

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

Investors should note that this Prospectus relates to Sub-Fund(s) which may offer (i) both exchange-traded class of Units and unlisted (not exchange-traded) class of Units; or (ii) exchange-traded class of Units only.

Bosera ETFs

Bosera HKEX KRX Semiconductor Index ETF

*(A sub-fund of Bosera ETFs, a Hong Kong umbrella unit trust,
authorised under Section 104 of the Securities and Futures Ordinance
(Cap. 571) of Hong Kong)*

HKD Counter Stock Code: 03516

PROSPECTUS

Manager

Bosera Asset Management (International) Co., Limited

September 2026

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

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the “Units”) in the Bosera HKEX KRX Semiconductor Index ETF, a sub-fund of Bosera ETFs (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 30 September 2013, as amended and restated from time to time (the “Trust Deed”) between Bosera Asset Management (International) Co., Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Trust can have a number of sub-funds (each a “Sub-Fund”) , with segregated liability among them and in respect of which a separate class or classes of Units will be issued. Bosera STAR 50 Index ETF and Bosera HKEX KRX Semiconductor Index ETF are Sub-Funds of the Trust. This Prospectus relates to Bosera HKEX KRX Semiconductor Index ETF only. Where specified in the relevant Appendix, a Sub-Fund may issue (i) both Listed Class of Units (i.e. exchange-traded class of Units) and Unlisted Class of Units (i.e. not exchange-traded class of Units) or (ii) Listed Class of Units only.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in Bosera HKEX KRX Semiconductor Index ETF. It contains important facts about the Sub-Fund whose Units are offered in accordance with this Prospectus. A product key facts statement (“KFS”) which contains the key features and risks of the Sub-Fund is also issued by the Manager and such product key facts statement shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus. For a Sub-Fund which issues both Listed Class of Units and Unlisted Class of Units, a separate set of KFS will be available for the Listed Class of Units and Unlisted Class of Units.

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” of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, and (in respect of the Listed Class of Units) the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Units of each Sub-Fund. 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 and Sub-Funds”.

The Bosera HKEX KRX Semiconductor Index ETF is a fund falling within Chapter 8.6 of the Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the Code. The Trust and each Sub-Fund 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, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of the Trust or any of the Sub-Funds nor does it guarantee the commercial merits of the Trust or any of the Sub-Funds or their performance. It does not mean the Trust or any of the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

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

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units of Bosera HKEX KRX Semiconductor Index ETF. Subject to compliance with the admission requirements of the HKSCC, the Listed Class of Units of Bosera HKEX KRX Semiconductor Index ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the date of commencement of dealings in the Listed Class of Units of Bosera HKEX KRX Semiconductor Index ETF on the SEHK or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Bosera HKEX KRX Semiconductor Index ETF currently also offers Unlisted Class of Units.

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, the 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 “U.S. Securities Act”) or any other United States Federal or State law and, except in a transaction which does not violate the U.S. 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 U.S. Securities Act). The Trust and each Sub-Fund 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 U.S. Internal Revenue Code of 1986, as amended (the "IRS Code"), that is subject to Section 4975 of the IRS 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 IRS Code ("Similar Law") or (iii) 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 IRS Code or Similar Law, unless the purchase, holding and disposition of units will not constitute a violation under ERISA, Section 4975 of the IRS Code and any applicable Similar Law.

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

You should note that any amendment or addendum to the Prospectus will only be posted on the Manager's website (www.bosera.com.hk). This Prospectus may refer to information and materials included in websites. Such information and materials do not form part of the 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 any Sub-Fund) by contacting the Manager at its address as set out in the Directory of this Prospectus, by telephone at its telephone number: (852) 2537 6658 or by facsimile at its facsimile number: (852) 2537 1249.

DIRECTORY

Manager

**Bosera Asset Management (International) Co.,
Limited**

Suite 4109, Jardine House
One Connaught Place
Central
Hong Kong

Trustee and Registrar

**HSBC Institutional Trust Services
(Asia) Limited**

1 Queen's Road Central
Hong Kong

Custodian

**The Hongkong and Shanghai Banking
Corporation Limited**

1 Queen's Road Central
Hong Kong

*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**

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

*Market Makers**

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

Auditor

PricewaterhouseCoopers

21/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

** Applicable in respect of Listed Class of Units of Bosera HKEX KRX Semiconductor Index ETF only.*

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DEFINITIONS

In this Prospectus, 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, in respect of a Listed Class of Units, the period which commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

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

“Application” means, in respect of a Listed Class of Units, 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 respect of a Listed Class of Units, such number of Units of a class or whole multiples thereof as specified in this Prospectus for the relevant Sub-Fund or such other whole multiple of Units determined by the Manager, approved by the Trustee and notified to the Participating Dealers, either generally or for a particular class or classes or for a particular period of time.

“Business Day” in respect of a Sub-Fund, means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which Securities and/or Futures Contracts comprised in the relevant Index or Securities and/or Futures Contracts comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading or (iii) if there are more than one such securities market, the securities market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

“Cancellation Compensation” means, in respect of a Listed Class of Units, an amount payable for the account of the relevant Sub-Fund by a Participating Dealer in respect of a Default or a cancellation of Creation Application or Redemption Application, as set out in the Trust Deed, the Participation Agreement and/or 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.

“Class Currency” means, in relation to a class of Units, the base currency of the Sub-Fund relating thereto or such other currency of account as the Manager may specify for such class of Units in accordance with the Trust Deed.

“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, in respect of a Listed Class of Units, an application by a Participating Dealer for the creation and issue of Units in an Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

“Custodian” means The Hongkong and Shanghai Banking Corporation Limited or such other custodians as may be appointed by the Trustee.

“Dealing Day” means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee either generally or for a particular class or classes of Units.

“Dealing Deadline” in relation to any particular class or classes of Units of a Sub-Fund or any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the Appendix of the relevant Sub-Fund for submission of Application(s) by a Participating Dealer (in respect of Listed Class Units) and submission of requests for subscription, switching or redemption (in respect of Unlisted Class Units) or such other time or day as the Manager may from time to time determine with the approval of the Trustee.

“Default” means, in respect of a Listed Class, a failure by a Participating Dealer in respect of:

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

“Deposited Property” means, in respect of each Sub-Fund, all the assets (including cash), 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 such Sub-Fund excluding (i) the Income Property and (ii) any other amount for the time being standing to the credit of the distribution account of such Sub-Fund.

“Duties and Charges” means, in relation to any particular transaction or dealing in respect of a Listed Class of Units, 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 Futures Contracts (as the case may be), or, unless otherwise specified in the relevant Appendix, the entering into or termination of any Swaps (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such Swaps, 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 relevant Sub-Fund for the difference between (a) the prices used when valuing the Securities and/or Futures Contracts (as the case may be) held for the Sub-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 Futures Contracts (as the case may be) if they were acquired by the relevant Sub-Fund with the amount of cash received by the relevant Sub-Fund 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 Futures Contracts (as the case may be) if they were sold by the relevant Sub-Fund in order to realise the amount of cash required to be paid out of the relevant Sub-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.

“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, in respect of a Listed Class of Units, 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.

“FDIs” means financial derivative instruments.

“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 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.

“IFRS” means International Financial Reporting Standards.

“Income Property” means, in respect of a Sub-Fund, (a) all interest, dividends and other sums deemed by the Manager, (after consulting the auditors 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 Sub-Fund (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 Sub-Fund in respect of an Application; and (d) all Cancellation Compensation received by the Trustee for the account of the Sub-Fund; (e) any payments to be received or are receivable by the Trustee under any Swaps or any contractual agreements in the nature of investments for the benefit of the Sub-Fund 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 Sub-Fund or previously distributed to Unitholders; (iii) gains for the account of the Sub-Fund arising from the realisation of Securities, Swaps and/or Futures Contracts (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 Sub-Fund;

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

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

“Index Securities” means, in respect of relevant Sub-Fund, Securities of those companies which are, at the relevant time, the constituent stocks of the Index of the relevant Sub-Fund, any Securities

used to track the performance of such Securities constituting the Underlying Index at the relevant time or such other Securities designated by the Manager.

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

“Initial Issue Date” means, in respect of a Sub-Fund or a class, the date of the first issue of Units in that Sub-Fund or that class (as the case may be), which (in the case of a Listed Class of Units) shall be the Business Day immediately before the Listing Date.

“Initial Offer Period” means, in respect of a Sub-Fund or a class, such period as may be determined by the Manager as the initial offer period in relation to that Sub-Fund or that class (as the case may be), which (in the case of a Listed Class of Units) shall be 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.

“IRD” means the Inland Revenue Department of Hong Kong.

“IRS” means the US Internal Revenue Service.

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

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

“Listing Date” means, in respect of each Listed Class of Units, the date on which the Units of that Listed Class of 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 relevant Sub-Fund.

“Manager” means Bosera Asset Management (International) Co., Limited or such other person or persons for the time being duly appointed manager or managers of the Trust in succession thereto being approved by the SFC as qualified to act as such for the purposes of 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 or such other futures exchange from time to time determined by the Manager.

