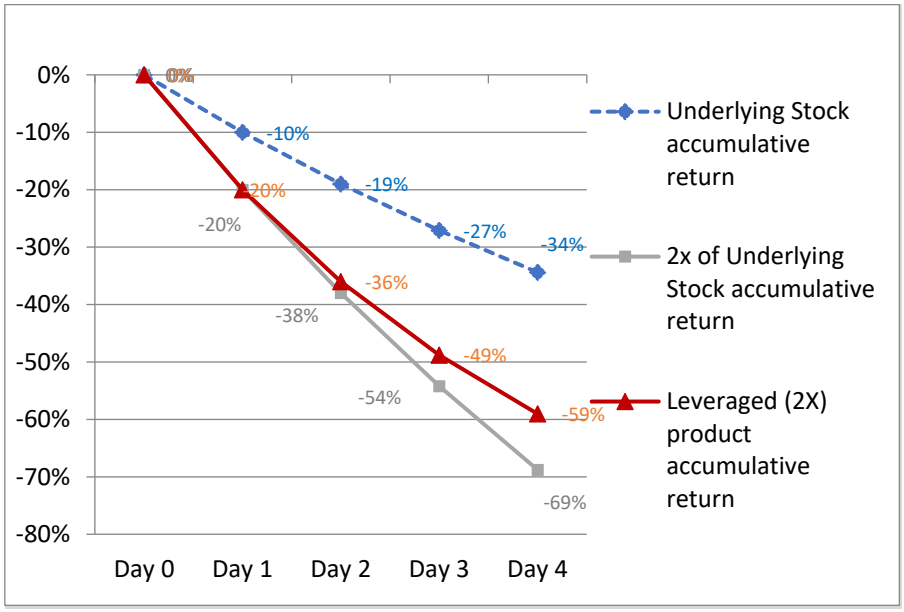


Scenario 2: Downward trending market

In a continuous downward trend, where the price of the Underlying Stock falls steadily for more than 1 Business Day, the Product's accumulated loss will be less than twice the accumulative loss of the Underlying Stock. As illustrated in the scenario below, where an investor has invested in the Product on day 0 and the price of the Underlying Stock falls by 10% daily for 4 Business Days, by day 4 the Product would have an accumulated loss of 59%, compared with a 69% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	-10%	81.00	-19%	-20%	64.00	-36%	-38%	2%
Day 3	-10%	72.90	-27%	-20%	51.20	-49%	-54%	5%
Day 4	-10%	65.61	-34%	-20%	40.96	-59%	-69%	10%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a continuous downward market trend over a period greater than 1 Business Day.

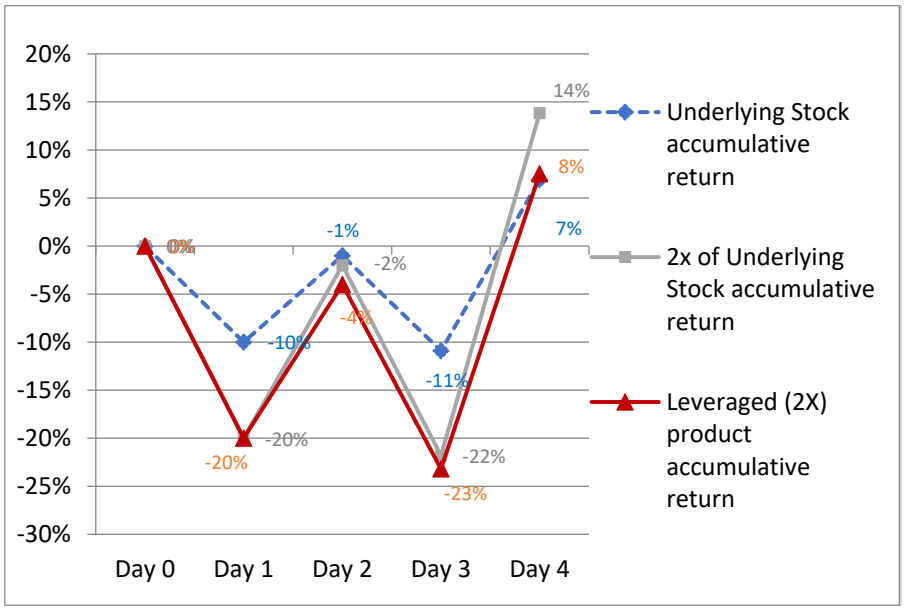


Scenario 3: Volatile upward trend

In a volatile upward trend, where the price of the Underlying Stock generally moves upward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock grows by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated gain of 8%, compared with a 14% gain which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-10%	89.10	-11%	-20%	76.80	-23%	-22%	-1%
Day 4	20%	106.92	7%	40%	107.52	8%	14%	-6%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile upward market trend over a period greater than 1 Business Day.

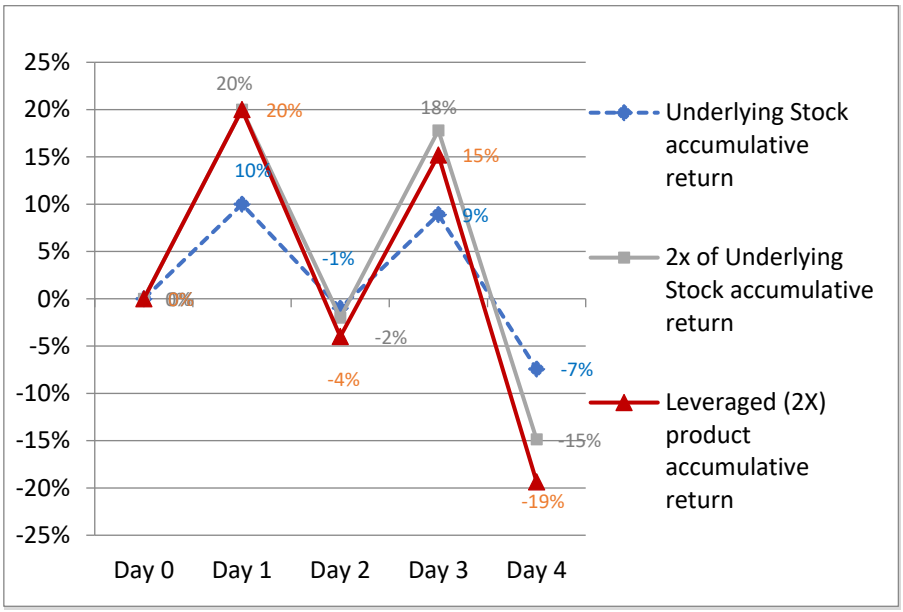


Scenario 4: Volatile downward trend

In a volatile downward trend, where the price of the Underlying Stock generally moves downward over a period longer than 1 Business Day but with daily volatility, the Product's performance may be adversely affected in that the Product's performance may fall short of twice the accumulative return of the Underlying Stock. As illustrated in the scenario below, where the price of the Underlying Stock falls by 7% over 5 Business Days but with daily volatility, the Product would have an accumulated loss of 19%, compared with a 15% loss which is twice the accumulative return of the Underlying Stock.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	10%	110.00	10%	20%	120.00	20%	20%	0%
Day 2	-10%	99.00	-1%	-20%	96.00	-4%	-2%	-2%
Day 3	10%	108.90	9%	20%	115.20	15%	18%	-3%
Day 4	-15%	92.57	-7%	-30%	80.64	-19%	-15%	-4%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile downward market trend over a period greater than 1 Business Day.