“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.

“Multi-Counter” means the facility by which the Listed Class of Units of a Sub-Fund traded in more than one currency are each assigned separate stock codes on the SEHK. Where the Unit of a Sub-Fund is traded in two eligible currencies, the facility is referred to as a “Dual Counter”.

“Net Asset Value” or “NAV” means the net asset value of a Sub-Fund or a class or, as the context

may require, the net asset value of a Unit of a Sub-Fund (or class thereof) calculated under the Trust Deed.

“Operating Guidelines” means, in respect of a Listed Class of Units, the guidelines for the creation and redemption of Units of that Listed Class as set out in the schedule to the 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 Participating Dealers, and as notified in writing by the Manager in advance to the Participating Dealers, including without limitation, the procedures for creation and redemption of Units of that Listed Class. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the relevant Listed Class applicable at the time of the relevant Application.

“Participating Dealer” means, in respect of a Listed Class of Units, any licensed broker or dealer and who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

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

“PD Agent” means a person who is admitted by HKSCC as either a Direct Clearing Participant or a General Clearing Participant (as defined in the General Rules of HKSCC) in CCASS and who has been appointed by a Participating Dealer as its agent for the creation and redemption of Listed Class of Units.

“PRC” means the People’s Republic of China, excluding for the purposes of interpretation of this Prospectus only, Hong Kong, Macau and Taiwan.

“Recognised Futures Exchange” means an international futures exchange which is recognised by the SFC or which is approved by the Manager.

“Recognised Stock Exchange” means an international stock exchange which is recognised by the SFC or which is approved by the Manager.

“Redemption Application” means, in respect of a Listed Class of Units, an application by a Participating Dealer for the redemption of Units in Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

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

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

“Registrar” means the HSBC Institutional Trust Services (Asia) Limited or such other person as may from time to time be appointed as registrar in respect of each Sub-Fund in accordance with the Trust Deed to keep the register of the Unitholders of the relevant Sub-Fund.

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

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

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

“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 Sub-Fund lends its securities to a security-borrowing counterparty for an agreed fee.

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

“Service Agent” means, in respect of a Listed Class of Units, HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to a Sub-Fund.

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

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

“Settlement Day” means, in respect of a Listed Class of Units, the Business Day which is two (2) Business Days after the relevant Dealing Day (or such Business Day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day (if any) as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers, either generally or for a particular Listed Class or Listed Classes of Units.

“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.

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

“Sub-Manager” means an investment delegate to which the Manager has delegated the investment management function of all or part of the assets of a Sub-Fund, the details of which are as specified in the relevant Appendix (if applicable).

“Subscription Fee” means, in respect of an Unlisted Class of Units, the subscription fee (if any) payable on the issue of Units of that Unlisted Class and as specified in the relevant Appendix.

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

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

“Swap” means a swap agreement to be entered by the Trustee on behalf of a Sub-Fund 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 a Sub-Fund pursuant to a Swap.

“Transaction Fee” means, in respect of a Listed Class of Units, the fee which may be charged for the benefit of the Service Agent, the Registrar and/or the Trustee 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 Bosera ETFs 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 30 September 2013 between the Manager and the Trustee constituting the Trust (as amended and restated from time to time), including an amended and restated trust deed amending and restating the trust deed with effect from 31 December 2019.

“Trust Fund” means all the property held or deemed to be held by the Trustee upon the trusts hereof, including the Deposited Property and Income Property attributable to that Sub-Fund, except for any amounts to be distributed, in accordance with the Trust Deed, and where such term is used generically, “Trust Fund” means the Trust Fund attributable to all Sub-Funds 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.

“Unit” means a unit in a class of a Sub-Fund representing an undivided share in the Trust Fund attributable to a Sub-Fund.

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

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

“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 Sub-Fund, the official close of trading on the Market on which the Securities constituting the Index are listed on each Dealing Day and if more than 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.

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

Part 1 of this Prospectus includes information relevant to the Trust and all Sub-Fund(s) established under the Trust.

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

INTRODUCTION

Umbrella fund

The Trust is an umbrella unit trust created by the Trust Deed made under Hong Kong law between the Manager and the Trustee. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under section 104 of the SFO. Boserá STAR 50 ETF and Boserá HKEX KRX Semiconductor Index ETF fall within Chapter 8.6 of the Code. SFC authorisation is not a recommendation or endorsement of the Trust or any of the Sub-Funds nor does it guarantee the commercial merits of the Trust, any of the Sub-Funds or their performance. It does not mean that the Trust or the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

The Manager and the Trustee shall create and establish separate and distinct sub-trusts within the Trust, each of which is a sub-fund, and units relating to any sub-fund may be issued in one or more classes.

The Sub-Funds

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a “Sub-Fund”) to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. The Listed Class Units of a Sub-Fund will be listed on the SEHK.

The Manager and the Trustee reserve the right to establish other Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed. Where indicated in the relevant Appendix, the Listed Class of Units in a Sub-Fund may be available for trading on the SEHK using a Multi-Counter. Each Sub-Fund will have its own Appendix.

Each Sub-Fund may issue Listed Class of Units and/or Unlisted Class(es) of Units. In respect of a Sub-Fund which offers both Listed Class of Units and Unlisted Class of Units, please refer to the table set out in the relevant Appendix which sets out the key similarities and differences between the Listed Class of Units and Unlisted Class of Units. Currently, Boserá HKEX KRX Semiconductor Index ETF offers both Listed Class of Units and Unlisted Classes of Units.

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

A Sub-Fund may be an Index Tracking Sub-Fund or an actively managed Sub-Fund.

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

The investment objective of each actively managed Sub-Fund is set out in the relevant Appendix.

Investment Strategy

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

Index Tracking Sub-Funds

Each Index Tracking Sub-Fund will adopt either a full replication or a representative sampling strategy.

Full Replication Strategy

Where an Index Tracking Sub-Fund adopts a full replication strategy as its investment strategy, it will invest in substantially all the Securities constituting the Index in substantially the same weightings (i.e. proportions) as these Securities have in the Index. When a Security ceases to be a constituent of the Index, rebalancing occurs which involves, among other things, selling the outgoing Security and potentially using the proceeds to invest in the incoming Security.

Representative Sampling Strategy

Where an Index Tracking Sub-Fund adopts a representative sampling strategy as its investment strategy, it will invest, directly in securities that are included in the Index or indirectly through FDIs, in a representative sample of the Securities in the relevant Index that collectively reflects the investment characteristics of such Index and aims to replicate its performance. An Index Tracking Sub-Fund adopting a representative sampling strategy may or may not hold all of the Securities that are included in the relevant Index, and may hold a portfolio of Securities (in case of direct investment for physical representative sampling strategy) and FDIs (in case of indirect investment for synthetic representative sampling strategy) which are not included in the Index, provided that these collectively feature a high correlation with the Index.

Switching Between Strategies

Whilst the full replication strategy is likely to track the performance of the relevant Index more closely when compared to the representative sampling strategy, it may not be the most efficient way to do so. Also, it may not always be possible or it may be difficult to buy or hold certain Securities comprising the Index. The Manager may therefore, in the appropriate circumstances, choose to use a representative sampling strategy, having regard to the number of Securities constituting the Index, the liquidity of such Securities, any restrictions on the ownership of such Securities, the transaction expenses and other trading costs, and tax and other regulatory restrictions.

Investors should note that the Manager may switch between the above investment strategies, without prior notice to investors, in its absolute discretion as it believes appropriate in order to achieve the investment objective of the relevant Index Tracking Sub-Fund by tracking the relevant Index as closely (or efficiently) as possible for the benefit of investors.

In addition to the investment strategies set out above, an Index Tracking Sub-Fund may be launched with synthetic or futures-based strategies as described in the relevant Appendix for each such Index Tracking Sub-Fund.

Actively managed Sub-Funds

An actively managed Sub-Fund does not track an Index. The Manager will actively manage the relevant Sub-Fund based on its investment strategy in seeking to achieve the investment objective of the Sub-Fund, as described in the relevant Appendix.

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

This section contains disclosure relating to the Listed Class of Units only. Unless the context otherwise requires, references to “Units” and “Unitholders” in this section shall be construed to refer to Listed Class Units of a Sub-Fund or a Unitholder of such Listed Class of Units and references to a “Sub-Fund” in this section shall be construed to a Sub-Fund which offers Listed Class of Units. For information relating to the offer, subscription, switching and redemption of the Unlisted Class Units, please refer to the section headed “PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS”.

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 4:00 p.m. (Hong Kong time) two Business Days prior to the Listing Date or such other time as the Manager (in consultation with 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 Registrar (with a copy to the Manager) before the above deadline.