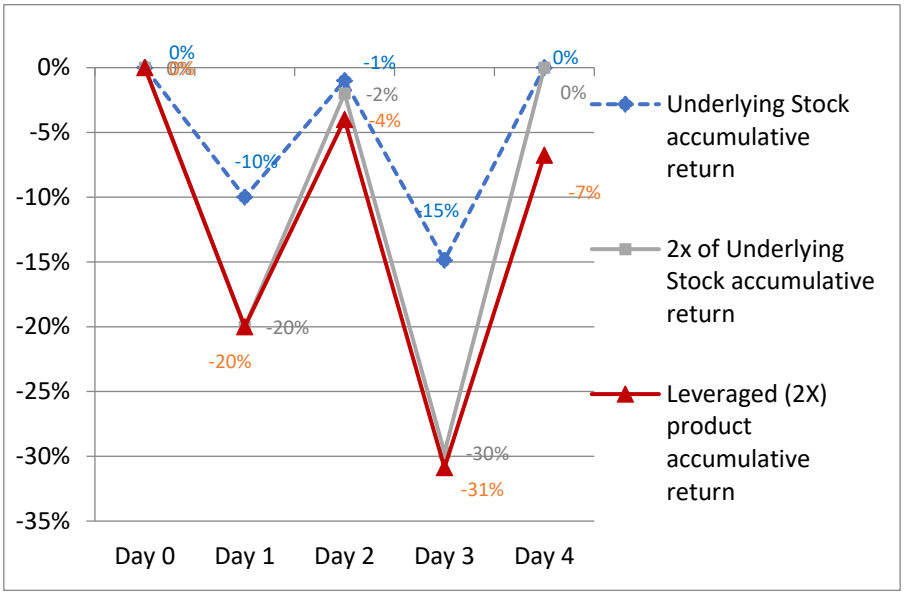


Scenario 5: Volatile market with flat performance of Underlying Stock

In a volatile market with flat performance of the Underlying Stock, the aforementioned compounding can have an adverse effect on the performance of the Product. As illustrated below, even if the Underlying Stock has returned to its previous price, the Product may lose value.

	Daily return of Underlying Stock	Price of Underlying Stock	Accumulative return of Underlying Stock	Leveraged (2X) product Daily return	Leveraged (2X) product NAV	Leveraged (2X) product accumulative return	2x of accumulative return of Underlying Stock	Difference
Day 0		100.00			100.00			
Day 1	-10%	90.00	-10%	-20%	80.00	-20%	-20%	0%
Day 2	10%	99.00	-1%	20%	96.00	-4%	-2%	-2%
Day 3	-14%	85.14	-15%	-28%	69.12	-31%	-30%	-1%
Day 4	17%	100.00	0%	35%	93.24	-7%	0%	-7%

The chart below further illustrates the difference between (i) the Product's performance; (ii) twice the accumulative return of the Underlying Stock and (iii) accumulative return of the Underlying Stock, in a volatile market with flat performance of the Underlying Stock over a period greater than 1 Business Day.



As illustrated in the graphs and the tables, the accumulative performance of the Product is not equal to twice the accumulative performance of the Underlying Stock over a period longer than 1 Business Day.

Investors should note that due to the effect of "path dependency" (as explained below) and compounding of the Daily returns of the Underlying Stock, the performance of the Underlying Stock multiplied by two (and as a result the performance of the Product before deduction of fees and expenses) for periods longer than a single day, especially in periods of market volatility which has a negative impact on the accumulative return of the Product, may not be twice the return of the Underlying Stock and may be completely uncorrelated to the extent of change of the price of the Underlying Stock over the same period.

For further illustration of the Product's performance under different market conditions, investors may access the "performance simulator" on the Product's website at https://www.csopasset.com/en/products/hk-skhy-2l (which has not been reviewed by the SFC), which will show the Product's historical performance data during a selected time period since the launch of the Product.

Explanation on Path Dependency

As explained above, the Product tracks the leveraged performance of the Underlying Stock, if observed on a Daily basis. However, due to path dependency of the performance of the Underlying Stock and the Daily leveraged performance of the Underlying Stock, when comparing the performance of the Underlying Stock and the leveraged performance of the Underlying Stock for a period longer than one day (i.e. comparison of the point-to-point performance), the historical leveraged performance of the Underlying Stock will not be equal to the simple leveraged performance of the Underlying Stock over the same period of time.

Below is an example which illustrates the "path dependency" of the performance of the Underlying Stock and the leveraged performance of the Underlying Stock. *Please note that figures used are for illustration purposes only and are not indicative of the actual return likely to be achieved.*

	Performance of Underlying Stock		**Product (Performance of Underlying Stock with a leverage factor of two)**	
	Daily movement (in %)	**Closing price**	**Daily movement (in %)**	**Closing NAV**
Day 1		100.00		100.00

Day 2	+10.00%	110.00	+20.00%	120.00
Day 3	-9.09%	100.00	-18.18%	98.18

Assuming the Product tracks twice the performance of the Underlying Stock perfectly on a Daily basis, the absolute percentage change in the Daily movement of the Product will be twice of the Daily movement of the price of the Underlying Stock. That is, the Net Asset Value of the Product will rise by 20.00% if the price of the Underlying Stock rises by 10.00%, and the Net Asset Value of the Product will fall by 18.18% if the price of the Underlying Stock falls by 9.09%. On the basis of such Daily movements, the respective closing price of the Underlying Stock and closing Net Asset Value of the Product are as set out in the example above.