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

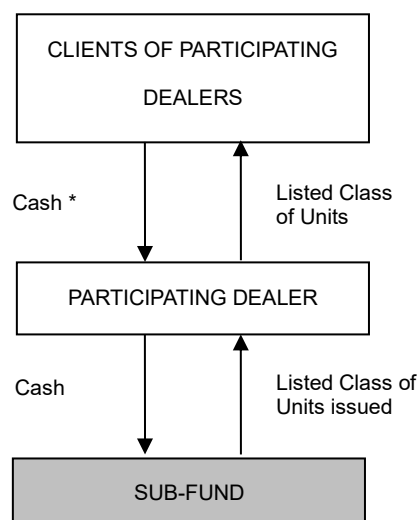
Settlement for subscribing Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Units is due by the Settlement Day, being the Business Day which is two (2) Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

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 HKSCC participants if the client is buying from the secondary market.

Diagrammatic illustration of investment in the Listed Class of Units of a Sub-Fund

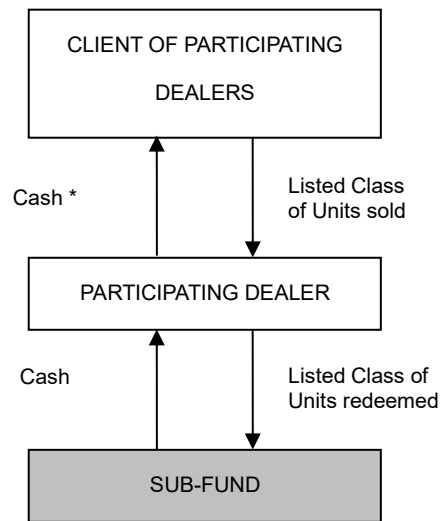
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

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



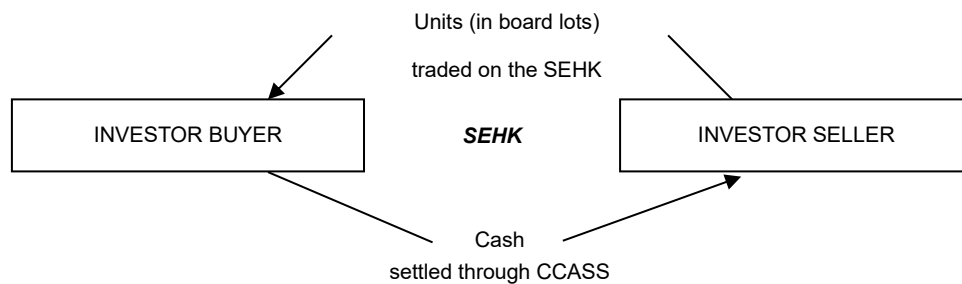
* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

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



* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

(c) Buying or selling of Listed Class 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 Transaction Fee Brokerage fees and/or any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

After Listing

<u>Method of Acquisition or Disposal of Units</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK Brokerage fees (in such currency as determined by individual brokers) Transaction Levy Trading Fee Duties and Charges
Cash creation and cash redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers only	Any person acceptable to the Participating Dealer as its client	Cash (in the currency as specified in the relevant Appendix) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") and Service Agent's Fee (payable in HKD) Brokerage fees and/or any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges (payable in the currency determined by or agreed with it)

* Please refer to "Fees and Expenses" for further details

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

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

The first method is to create or to redeem Listed Class of Units at Net Asset Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Where a Sub-Fund has a Multi-Counter, all creation and redemption for all Units must be in the base currency of that Sub-Fund. 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 Listed Class of Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

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

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

Creation of Units through Participating Dealer

Any application for the creation of Listed Class of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size 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 Listed Class of Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Registrar (with a copy to the Manager and the Trustee).

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

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 the Sub-Fund for the difference between:

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

if (b) above is greater than (a) above. The Participating Dealer may pass on to the relevant investor such additional sum.

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Units for the relevant Participating Dealer on your behalf (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 Participating Dealer and you as to the method of effecting such creation request(s).

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

- (a) any period during which (i) the creation or issue of Units of the relevant class, (ii) the redemption of Units of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts (as the case may be) in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;
- (c) where acceptance of the creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer and/or any of its Connected Persons;
- (d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the creation request; or
- (e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Requirements relating to creation requests by potential investors

As of the date of this Prospectus, only cash creation is available to the Participating Dealers in respect of the Sub-Fund.

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

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of a Sub-Fund can be submitted by it to the Registrar with a copy to the Manager and the Trustee. You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for a Sub-Fund is the number of Listed Class of Units specified in the relevant Appendix. Creation Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum subscription for each Sub-Fund is one Application Unit.

Creation process

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

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

To be effective, a Creation Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Listed Class of Units and the class of Units (where applicable) which is the subject of the Creation Application; and
- (c) include the certifications required in the Participation Agreement (if any) and the Operating Guidelines (if any) in respect of creations of Listed Class of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of 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 class, (ii) the redemption of Units of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund;
- (c) where 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 Futures Contract, as the case may be (for an Index Tracking Sub-Fund, that is a constituent of the Index of the relevant Index Tracking Sub-Fund) 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 (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts (as the case may be) in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;
- (e) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;
- (f) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;
- (g) an Insolvency Event occurs in respect of the relevant Participating Dealer; or

- (h) during any period when the business operations of the Manager or the Trustee 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.

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.

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

Where 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.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the Sub-Fund, the creation of Listed Class of Units in Application Unit size in exchange for a transfer of cash; and (ii) the issue of Listed Class of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Listed Class of Units

Listed Class of Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Trustee may add to such Issue Price such sum (if any) as 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 Listed Class of Units in a Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Listed Class of Units in that Sub-Fund on the relevant Initial Issue Date.

Units are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Manager) as set out in the relevant Appendix.

No fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Listed Class of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but (i) for valuation purposes only, 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 Settlement Day or the Dealing Day or immediately following Settlement Day or, if the settlement period is extended, the relevant Settlement Date. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "Fees and Expenses" for further details.

The Trustee shall be entitled to refuse to enter (or allow to be entered) 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 Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units. See the section on "Fees and Expenses" for further details.

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 the Sub-Fund.

Cancellation of Creation Applications

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

The Trustee, after consultation with the Manager may cancel a creation order in respect of any Units deemed created pursuant to a Creation Application if it has not received the full amount of the cash (including Transaction Fee, Duties and Charges) relating to the Creation Application by the relevant time on the Dealing Day, provided that the Manager may at its discretion extend the settlement period and such extension to be on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may determine and in accordance with the provisions of the Operating Guidelines.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any 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 or if a Participating Dealer otherwise withdraws a Creation Application (other than in certain circumstances contemplated in the Trust Deed such as where the Manager declares a suspension of creations of Units), any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Listed Class of Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

- (a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "Fees and Expenses" for further details);
- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the 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 Sub-Fund as a result of such cancellation;
- (c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section 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 Listed Class of Units through a Participating Dealer

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

A Participating Dealer may redeem Listed Class of Units on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Registrar (with a copy to the Manager and the Trustee).

In relation to cash redemption of Units as described above, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the Sub-Fund for the difference between:

- (a) the prices used when valuing the Securities and/or Futures Contracts of the relevant Sub-Fund for the purpose of such redemption of Listed Class of Units; and
- (b) the prices which would be used when selling the same Securities and/or Futures Contracts if they were sold by the relevant Sub-Fund in order to realize the amount of cash required to be paid out of the relevant Sub-Fund upon such redemption of Listed Class of Units,

if (b) above is less than (a) above. The Participating Dealer may pass on to the relevant investor such additional sum.

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Units for the relevant initial Participating Dealer on your behalf (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 you as to the method of effecting such redemption request(s).

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

- (a) any period during which (i) the creation or issue of Units of the relevant class, (ii) the redemption of Units of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts (as the case may be) in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;
- (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 and/or any of its Connected Persons; 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 potential investors

As of the date of this Prospectus, only cash redemption is available to the Participating Dealers in respect of the Sub-Fund.

Notwithstanding the Multi-Counter, any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in HKD. HKD traded Units, RMB traded Units and USD traded Units may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem RMB traded Units or USD traded Units, the redemption process is the same as for HKD traded Units.

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You 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 the Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of the Sub-Fund can be submitted by it to the Registrar (with a copy to the Manager and the Trustee). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of the Listed Class of units of a Sub-Fund to the Manager, following receipt of redemption requests from clients or where it wishes to redeem Listed Class of Units of the relevant Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK, the Recognised Futures Exchange or the Recognised Stock Exchange 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 (if any) and Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of 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 class, (ii) the redemption of Units of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;
- (c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts (as the case may be) in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;
- (d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;
- (e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or
- (f) during any period when the business operations of the Manager or the Trustee 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.

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, Listed Class of Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was

received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those 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 Sub-Fund on the relevant Dealing Day 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 Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Listed Class of Units is not suspended.

The Manager may at its discretion extend the settlement period (but in any event not to a date more than one month from the receipt of an effective Redemption Application) upon receipt of the extended settlement request in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may in its discretion determine, in accordance with the Operating Guidelines. Please see the section on “Fees and Expenses” for further details on the Extension Fee which may be payable in relation to such an extension.

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent. See the section on “Fees and Expenses” for further details.

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 deadline set forth in the Trust Deed and/or Operational Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance:

- (a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on “Fees and Expenses” for further details);
- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Listed Class of Unit so cancelled

Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities and/or Futures Contracts, made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

- (c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section 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 (both Listed Class of Units and Unlisted Class(es) of Units) representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund and as permitted by the SFC) of the total number of Units in the relevant Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund) of the Units in the relevant Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund) of the Units in the relevant Sub-Fund then in issue) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Compulsory Redemption

If it shall come to the notice of the Trustee or the Manager that any Units are owned directly, indirectly or beneficially (i) by a U.S. Person; (ii) in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Manager, the Trustee or the relevant Sub-Fund incurring or suffering any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the Manager, the Trustee or the relevant Sub-Fund to any additional regulation to which the Manager, the Trustee or the relevant Sub-Fund might not otherwise have incurred or suffered or been subject; or (iii) in breach of any applicable law or applicable requirements of any country or governmental authority, the Trustee or the Manager may give notice to the relevant Unitholder requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or may give a request in writing for the redemption of such Units in accordance with the terms of the Trust Deed. If any Unitholder upon whom such a notice is served pursuant to the Trust Deed does not, within 30 days of such notice, transfer or redeem such Units as aforesaid or establish to the satisfaction of the Trustee or the Manager (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiry of the 30 day period to have given a request in writing for the redemption of all such Units.

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 class of any Sub-Fund, suspend the redemption of Units of any class of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption monies exceeds one calendar month) delay the payment of any monies in respect of any Creation Application 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 (i) for an Index Tracking Sub-Fund, a Security and/or Futures Contract (as the case may be) that is a constituent of the Index of the relevant Index Tracking Sub-Fund, or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, any Security and/or Futures Contract (as the case may be) that is a constituent of the Index of the relevant Index Tracking Sub-Fund, or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;
- (d) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or Futures Contracts, as the case may be in the official clearing and settlement depository (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 Futures Contracts, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;
- (f) during any period when the Index for the relevant Index Tracking Sub-Fund 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 Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on "Suspension of determination of Net Asset Value" below arises; or
- (i) during any period when the Swap (if applicable) cannot be adjusted or reset for any reason;
- (j) during any period when the business operations of the Manager or the Trustee are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager will, after consultation with the Trustee, having regard to the best interests of the Unitholders, suspend the right to subscribe for Units of the Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer or such other percentage permitted under Schedule 1. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares

issued by any single issuer and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy the situation, taking due 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 www.bosera.com.hk (the contents of which has not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any cash received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Evidence of unitholding

Listed Class of Units will be deposited, cleared and settled by the CCASS. Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Listed Class of Units deposited with the CCASS and is holding such Units for the participants in accordance with the General Rules of HKSCC. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the 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 HKSCC 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 Sub-Fund suffering any adverse effect which the Trust or the Sub-Fund might not otherwise have suffered;
- (b) in the circumstances which, in the Manager's opinion, may result in the Trust or any Sub-Fund, the Trustee or the Manager incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the relevant Sub-Fund, the Trustee or the Manager might not otherwise have incurred or suffered; or
- (c) any person 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 Listed Class of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. As all Listed Class of Units will be held in CCASS, the Manager's consent is deemed given where the Unitholder is transferring his interest in Listed Class of Units within CCASS. A Unitholder is entitled to transfer Listed Class of 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. If and to the extent that all Listed Class of 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 of CCASS 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)

General

The purpose of the listing of the Listed Class of 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 in the Listed Class of Units 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 Listed Class of Units are listed on the SEHK they will remain listed.

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class of Units of each Sub-Fund. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager will make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Listed Class of Units may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Listed Class of Units, the relevant Market Makers may make or lose money based on the differences between the prices at which they buy and sell Listed Class of Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities or Futures Contracts comprised within the Index. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the relevant Sub-Fund in respect of their profits.

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

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units of Boserá HKEX KRX Semiconductor Index ETF. Subject to the compliance with the stock admission requirements of HKSCC, the Units of Boserá HKEX KRX Semiconductor Index ETF will be 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 of Boserá HKEX KRX Semiconductor Index ETF on the SEHK or on any other date HKSCC chooses.

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

ISSUE PRICE AND REDEMPTION VALUE

Unless otherwise specified in the relevant Appendix, the Issue Price in respect of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Unit, or (for an Index Tracking Sub-Fund only) a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Index Tracking Sub-Fund) as at the last day of the Initial Offer Period, rounded to the nearest 4 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. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix.

Unless otherwise specified in the relevant Appendix, after the expiry of the Initial Offer Period, the

Issue Price of Listed Class of Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the Listed Class of Units as at the relevant Valuation Point divided by the total number of Listed Class of Units in issue rounded to the nearest 4 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 Sub-Fund attributable to the Listed Class of Units as at the relevant Valuation Point divided by the total number of Listed Class of Units in issue rounded to the nearest 4 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 Sub-Fund.

The latest Net Asset Value of the Units will be available on the Manager's website at www.bosera.com.hk (the contents of which have not been reviewed by the SFC) or published in such other publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by a Participating Dealer.

PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS

This section contains disclosure relating to the Unlisted Class of Units only. Unless the context otherwise requires, references to “Units” and “Unitholders” in this section shall be construed to refer to an Unlisted Class of Units of a Sub-Fund or a Unitholder of such Unlisted Class of Units and references to a “Sub-Fund” in this section shall be construed to a Sub-Fund which offers Unlisted Class of Units. For information relating to the offering phases of the Listed Class of Units, please refer to the section headed “PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS”.

SUBSCRIPTION OF UNLISTED CLASS(ES) OF UNITS

Initial Issue of Unlisted Class(es) of Units

During an Initial Offer Period, Unlisted Class(es) of Units in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Unit as specified in the relevant Appendix.

If at any time during an Initial Offer Period, the total amount received by the Trustee from the subscription of the Unlisted Class(es) of Units reaches a maximum amount for aggregate subscriptions (as specified in the relevant Appendix), the Manager is entitled (but not obliged) to close the relevant class of Units to further subscriptions before the end of the relevant Initial Offer Period.

The Manager may decide not to issue any Unlisted Class(es) of Units in the event that less than a minimum amount for aggregate subscriptions (as specified in the relevant Appendix), is raised during the relevant Initial Offer Period or if the Manager is of the opinion that it is not commercially viable to proceed. In such event subscription monies paid by an applicant will be returned by cheque by post or by telegraphic transfer or such other means as the Trustee considers appropriate at the applicant's risk (without interest) promptly after the expiry of the Initial Offer Period.

Unlisted Class(es) of Units will be issued on the Business Day following the close of the Initial Offer Period or such other Business Day as the Manager may determine. Dealing of the Unlisted Class(es) of Units will commence on the Dealing Day immediately following the closure of the relevant Initial Offer Period.

Subsequent Issue of Unlisted Class(es) of Units

Following the close of the relevant Initial Offer Period, Unlisted Class(es) of Units will be available for issue on each Dealing Day at the relevant Subscription Price.

The Subscription Price on any Dealing Day will be the price per Unit of the Unlisted Class(es) of Units ascertained by dividing the Net Asset Value of the relevant class of the relevant Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such class of that Sub-Fund then in issue and rounded to 4 decimal places (0.00005 and above being rounded up; below 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee. Any rounding adjustment will be retained by the relevant Class. The Subscription Price will be calculated and quoted in the relevant Class Currency of the relevant Sub-Fund.

In determining the Subscription Price, the Manager is entitled to add an amount it considers represents an appropriate provision for extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, which are likely to be incurred in investing a sum equal to the application monies and issuing the relevant Units or the remittance of money to the Trustee (the “Subscription Adjustment Allowance”). Any such additional amount will be paid to the Trustee and will form part of the assets of the relevant Sub-Fund.

The Manager is entitled to impose a subscription fee on the Subscription Price of each Unit. The

Manager may retain the benefit of such subscription fee or may pay all or part of the subscription fee (and any other fees received) to recognised intermediaries or such other persons as the Manager may at its absolute discretion determine. Details of the subscription fee are set out in the section headed "Fees and Expenses" in the Prospectus.

Application Procedure

Unless otherwise provided herein for a specific Class, to subscribe for Unlisted Class(es) of Units, an applicant should complete the application form supplied with this Prospectus and return the original form, together with the required supporting documents, to the Trustee.

Unless otherwise specified herein for a specific Class or in the relevant Appendix, applications for Unlisted Class(es) of Units during the relevant Initial Offer Period, together with cleared funds, must be received by no later than 4:00 pm (Hong Kong time) on the last day of the relevant Initial Offer Period. After the Initial Offer Period, applications must be received by the relevant Dealing Deadline.