On day 3, the closing price of the Underlying Stock is 100 which is the same as its closing price on day 1 but the closing Net Asset Value of the Product is 98.18 which is lower than its closing Net Asset Value on day 1. Hence, when comparing the performance of the Underlying Stock and the Product from day 1 to day 3, it is clear that the performance of the Product is not a simple performance of the Underlying Stock multiplied by two.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 13 October 2025 and ends at 4:30 p.m. (Hong Kong time) on 14 October 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 16 October 2025 but may be postponed by the Manager to a date no later than 21 November 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for 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 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 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 Units on their behalf.

After Listing

“After Listing” commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK commenced on the Listing Date.

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 2:00 p.m. (Hong Kong time) on each Dealing Day.

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 13 October 2025 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 18 November 2025
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	 • 4:30 p.m. (Hong Kong time) on 14 October 2025 but may be postponed by the Manager to no later than 4:30 p.m. (Hong Kong time) on 19 November 2025
After listing (period commences on the Listing Date) • All investors may start trading 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 9:00 a.m. (Hong Kong time) on 16 October 2025, but may be postponed by the Manager to a date no later than 21 November 2025 • 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

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 Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD are expected to begin on 16 October 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.

The ISIN number of the Product is HK0001205258.

Distribution Policy

The Manager intends to distribute income to Unitholders annually (in December) having regard to the Product'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 Product.

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 Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable

income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction in the Net Asset Value per Unit and will reduce any capital appreciation for the Unitholders. There is no guarantee of any regular distribution.

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-skhy-2l (which has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the base currency of the Product (i.e. USD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD 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-skhy-2l (which has not been reviewed by the SFC) and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx (which has not been reviewed by the SFC).

There can be no assurance that distributions will be paid.

Each Unitholder will receive distributions in USD. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning 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.

Fees and Expenses

Management Fee

The Product pays a Management Fee as a single flat fee, currently at 1.6% per year of the Net Asset Value of the Product. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in USD in arrears out of the Trust Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Product, on one month's notice to Unitholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Trust Deed), such increase will be subject to the Unitholders' and the SFC's approval.

The Trustee fee is inclusive in the Management Fee.

Swap fees

Details of the swap fees and indirect costs are set out in the section "Swap fees" in this Appendix.

Risk Factors Specific to the Product

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 Product.

Risks Associated with Investing in Financial Derivative Instruments (the "FDIs")

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 Product 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 Products are exposed to a higher degree of fluctuation in value than a Product 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 Product. Exposure to FDIs may lead to a high risk of significant loss by a Product. There is no assurance that any derivative strategy used by a Product will succeed.

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

Extreme Price Volatility Risk

Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.

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 Product 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 Product, 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 Product before making any investment decision.

Under exceptional circumstances where the Product is at significant risk of becoming non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include (i) liquidating swap positions and re-entering the swap contracts at the market close on the same Business Day depending on market condition; (ii) activating a stop loss mechanism for swap positions; and (iii) suspending trading of the Product, in order to safeguard the interests of the Product and its Unitholders to prevent potential negative fund value and protect

the interests of the investors. Such circumstances may arise if there are extreme price movements of the Underlying Stock and the Manager will issue a notice to inform investors.

Regarding the stop loss mechanism, the Manager has pre-agreed with each Swap Counterparty in the contractual terms set out in the agreements a mechanism that aims to limit the downside of the relevant swap positions so that such positions retain at least 10% of the Product's NAV of the last Business Day (before any fees and costs, including but not limited to swap fee and unwinding fee) for each dealing day should the Underlying Stock experience extreme price movements. For the avoidance of doubt, this mechanism applies solely at the level of the relevant swap positions and does not constitute, nor should it be construed as, a floor or guarantee on the Product's overall portfolio or its NAV. If that eventuates, the indicative NAV of the Product will reflect the impact of the stop loss mechanism in respect of the swap positions, among other factors. However, the NAV or indicative NAV of the Product may not necessarily be maintained at 10% of the Product's NAV of the last Business Day, including as a result of fees, costs, expenses, other investments of the Product, market movements or other circumstances.

The stop loss mechanism may result in a greater tracking difference and a higher risk that the Product is traded at a premium or discount in the secondary market. Investors should refer to the indicative NAV and NAV of the last Business Day of the Product on the Product's website and should take caution to ascertain whether the secondary trading prices are reasonable.

Please note that there is no guarantee that (i) the stop loss mechanism will fully and effectively achieve its desired result; and (ii) the secondary trading prices of the Product will reflect such swap stop loss mechanism.

Separately, in managing the options positions, the Manager may have regard to a residual value reference level for such options positions of approximately 10% of the Product's NAV as of the previous Business Day, before any fees, costs, foreign exchange impact and other variables. However, there is no assurance or guarantee that any such reference level will be achieved and no particular level of protection, residual value or NAV is guaranteed.

Risks associated with the Underlying Stock – SK hynix Inc.

Risks specific to the Underlying Stock

The Underlying Stock is subject to many risks that can negatively impact its revenue and viability including, but are not limited to price volatility risk, management risk, inflation risk, global economic risk, growth risk, supply and demand risk, operations risk, regulatory risk, environmental risk, terrorism risk and the risk of natural disasters. The Underlying Stock performance may be affected by the company's ability to identify new products, technologies or services, global competition and business conditions, its dependence on third-party product manufacturers, product defect issues, cybersecurity breaches, and customer concentration.

Furthermore, SK hynix Inc. faces intense global competition in various segments of its business. Major competitors in the dynamic random-access memory and NAND flash memory markets include, for example, Samsung Electronics Co., Ltd. and Micron Technology Inc..

Korean market risk

Investors should be aware of the potential market risks associated with trading in the Korean market, particularly the impact of circuit breakers and daily price limits. The Korean stock exchange has mechanisms such as circuit breakers or daily limit up/down rules that may have possibilities to lead to a market halt, resulting in the suspension of trading activities for the day. These interruptions can affect the normal rebalancing process of the Product, thereby impacting its ability to achieve the targeted exposure levels. Consequently, this may lead to an increased tracking difference. In extreme scenarios where trading is halted due to these mechanisms, there is a possibility that the returns of the Underlying Stock could accumulate and reflect in the Product on the next normal trading day. This accumulation may exceed the daily 30% down limit set by the Korean market. Such circumstances can result in significant losses.

Memory semiconductor company risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the memory semiconductor sector. The risks of investments in the memory semiconductor sector industry include: intense competition, both domestically and internationally, including competition from subsidized foreign competitors with lower production costs; risks of rapid obsolescence of products; economic performance of the customers of memory semiconductor companies; and rapidly changing product and market demands. The memory semiconductor industry is also subject to the risk of over-reliance on the artificial intelligence industry and may be impacted by a slowdown or failure to meet expectations of the artificial intelligence industry. Furthermore, the memory semiconductor industry may be affected by risks that affect the broader technology sector, including: government regulation; dramatic and often unpredictable changes in growth rates and competition for qualified personnel; heavy dependence on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability; and a small number of companies representing a large portion of the technology sector as a whole. The stock prices of memory semiconductor companies have been and likely will continue to be extremely volatile.

Electronics and technology hardware industry risk

The performance of the Underlying Stock, and consequently the Product's performance, is subject to the risks of the electronics and technology hardware industry. Electronics and technology hardware companies can be significantly affected by cyclical market patterns, rapid product obsolescence, frequent new product introductions, evolving industry standards, competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. In addition, many technology hardware companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies.

Technology theme risk

SK hynix Inc. is in the technology sector and is characterised by relatively higher volatility in price performance when compared to other economic sectors. SK hynix Inc. also faces intense competition and there may also be substantial government intervention, which may have an effect on profit margins. The price volatility of the Underlying Stock may be greater than the price volatility of other companies. Rapid changes could render obsolete the products and services offered by companies in the technology sector. Rapid changes to the products and services offering may further contribute to the price volatility of SK hynix Inc.. SK hynix Inc. is also subject to cyber security risks and potential legal, financial, operational and reputational consequences.