Applications for subscription may be made in writing by post or sent via fax or other electronic means. Unless otherwise agreed by the Manager and the Trustee, application forms that are sent via fax or other electronic means to the Trustee must always be followed by their original, unless fax and/or electronic indemnity is in place. Applicants who choose to send an application form by fax or other electronic means bear the risk of the form being illegible or not being received by the Trustee. Applicants should therefore, for their own benefit, confirm with the Trustee safe receipt of an application form. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to an applicant for any loss resulting from non-receipt or illegibility of any application form sent by fax or other electronic means or for any loss caused in respect of any action taken as a consequence of such application believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

Unless otherwise specified herein for a specific Class or in the relevant Appendix, payment for Unlisted Class(es) of Units shall be due in cleared funds in the relevant currency within 3 Business Days following the relevant Dealing Day on which an application was received by the Dealing Deadline. If payment in cleared funds is not received prior to such time as aforesaid, the application may, at the discretion of the Manager, be considered void and cancelled. In such event the Manager may require the applicant to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit cancelled, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of cancellation and the Trustee shall be entitled to charge the applicant a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation.

Each applicant whose application is accepted will be sent a contract note by the Trustee confirming details of the purchase of Unlisted Class(es) of Units but no certificates will be issued.

Applicants may apply for Unlisted Class(es) of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class(es) of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Where an applicant applies for Unlisted Class(es) of Units through a distributor, the Manager and the Trustee will treat the distributor (or its nominee) as the applicant. The distributor (or its nominee) will be registered as Unitholder of the relevant Unlisted Class(es) of Units. The Manager and the Trustee will treat the distributor (or its nominee) as the Unitholder and shall not be responsible for any arrangements between the relevant applicant and the distributor regarding the subscription, holding and redemption of Unlisted Class(es) of Units and any related matters, as well as any costs or losses that may arise therefrom. The Manager will, however, take all reasonable care in the selection and appointment of distributors.

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

The Manager may, and at the request of the Trustee shall, reject in whole or in part any application for Unlisted Class(es) of Units. In the event that an application is rejected, application monies will be returned without interest by cheque through the post or by telegraphic transfer or by such other means as the Trustee considers appropriate at the risk of the applicant.

No applications for Unlisted Class(es) of Units will be dealt with during any periods in which the determination of the Net Asset Value of the relevant sub-fund is suspended (for details see "Suspension of Calculation of Net Asset Value" below).

Payment Procedure

Subscription monies should be paid in the currency in which the relevant class of Unlisted Class(es) of Units is denominated. Payment details are set out in the application form.

Subscription monies paid by any person other than the applicant will not be accepted.

General

All holdings of Units will be in registered form and certificates will not be issued. Evidence of title of Unlisted Class(es) of Units will be the entry on the register of Unitholders in respect of each Sub-Fund. Unitholders should therefore be aware of the importance of ensuring that the Registrar is informed of any change to the registered details. Fractions of Unlisted Class(es) of Units may be issued rounded down to the nearest 4 decimal places. Subscription monies corresponding to such rounding will be retained by the relevant Sub-Fund. A maximum of 4 persons may be registered as joint Unitholders.

REDEMPTION OF UNLISTED CLASS(ES) OF UNITS

Redemption Procedure

Unless otherwise provided herein for a specific Class, Unitholders of Unlisted Class(es) of Units who wish to redeem their Units in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Trustee.

Unless otherwise provided herein for a specific Class, any redemption request must be received by the Trustee before the Dealing Deadline. Investors redeeming Unlisted Class(es) of Units through a distributor or a nominee should submit their redemption requests to the distributor or nominee in such manner as directed by the distributor or nominee. Distributors and nominees may have different dealing procedures, including earlier cut-off times for receipt of redemption requests. Where an investor holds its investment in Unlisted Class(es) of Units through a nominee, the investor wishing to redeem such Units must ensure that the distributor or nominee, as the registered Unitholder, submits the relevant redemption request by the Dealing Deadline. Redemption requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

Unless otherwise provided herein for a specific Class, a redemption requests may be made in writing by post or sent via fax or other electronic means and must specify the name of the Sub-Fund, the class (if applicable) and the value or number of Unlisted Class(es) of Units to be redeemed, the name(s) of the registered Unitholder(s) and give payment instructions for the redemption proceeds.

Unless otherwise agreed by the Trustee, redemption requests that are sent via fax or other electronic means to the Trustee must always be promptly followed by their original, unless fax and/or electronic indemnity is in place. . A Unitholder who chooses to send the redemption request by fax or other electronic means bears the risk of the request being illegible or not being received by the Trustee. Unitholders should therefore, for their own benefit, confirm with the Trustee safe

receipt of a redemption request. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to a Unitholder for any loss resulting from non-receipt or illegibility of any redemption request sent by fax or other electronic means or for any loss caused in respect of any action taken as a consequence of such redemption request believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

Partial redemption of a holding of Units in an Unlisted Class of Units in a Sub-Fund by a Unitholder may be effected, provided that such redemption will not result in the Unitholder holding less than the minimum holding specified in the relevant Appendix. In the event that, for whatever reason, a Unitholder's holding of Units in an Unlisted Class of Units is less than such minimum holding, the Manager may give notice requiring such Unitholder to submit a redemption request in respect of such Units. A request for a partial redemption of Units in an Unlisted Class of Units with an aggregate value of less than the minimum amount for such class of Units specified in the relevant Appendix (if any) will not be accepted.

Payment of Redemption Proceeds

Unless otherwise specified in the relevant Appendix, the Redemption Price on any Dealing Day will be the price per Unit of the Unlisted Class(es) of Units ascertained by dividing the Net Asset Value of the relevant Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units then in issue and rounded to 4 decimal places (0.00005 and above being rounded up; below 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee. Any rounding adjustment will be retained by the relevant Sub-Fund. The Redemption Price will be calculated and quoted in the Class Currency of the relevant Sub-Fund.

In determining the Redemption Price, the Manager is entitled to deduct an amount which it considers represents an appropriate provision for extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, which are likely to be incurred by the relevant Sub-Fund (the "Redemption Adjustment Allowance"). Any such deducted amount will be retained by and form part of the assets of the relevant Sub-Fund or the relevant Class of Units.

The Manager may at its option impose a redemption fee in respect of the Unlisted Class of Units to be redeemed as described in the section headed "Fees and Expenses" below. The Manager may on any day in its sole and absolute discretion differentiate between Unitholders as to the amount of the redemption fee to be imposed (within the permitted limit provided in the Trust Deed) on each Unitholder.

The amount due to a Unitholder on the redemption of a Unit of an Unlisted Class will be the Redemption Price, less any redemption fee and Redemption Adjustment Allowance. The redemption fee will be retained by the Manager.

Unless otherwise provided herein for a specific Class, redemption proceeds will not be paid to any redeeming Unitholder until (a) unless otherwise agreed in writing by the Trustee, the written original of the redemption request duly signed by the Unitholder has been received by the Trustee, unless fax and/or electronic indemnity is in place. and (b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee. In accordance with the Sub-Fund's anti-money laundering (AML) obligations, requests for transfer or payment of redemption proceeds will not be effected until receipt of all outstanding information and identification documents. None of the Sub-Fund, the Manager or the Trustee accepts any responsibility for any loss caused as a result of any such delay for refusal to process transfer requests or effect payment of redemption proceeds (as the case may be) and claims for payment of interest due to such delays are not accepted.

Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid in the currency of denomination of the relevant class of Units by telegraphic transfer, within 7 Business

Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the relevant Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the details of such legal or regulatory requirements will be set out in the relevant Appendix and the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets. Any bank charges associated with the payment of such redemption proceeds will be borne by the redeeming Unitholder.

Payment will only be made to a bank account in the name of the Unitholder. No third party payments will be made.

The Trust Deed provides that redemptions may be, in whole or in part, made in specie at the discretion of the Manager. However, the Manager does not intend to exercise this discretion in respect of any Sub-Fund unless otherwise specified in the relevant Appendix. In any event, redemptions may only be made in specie, in whole or in part, with the consent of the Unitholder requesting the redemption.

Deferred Redemption

In the event that redemption requests are received for the redemption of Units (both Listed Class of Units and Unlisted Class(es) of Units) representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund and as permitted by the SFC) of the total number of Units in the relevant Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund) of the Units in the relevant Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund) of the Units in the relevant Sub-Fund then in issue) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Price prevailing on the Dealing Day on which they are redeemed.

Compulsory Redemption

If it shall come to the notice of the Trustee or the Manager that any Units are owned directly, indirectly or beneficially (i) by a U.S. Person; (ii) in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Manager, the Trustee or the relevant Sub-Fund incurring or suffering any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the Manager, the Trustee or the relevant Sub-Fund to any additional regulation to which the Manager, the Trustee or the relevant Sub-Fund might not otherwise have incurred or suffered or been subject; or (iii) in breach of any applicable law or applicable requirements of any country or governmental authority, the Trustee or the Manager may give notice to the relevant Unitholder requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or may give a request in writing for the redemption of such Units in accordance with the terms of the Trust Deed. If any Unitholder upon whom such a notice is served pursuant to the Trust Deed does not, within 30 days of such notice, transfer or redeem such Units as aforesaid or establish to the satisfaction of the Trustee or the Manager (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiry of the 30 day period to have given a request in writing for the redemption of all such Units.