Large/mega-capitalisation company risk

SK hynix Inc. is a large/mega-capitalisation company that is relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. It may struggle with flexibility to respond quickly to disruptions and changes in trends. The high valuation of large/mega-capitalisation companies can make SK hynix Inc. more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment. These companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

Long Term Holding Risk

The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall in the price of the Underlying Stock). The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences

volatility. The deviation of the Product's performance from the leveraged performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected with higher volatility of the price of the Underlying Stock. As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

Leverage Risk

The Product will utilise leverage to achieve a Daily return equivalent to twice (2x) the return of the Underlying Stock. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage.

Risk of Rebalancing Activities

There is no assurance that the Product can rebalance their portfolio on a Daily basis to achieve their investment objectives. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Liquidity Risk

The rebalancing activities of the Product typically take place near the end of trading of the underlying market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk and the Derivative Counterparty's capacity to execute may also be subject to liquidity risk.

Intraday Investment Risk

The Product is normally rebalanced at the end of trading of the underlying market on a Business Day. As such, return for investors that invest for period less than a full Trading Day will generally be greater than or less than two times (2x) leveraged investment exposure to the Underlying Stock, depending upon the movement of the price of the Underlying Stock from the end of one Trading Day until the time of purchase.

Portfolio Turnover Risk

Daily rebalancing of Product's holdings causes a higher level of portfolio transactions than compared to the conventional exchange traded funds. High levels of transactions increase brokerage and other transaction costs.

Risks Associated with Investing in Swaps

Limited Availability of Swaps Risk

The Manager's ability to manage the Product in accordance with its stated investment objective will depend upon the willingness and ability of potential Swap Counterparties to engage in Swaps with the Product linked to the performance of the Underlying Stock . A Swap Counterparty's ability to continue to enter into Swaps or other derivative transactions with the Product may be reduced or eliminated, which could have a material adverse effect on the Product. Furthermore, Swaps are of limited duration and there is no guarantee that Swaps entered into with a Swap Counterparty will continue indefinitely. Accordingly, the duration of a Swap depends on, among other factors, the ability of the Product to renew the expiration period of the relevant Swap at agreed upon terms. If the Product is unable to obtain sufficient exposure to the performance, the leveraged performance of the Underlying Stock because of the limited availability of Swaps linked to the performance, the leveraged performance of the Underlying Stock, the Product could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the Product could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the Product's Swaps,

the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.

Counterparty Risk

Because a Swap is an obligation of the Swap Counterparty rather than a direct investment in the Underlying Stock, the Product may suffer losses potentially equal to, or greater than, the full value of the Swap if the Swap Counterparty fails to perform its obligations under the Swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the Product and will likely impair the Product's ability to achieve its investment objective. The counterparty risk associated with the Product's investments is expected to be greater than that may be encountered by most other funds because the Product expects to use Swaps as the principal means to gain exposure to the Underlying Stock. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). The Product's net exposure to each Swap Counterparty may exceed zero if any such risks eventuate. The extent of the Product's potential loss arising in this regard is likely to be the amount of the Product's net counterparty exposure.

The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

Early Termination of Swaps Risk

In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterparties.

High Swap Fees Risk

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. The swap fees of the Product may be higher than that of other leveraged and inverse products tracking broad-based indices or commodities indices due to market condition, market sentiment on the Underlying Stock and changes in interest rates. This may have an adverse impact on the NAV and performance of the Product, and hence may result in higher tracking difference. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

Capacity Limit Risk

The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Liquidity Risk

Swaps may be subject to liquidity risk, which exists when a particular Swap is difficult to purchase or sell. If a Swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the Product. In addition, a Swap may be subject to the Product's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular Swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Product's ability to terminate existing Swaps or to realise amounts to be received under such agreements. There is also no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet requests, the relevant Product relies upon the issuer of the derivative instruments to quote a market to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction.

Valuation Risk

The Product's assets, in particular Swaps entered into by the Product, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under "Determination of Net Asset Value" section.

Legal Risk

The characterisation of a transaction or a party's legal capacity to enter into it could render the Swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short Selling by Swap Counterparty Risk

The Swap Counterparty to the Product may need to short sell the Underlying Stock for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of the Underlying Stock may affect a Swap Counterparty's ability to hedge its position and may trigger an early termination of the OTC Swap Transaction. Such early termination could impair the Product's ability to achieve its investment objective and subject the Product to substantial loss.

Mandatory Measures imposed by Relevant Parties Risk

Regarding the Product's Swaps, relevant parties (such as Swap Counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the Swaps, no further Swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in

the best interest of the Product's Unitholders and in accordance with the Product's constitutive documents, including suspension of creation of the Product's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Product. These corresponding actions may have an adverse impact on the operation, secondary market trading, ability to track the price of the Underlying Stock and the Net Asset Value of the Product. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Options Contracts Risks

The Investment in options contracts involves specific risks such as high volatility, leverage, rollover and margin risks. There may be imperfect correlation between the value of the underlying reference assets and the options contracts, which may prevent the Product from achieving its investment objective.

Risks associated with options include counterparty/credit risk, liquidity risk (given some options may not have a liquid secondary market), valuation risk and over-the-counter transaction risk. The costs associated with portfolio construction may rise significantly, which could adversely impact the Product. Further, over-the counter options may also be subject to under collateralisation risk, default risk and intra-day counterparty risk similar to those associated with swaps mentioned above.

The Option Counterparties may also be subject to a capacity limit to conduct the Option transactions to provide the required exposure to the Underlying Stock for the Product. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Option Counterparty reaches its capacity limit or if the Net Asset Value of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Option transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Leveraged Performance of Underlying Stock

Investors in the Product should note that the objective and the risks inherent in the Product are not typically encountered in traditional investment products which track the "long" performance rather than leveraged performance of a single stock. Should the price of the Underlying Stock decrease, the use of a leverage factor of 2 in the Product will trigger an accelerated decrease in the value of the Product's Net Asset Value compared to the price of the Underlying Stock (which has a leverage factor of 1, i.e. no leverage). As such, Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments. The negative effect of compounding is more pronounced when combined with leverage and Daily rebalancing in volatile markets.

The Product is designed as a trading tool for short-term market timing or hedging purposes, and is not intended for long term investment. It is only suitable for sophisticated trade-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks constantly monitor the performance of their holding on a daily basis.

Path Dependency

The objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice the performance of the Underlying Stock on a Daily basis only. Therefore the Product should not be equated with seeking a leveraged position for periods longer than a day. Investors in the Product should note that the point-to-point accumulated performance of the historical Daily leveraged performance of the Underlying Stock over a certain period may not be twice the point-to-point performance of the Underlying Stock over the same period of time due to the effect of "path dependency" and compounding of the Daily returns of the Underlying Stock. Please refer to the section "Explanation on Path Dependency" above.

Investors should exercise caution when holding the Product for longer than the rebalancing interval, i.e. one Business Day. The performance of the Product, when held overnight, may deviate from the

leveraged performance of the Underlying Stock.

Investment in Other Funds Risk

As part of the Product's investment strategy, the Manager may invest in other active or passive investment products. The Product will be exposed to the risk of investing in another management company's funds with all the related risks which attach to listed or unlisted funds generally. In particular, as an investor in such funds, the Product 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 Product to the Manager.

If the Product 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 Product. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

The Product will be subject to the risks associated with the underlying funds. The Product 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 NAV of the Product.

The underlying funds in which the Product may invest may not be regulated 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 sufficient liquidity to meet the Product's redemption requests as and when made.

Short-term Fixed Income Securities (including money market instruments) Risks

Short-term fixed income securities risk

The Product may invest in fixed income securities which are short-term or with short-term remaining maturities. It means the turnover rates of the Product'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 Product.

Credit risk

The Product is exposed to the credit/insolvency risk of issuers/guarantors of the fixed income and debt securities in which the Product may invest.

Interest rate risk

The Product'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 Product, the Product'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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers/guarantors.

Passive Investments Risk

The Product is not "actively managed" and, under normal market circumstances, the Manager will not adopt any temporary defensive position when the price of the Underlying Stock moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value. Under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Product.