Transfer of Unlisted Class(es) of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. An investor is entitled to transfer such Units held by him by an instrument in writing in such form as the Trustee may from time to time approve. A transferor will be deemed to remain the Unitholder of the 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 Sub-Fund only.

General

Fractions of a Unit may be redeemed rounded down to the nearest 4 decimal places. Redemption monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund.

SWITCHING OF UNLISTED CLASS(ES) OF UNITS

Where specified in the relevant Appendix and except certain Classes specified herein, the Manager may from time to time permit Unitholders to switch some or all of their Units of an Unlisted Class of Units of any Sub-Fund (the "Existing Class") into Units of of another Unlisted Class of Units of the same Sub-Fund or unlisted class of shares, units or interests in other collective investment schemes managed by the Manager or its Connected Persons which has been authorised by the SFC (the "New Class"). Where permitted, Unitholders may request switching by giving notice in writing by post or via fax or other electronic means to the Trustee. A Unitholder who chooses to send the notice by fax or other electronic means bears the risk of the request being illegible or not being received by the Trustee. Unitholders should therefore, for their own benefit, confirm with the Trustee safe receipt of a switching notice. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) shall be responsible to any Unitholder for any loss resulting from the non-receipt or illegibility of a request for switching transmitted by fax or other electronic means, or for any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the Unitholder. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent. Unless otherwise determined by the Manager, a request for the switching of part of a holding of Units of an Unlisted Class of Units will not be effected if, as a result, the Unitholder would hold less than the minimum holding specified for the New Class (if any).

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of Units of up to 5% of the redemption proceeds payable in respect of the Units of the Existing Class being switched. The switching fee will be deducted from the amount reinvested in the New Class and will be paid to the Manager.

Where a request for switching is received by the Trustee prior to the Dealing Deadline in respect of a Dealing Day, switching will be effected as follows:

- redemption of the Units of the Existing Class will be dealt with by reference to the Redemption Price on that Dealing Day (the "Switching Redemption Day");
- where the Existing Class and the New Class have different currencies of denomination, the redemption proceeds of Units of the Existing Class, after deduction of any switching fee, shall be converted into the currency of denomination of the New Class; and
- the resulting amount will be used to subscribe for Units of the New Class at the relevant Subscription Price on the Dealing Day on which the Trustee receives cleared funds in the relevant currency by the Dealing Deadline of the New Class (the "Switching Subscription Day").

Subject to the time required to remit redemption proceeds in respect of the Units of the Existing Class, the Switching Subscription Day may be later than the Switching Redemption Day.

The Manager may suspend the switching of Unlisted Class(es) of Units during any period in which the determination of the Net Asset Value of the relevant class or Units of the relevant Sub-Fund is suspended (for details see "Suspension of Calculation of Net Asset Value" below).

Investors should note that switching between Listed Class of Units and Unlisted Class(es) of Units

by a Participating Dealer or otherwise is not available.

Details of the switching policy and switching fee (if any) relating to each class of Units are set out in the relevant Appendix.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

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

Where a Sub-Fund has more than one class of Units, to ascertain the Net Asset Value of a class, a separate class account will be established in the books of the Sub-Fund. An amount equal to the proceeds of issue of each Unit of the relevant class will be credited to the relevant class account.

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

- (a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (with the consent of 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; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; (iv) the Manager, the Trustee or its delegates may accept as sufficient evidence of the value of any asset of a Sub-Fund or the cost price or sale price thereof, any market quotation or certification by a calculation agent, broker, any professional person, firm or association qualified in the opinion of the Trustee or its delegates or the Manager to provide such a quotation; and (v) the Manager, the Trustee or its delegates may rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any assets of the Sub-Fund or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters; and (vi) 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) in respect of any Futures Contract that are listed or quoted on, or normally dealt in, a market, the value of such Futures Contracts will be valued at the official closing 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;
- (d) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may with the approval in writing the Trustee 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 with the approval in writing of the

Trustee, any adjustment should be made to reflect the value thereof; and

- (f) notwithstanding the foregoing, the Manager with the approval in writing of 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, the Manager considers that such adjustment is required to fairly reflect the value of the investment.

The Trustee will perform any currency conversion at rates as may be agreed between the Trustee and the Manager from time to time.

The value of the Swap invested by a Sub-Fund, 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. In addition, the Administrator will carry out an independent verification 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 Sub-Fund 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 Sub-Fund or of any class of Units 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 Sub-Fund;
- (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 Futures Contracts held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of Units of the relevant Sub-Fund;
- (c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities and/or Futures Contracts of the relevant Sub-Fund or the subscription or redemption of Units of the relevant class 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 the Registrar in respect of the determination of the Net Asset Value of the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God; or
- (g) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a Swap 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 Sub-Fund and, in the case of an Index Tracking Sub-Fund, the Manager shall be under no obligation to rebalance the the relevant Index Tracking Sub-Fund until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at www.bosera.com.hk (the contents of which has not been reviewed by the SFC) or in such other publications as the Manager decides.

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

In respect of Listed Class of Units, a Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw 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. If no such notification of the withdrawal of any such Creation Application or Redemption Application (as the case may be) has been received by the Manager before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Operating Guidelines and/or the Trust Deed, consider such Creation Application or Redemption Application (as the case may be) as having been received immediately following the termination of such suspension.

In respect of Unlisted Class(es) of Units, any Unitholder may at any time after a suspension has been declared and before termination of such suspension, withdraw any subscription, switching or redemption application submitted prior to such suspension by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If no such notice withdrawing any such application has been received by the Manager and the Trustee before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Trust Deed, issue, switch or redeem such Unlisted Class(es) of Units in respect of such application as at the Dealing Day next following the termination of such suspension.

Issue Price and Redemption Value of Units

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Unit, or a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to 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 Sub-Fund will be set out 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 Sub-Fund 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 Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund 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 Sub-Fund.

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.bosera.com.hk (the contents of which has not been reviewed by the SFC) or published in such other publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by a Participating Dealer.

FEES AND EXPENSES

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

Investors should note that certain fees and expenses are applicable only to Listed Class of Units, and certain other fees and expenses are applicable only to Unlisted Class(es) of Units.

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

(a) Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Units (applicable both during the Initial Offer Period and After Listing)	Amount
Transaction Fee and Service Agent's Fee	See the relevant Appendix ¹
Registrar's fee (if applicable)	See the relevant Appendix (if applicable)
Application cancellation fee	See the relevant Appendix ²
Extension Fee	See the relevant Appendix ³
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable
(b) Fees and expenses payable by investors of Listed Class of Units	Amount
<i>(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)</i>	
Fees and charges imposed by the Participating Dealer ⁴	Such amounts as determined by the relevant Participating Dealer

¹ The Transaction Fee is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Service Agent's fee.

² An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application.

³ An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of a Creation Application or Redemption Application.

⁴ The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

(ii) Fees payable by all investors in respect of dealings in the Units on SEHK

Brokerage	Market rates
Transaction levy	0.0027% ⁵
Accounting and Financial Reporting Council transaction levy	0.00015% ⁶ of the trading price
SEHK trading fee	0.00565% ⁷
Stamp duty	Nil

(c) Fees and expenses payable by a Sub-Fund	See the relevant Appendix
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Fees and Expenses Payable in respect of an Unlisted Class of Units Only

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

Subscription fee

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

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

Redemption fee

Under the Trust Deed, the Manager is entitled to impose a redemption fee on the redemption of any Unlisted Class of Units of any Sub-Fund of up to a maximum of 5% of the redemption proceeds payable in respect of such Units.

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

Switching fee

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of any Unlisted Class of Units of up to 5% of the redemption proceeds payable in respect of the Existing Class (as defined below) being switched.

The switching fee is deducted from the amount realised from redemption of the Existing Class and retained by or paid to the Manager unless otherwise determined by the Manager. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the switching fee (either generally or in any particular case) of a Sub-Fund.

⁵ Transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.

⁶ Accounting and Financial Reporting Council transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

⁷ Trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.

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

Fees and expenses payable by a Sub-Fund (applicable to both Listed Class of Units and Unlisted Class(es) of Units)

Manager's fee

The Manager is entitled to receive out of each class of Units of each Sub-Fund a management fee of up to 2.00% per year of the Net Asset Value of the relevant class. Any increase in the management fee in respect of a Sub-Fund (i) up to this maximum level, will only be implemented after giving one month's notice to the affected Unitholders; and (ii) beyond this maximum level, is subject to approval by extraordinary resolution of the affected Unitholders. The management fee will be accrued as at each Valuation Day and will be payable monthly in arrears.

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

Trustee's and Registrar's fees

The Trustee is entitled to receive out of the assets of each Sub-Fund a monthly trustee's fee. Please refer to the relevant Appendix for further information on the Trustee's and Registrar's fees of each Sub-Fund.

The Trustee and the Registrar shall be entitled to be reimbursed out of the assets of the relevant Sub-Fund all out-of-pocket expenses incurred.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager. The Manager shall pass on to the relevant Sub-Fund such reconciliation fee.

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the relevant Sub-Fund, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Brokerage rates

A Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Please refer to the relevant Appendix for further information on brokerage rates.

Swap fees and indirect costs

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

Promotional expenses

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

Other expenses

Each Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan,

charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

Establishment costs

The cost of establishing the Sub-Funds are set out in the Appendices.

The attention of the investors is drawn to the risk factor entitled "Valuation and accounting risk".

Increase in fees

The current fees payable to the Manager and the Trustee as described above 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 Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of a Sub-Fund will be achieved. You should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to each Sub-Fund. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix.

General Investment Risks

Investment objective risk

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective of a Sub-Fund and, for an Index Tracking Sub-Fund, to minimise tracking error, there can be no assurance that these strategies will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. It is possible that you as an investor may lose a substantial proportion or all of its investment in a Sub-Fund, including (for an Index Tracking Sub-Fund), where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

Market risk

The Net Asset Value of each Sub-Fund 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 each Sub-Fund are based on the capital appreciation and income on the Securities, Swaps and/or Futures Contracts it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, an Index Tracking Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the Index. Investors in each Sub-Fund 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 falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security in the portfolio of a Sub-Fund or, for an Index Tracking Sub-Fund, a Security that forms part of the Index).

Asset class risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of each Sub-Fund, the returns from the types of Securities, Swaps and/or Futures Contracts in which the Sub-Fund 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.

Possible business failure risk

In the current economic environment, global markets are experiencing 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 companies in which a Sub-Fund invests or (for an Index Tracking Sub-Fund only) of one or more of the constituents of the relevant Index may have an adverse effect on the Index's (if any) and therefore the relevant Sub-Fund's performance. You may lose money by investing in any Sub-Fund.

Management risk

Each Sub-Fund 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 Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Sub-Fund being achieved.

Single country / concentration risk

A Sub-Fund may be subject to concentration risk as a result of having a strategy which concentrates in, or for an Index Tracking Sub-Fund, tracking the performance of, a single geographical region or country or industry sector. For an Index Tracking Sub-Fund, the Index may be comprised of a limited number of securities. A Sub-Fund may therefore likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Index or Securities resulting from adverse conditions in the particular geographical region, country or industry sector. Where an Index Tracking Sub-Fund's Index tracks a particular region or country or industry sector or where the Index has a small number of constituents or where the active strategy of a Sub-Fund is concentrated in a single geographical region or country or industry sector, risk factors specific to the relevant Sub-Fund are set out in its Appendix. Please refer to each Sub-Fund's Appendix for details.

Securities risk

The investments of each Sub-Fund are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets may experience very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Counterparty Risk

Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a Sub-Fund and settle a transaction in accordance with market practice. A Sub-Fund may be exposed to the risk of a counterparty through investments.

A Sub-Fund may be exposed to the counterparty risk of the custodian or other depositaries used by the custodian with which the Deposited Property is deposited. The custodian or other depositaries may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In the event of the insolvency of the custodian or other depositaries, a Sub-Fund will be treated as a general creditor of the custodian or other depositaries in relation to cash holdings of the relevant Sub-Fund. In these circumstances the relevant Sub-Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the relevant Sub-Fund's assets. The Sub-Fund's assets are however maintained by the custodian and other depositaries in segregated accounts and should be protected in the event of insolvency of the custodian or such other depositaries.

Equity risk

Investing in equity Securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity Securities may also be higher, because the investment performance of equity Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Difficulties in Valuation of Investments Risk

Securities and/or Futures Contracts acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the issuer of the Securities and/or Futures Contracts, market and economic conditions and regulatory sanctions. The market value of such Securities and/or Futures Contracts may become more difficult or impossible to ascertain. In cases where no clear indication of the value of a Security and/or Futures Contract in a Sub-Fund's portfolio is available (for example, when the secondary markets on which a security is traded have become illiquid) the Manager may in consultation with the Trustee apply valuation methods to ascertain the fair value of such securities, pursuant to the Instrument. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

Loss of capital risk

There is no guarantee that a Sub-Fund'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.

Indemnity risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except for breach of trust through their own negligence or fraud, of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the relevant Sub-Fund and the value of the Units.

Dividends may not be paid risk

Whether a Sub-Fund or a class will pay distributions on its Units is subject to the Manager's distribution policy (as described in the relevant Appendix) and also mainly depends on dividends or distributions declared and paid in respect of the Securities of the Index or the portfolio of the Sub-Fund. Such dividends or distributions received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend or distribution 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 or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Distributions out of capital risk

Although the Manager intends to distribute dividends to Unitholders from net income, pursuant to Clause 14.5 of the Trust Deed, the Manager may at its discretion pay dividends out of income or capital (or partly one and partly the other). In addition, pursuant to Clause 14.4 of the Trust Deed fees and expenses may be paid out of all or part of the deposited property (capital and income) of a Sub-Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of a Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one (1) month's prior notice to Unitholders.

Early termination risk

A Sub-Fund 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 RMB150 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 Sub-Fund 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) the 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) at any time, the Sub-Fund ceases to have any Participating Dealer or Market Maker. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the Sub-Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder.

Effect of redemptions risk

If significant redemptions of Units are requested by the Participating Dealers, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Units are requested by the Participating Dealers, the right of Participating Dealers to require redemptions in excess of 10% of the total number of Units in the Sub-Fund then in issue (or such higher percentage as the Manager may determine and as permitted by the SFC) may be deferred, or the period for the payment of redemption proceeds may be extended.

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

Borrowing risks

The Trustee, at the request of the Manager, may borrow for the account of a Sub-Fund (up to 10% of the Net Asset Value of each Sub-Fund unless otherwise specified in the Appendix) for various reasons, such as), for facilitating redemptions or to acquire investments for the account of the Sub-Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of the a Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that the Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

Government intervention and restrictions risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the Sub-Fund, and may have an unpredictable impact on a Sub-Fund. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Index and as a result the performance of the relevant Sub-Fund.

No right to control the Sub-Fund's operation risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of a Sub-Fund.

Reliance on the Manager risk

Unitholders must rely on the Manager in implementing the investment strategies and the performance of a Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case 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.

Foreign exchange risk

If a Sub-Fund's assets are generally invested (either directly or indirectly) 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 Sub-Fund 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 Sub-Fund regardless of the performance of its underlying portfolio. If the relevant Sub-Fund's Net Asset Value is determined on the basis of HKD, an investor may lose money if he invests in any Sub-Fund if the local currency of a foreign market depreciates against the HKD, even if the local currency value of the Sub-Fund's holdings goes up.

Foreign security risk

Investing in the Securities of non-Hong Kong companies involves special risks and considerations not typically associated with investing in Hong Kong companies. These include differences in accounting, disclosure, auditing and financial reporting standards, the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, the imposition of restrictions on the expatriation of funds or other assets of a Sub-Fund, political instability which could affect local investments in foreign countries, and potential restrictions on the flow of international capital. Non-Hong Kong companies may be subject to less governmental regulation than Hong Kong companies. Moreover, individual foreign economies may differ favourably or unfavourably from the Hong Kong economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment positions.

Some overseas stock exchanges may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. Some countries prohibit or restrict foreign investment, or the repatriation of income, capital or the proceeds from sale of Securities. The Sub-Fund may incur higher costs investing in these countries. High market volatility and potential settlement difficulties in the markets in which a Sub-Fund invests may also result in significant fluctuations in the prices of the Securities traded on such markets and thereby may adversely affect the value of the relevant Sub-Fund. These restrictions may limit the Sub-Fund's ability to invest in these countries, delay the investment or repatriation of capital of the Sub-Fund and (for an Index Tracking Sub-Fund) impact the Sub-Fund's ability to track the performance of the Index.

Securities financing transactions risks

A Sub-Fund which enters into securities financing transactions may be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral and the following risks:

- *Securities Lending Transactions* – Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.
- *Sale and Repurchase Transactions* – In the event of the failure of the counterparty with which collateral has been placed, a Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.
- *Reverse Repurchase Transactions* – In the event of the failure of the counterparty with which cash has been placed, a Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Collateral and FDI risks

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, an FDI is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. Any Sub-Fund investing in FDIs may utilise both exchange-traded and over-the-counter derivatives. Compared to equity Securities, FDIs can be more sensitive to changes in market prices of the underlying assets and thus market prices of FDIs may fall in value as rapidly as they may rise. Investors investing in any such Sub-Fund are exposed to a higher degree of fluctuation in value than a Sub-Fund which does not invest in FDIs. Transactions in over-the-counter FDIs may involve additional risk such as the risk that a counterparty defaults as there is no regulated market for such FDIs. Investing in FDIs also involves other types of risks including, but not limited to, the risk of adopting different valuation methodologies and imperfect correlation between the FDI and its underlying securities, rates and indices. Risks associated with FDIs also include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by a Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by a Sub-Fund. There is no assurance that any derivative strategy used by a Sub-Fund will succeed.