Trading Difference Risks

Premiums or discounts to the Net Asset Value may arise when the Product and its Underlying Stock trade on exchanges that are in different time zones. As the exchange of the Underlying Stock may be open when the Units are not priced, the value of the Product's portfolio may change on days when investors will not be able to purchase or sell Units. On the other hand, if the exchange of the Underlying Stock is closed while the SEHK is open, this may affect the level of premium or discount of the trading price of the Product to its Net Asset Value. Volatility on the SEHK, as well as supply and demand for Units traded on the SEHK, may lead to the Units of the relevant Product trading at a premium or discount to the Net Asset Value. In case the trading of the Underlying Stock is suspended, the Product may encounter a higher level of premium or discount of the trading price of the Product to its Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value, particularly during volatile market conditions.

The Product will be subject to a higher tracking difference as the cost of portfolio construction is higher with the use of options. In extreme market conditions and exceptional circumstances, the cost of portfolio construction may increase significantly and may have an adverse impact on the Net Asset Value and tracking difference of the Product.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Product are charged to/paid out of the capital of the Product, resulting in an increase in distributable income for the payment of distributions by the Product and therefore, the Product 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 Product's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Product may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Product; and (ii) redeem its investment in the Product at any time, without notice to Unitholders. Such an interested

party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Product by an interested party for any particular length of time. As many of the expenses of the Product are fixed, a higher amount of assets under management may reduce the expenses of the Product per Unit and a lower amount of assets under management may increase the expenses of the Product per Unit. As with any other redemption representing a material portion of the Product's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Product and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Product, (ii) cause other investors in the Product to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the Product, has become unmanageable and to consider taking exceptional measures, such as terminating the Product, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

Foreign Exchange Risk

The Product's Base Currency is in USD but has Units traded in HKD. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading units in the secondary market.

USD Distributions Risk

Investors should note that Unitholders will only receive distributions in USD and not HKD. In the event the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Korean Tax Risk

Under Korea tax laws, income derived from the Product's investments in Korean securities and derivative instruments generally constitutes Korea-sourced income and may be subject to Korean taxation. Currently, income derived by a foreign investor such as the Product from portfolio investments in South Korea is subject to Korean withholding tax. Dividends (including dividends received by domestic corporations in connection with OTC derivative transactions) and certain other Korea-sourced income received by such foreign investors having no domestic place of business in Korea are generally subject to withholding tax at a rate of 22% inclusive of local income tax.

Pursuant to the Convention between the Government of the Republic of Korea and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (the "**KR-HK tax treaty**"), the withholding tax rate applicable to Korea-sourced dividends may be reduced to 10% or 15%, and an exemption from Korean taxation may be available for certain other items of Korea-sourced income, subject to satisfaction of the tax treaty conditions and completion of the prescribed procedural requirements under the Korea tax laws. There can be no assurance, however, that the Product will qualify for such treaty benefits or that such benefits will not be challenged or denied by the Korean tax authorities.

In contrast, capital gains derived from the sale of shares listed and traded on the KRX are currently not taxed under applicable South Korean income and corporate tax laws, provided that a foreign investor is a minor shareholder who holds less than 25% of the listed shares (by voting power or value) at any time during the five-year period preceding the transfer. Capital gains arising from the transfer of equity securities that do not satisfy the above conditions may be subject to Korean withholding tax at the lower of (i) 11% of the gross sales proceeds or (ii) 22% of the net capital gains, in each case inclusive of local income tax.

However, there can be no assurance that the Korean government will not in the future increase the

applicable withholding tax rates, impose new taxes, or otherwise change the current tax treatment of investments in Korean securities. In particular, the Korean government may introduce additional taxation, including capital gains tax or transaction-based taxes, on the purchase or sale of KRX-listed shares, including transactions effected by foreign investors or collective investment schemes domiciled outside South Korea.

To the extent the Product obtains exposure through FDI like swaps, futures or options, and other standardized derivatives traded on a derivatives market in accordance with the Financial Investment Services and Capital Markets Act ("**FISCMA**") is generally not subject to Korean withholding tax for a foreign investor under applicable South Korean income and corporate tax laws. By contrast, income derived from OTC derivative transactions may constitute Korea-sourced income unless such transactions qualify as hedging transactions under the FISCMA. Accordingly, capital gains arising from the disposal of OTC derivatives that do not qualify as hedging transactions may be subject to Korean withholding tax.

Korea has introduced taxes on futures and options, and future changes to the tax treatment of derivative instruments, or the imposition of new taxes or levies, could increase the Product's costs, and adversely affect the Product's ability to achieve its investment objective.

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