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of FDI transactions (if any) may be affected by market events. In the case of collateral assets which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may take longer to realise the relevant collateral assets. In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Sub-Fund's exposure to such counterparty to be under-collateralised. If the Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

A Sub-Fund uses investment techniques, including investments in derivatives, such as Futures Contracts and Swaps that may be considered aggressive. The use of derivatives may result in larger losses or smaller gains than investing in or shorting the Securities included in the relevant Index or the portfolio of the Sub-Fund. Investments in these derivatives may generally be subject to market risks that cause their prices to fluctuate more than an investment directly in a security and may increase the volatility of Sub-Fund. The use of derivatives may expose each Sub-Fund to additional risks such as counterparty risk, liquidity risk and increased daily correlation risk. When a Sub-Fund uses derivatives, there may be imperfect correlation between the value of the underlying reference assets and the derivative, which may prevent the Sub-Fund from achieving its investment objective.

With respect to the use of Swaps, if the underlying index has a dramatic intraday move in value that causes a material decline in a Sub-Fund's Net Asset Value, the terms of the Swap agreement between the Sub-Fund and its Swap Counterparty may allow the Swap Counterparty to immediately close out of the transaction with the Sub-Fund. In such circumstances, each Sub-Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the Sub-Fund's investment objective. In extreme market conditions and exceptional circumstances, the brokerage commission and costs associated with the Swap Counterparty's hedging arrangement may increase significantly and in return increase the swap fees. The swap fees will be borne by the Sub-Fund and hence may have an adverse impact on the NAV and the performance of the Sub-Fund, and may result in higher tracking error.

Any financing, borrowing or other costs associated with using derivatives may also have the effect of lowering the Sub-Fund's return. In addition, the Sub-Fund's investments in derivatives are

subject to the following risks:

- **Swaps.** Swaps are entered into primarily with major global financial institutions for a specified period which may range from one day to more than one year. In a standard swap transaction, two parties agree to exchange the return (or differentials in rates of return) earned or realised on particular predetermined reference or underlying Securities or instruments. The gross return to be exchanged or swapped between the parties is calculated based on a notional amount or the return on or change in value of a particular dollar amount invested in a basket of Securities representing a particular index. Total return swaps are subject to counterparty risk, which relates to credit risk of the Swap Counterparty and liquidity risk of the Swaps themselves.
- **Futures Contracts.** A futures contract is a contract to purchase or sell a particular security, or the cash value of an index, at a specified future date at a price agreed upon when the contract is made. Under such contracts, no delivery of the actual Securities is required. Rather, upon the expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of a security or index at expiration, net of the variation margin that was previously paid. Investment in futures contracts involves specific risks such as high volatility, leverage, rollover and margin risks. Relevant parties to futures contracts (such as clearing brokers, execution brokers, participating dealers and futures exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances.

Counterparty to FDI Risk

Each Sub-Fund may invest in Futures Contracts and/or Swaps involving counterparties for the purpose of attempting to gain exposure to a relevant index without actually purchasing those Securities or investments. The use of these derivatives involves risks that are different from those associated with Securities. For example, each Sub-Fund is exposed to the risk that the Swap Counterparty may be unwilling or unable to make timely payments to meet its contractual obligations or may fail to return holdings that are subject to the agreement with the Swap Counterparty. If the Swap Counterparty becomes bankrupt or defaults on its payment obligations to the Sub-Fund, it may not receive the full amount it is entitled to receive. In addition, each Sub-Fund may enter into swap agreements with a limited number of counterparties, which may increase the Sub-Fund's exposure to counterparty credit risk. Each Sub-Fund does not specifically limit its counterparty risk with respect to any single counterparty and there is a chance for each Sub-Fund to have single counterparty. Further, there is a risk that no suitable counterparties are willing to enter into, or continue to enter into, transactions with each Sub-Fund and, as a result, each Sub-Fund may not be able to achieve its investment objectives. A Sub-Fund will not enter into any agreement involving a Swap Counterparty unless the Manager believes that the other party to the transaction is creditworthy.

Liquidity Risk

Some Securities held by a Sub-Fund, including derivatives, may be difficult to sell or illiquid, particularly during times of market turmoil. Illiquid Securities may also be difficult to value. Markets for Securities or financial instruments could be disrupted by a number of events, including, but not limited to an economic crisis, natural disasters, new legislation or regulatory changes. Illiquid Securities may also be difficult to value. If a Sub-Fund is forced to sell an illiquid security at an unfavourable time or at a price that is lower than Manager's judgment of the Security's true market value, each Sub-Fund may be forced to sell the security at a loss. Such a situation may prevent each Sub-Fund from limiting losses, realising gains or achieving its investment objective, thus adversely affecting the Sub-Fund's performance.

Risks Associated with Investment in an Index Tracking Sub-Fund

Passive investments risk

An Index Tracking Sub-Fund is not actively managed. Accordingly, the Index Tracking Sub-Fund may be affected by a decline in the market segments relating to the relevant Index. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the relevant Index falls. An Index Tracking Sub-Fund invests in the Securities included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. You 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 an Index Tracking Sub-Fund will mean that falls in the relevant Index are expected to result in corresponding falls in the value of the Index Tracking Sub-Fund.

Representative Sampling Risk

With a representative sampling strategy, an Index Tracking Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Index Tracking Sub-Fund achieve its investment objective. The Securities held by an Index Tracking Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that an Index Tracking Sub-Fund may be subject to larger tracking error.

Tracking error risk

An Index Tracking Sub-Fund's returns may deviate from the Index due to a number of factors. For example, the fees and expenses of an Index Tracking Sub-Fund, any adoption of a representative sampling strategy, liquidity of the market, imperfect correlation of returns between an Index Tracking Sub-Fund's assets and the Securities or Futures Contracts constituting its Index, inability to rebalance an Index Tracking Sub-Fund's holdings of Securities or Futures Contracts in response to high portfolio turnover, changes in the constituents of the Index, rounding of Security or Futures Contracts prices, inability to acquire the required number of Securities or Futures Contracts due to limited Sub-Fund size, changes to the Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the relevant Index. The level of fees, taxes and expenses payable by an Index Tracking Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of each Index Tracking Sub-Fund can be estimated, the growth rate of an Index Tracking Sub-Fund, and hence its Net Asset Value, cannot be anticipated. The above factors may cause an Index Tracking Sub-Fund's returns to deviate from the performance of its Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time to achieve the performance of the relevant Index.

Risks associated with the Indices (applicable to Index Tracking Sub-Funds only)

Fluctuations risk

The performance of the Units of an Index Tracking Sub-Fund should, before fees and expenses, correspond closely with the performance of the relevant Index. If the relevant Index experiences volatility or declines, the price of the Units of the Index Tracking Sub-Fund which tracks that Index will vary or decline accordingly.

Licence to use Index may be terminated risk

The Manager is granted a licence by the Index Provider to use each Index to create the relevant Index Tracking Sub-Fund based on the Index and to use certain trade marks and any copyright in the Index. An Index Tracking Sub-Fund 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 each Index Tracking Sub-Fund’s Appendix. Although the Manager will seek to find a replacement Index, an Index Tracking Sub-Fund 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 Futures Contracts of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Index Tracking Sub-Fund. Each Index Tracking Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider makes no representation or warranty, express or implied, to investors in any Index Tracking Sub-Fund or other persons regarding the advisability of investing in Securities generally or in any Index Tracking Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the relevant Index Tracking Sub-Fund into consideration in determining, composing or calculating the relevant Index. There is no assurance that the 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 the Index Provider will not prejudice the interests of the relevant Index Tracking Sub-Fund, the Manager or investors.

Composition of the Index may change risk

The Securities and/or Futures Contracts constituting an Index will change as the Securities and/or Futures Contracts of the Index are delisted, or as the Securities and/or Futures Contracts mature or are redeemed or as new Securities and/or Futures Contracts are included in the Index or where the methodology of the Index is changed by the Index Provider. When this happens the weightings or composition of the Securities and/or Futures Contracts owned by the relevant Index Tracking Sub-Fund (either directly or indirectly) will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units of an Index Tracking Sub-Fund will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that an Index Tracking Sub-Fund will, at any given time accurately reflect the composition of the Index (refer to the section on “Tracking error risk”).

Risk Associated with Differences in Trading, Fee and Cost Arrangements between Listed Class and Unlisted Class(es) of Units

Each Sub-Fund is an exchange traded fund, which may offer both Listed Class of Units and Unlisted Class(es) of Units. Dealing arrangements in respect of Listed Class of Units and Unlisted Class(es) of Units are different, and depending on market conditions, investors of the Listed Class of Units may be at an advantage compared to investors of the Unlisted Class(es) of Units, or vice versa. The Net Asset Value per Unit of each of the Listed Class of Units and Unlisted Class(es) of Units may also be different due to the different fees (such as the management fee) and costs applicable to each such class of Units.

In addition, investors should note that different cost mechanisms apply to Listed Class of Units and Unlisted Class(es) of Units. For Listed Class of Units, the Transaction Fee and Duties and Charges in respect of Creation and Redemption Applications are paid by the Participating Dealer applying for or redeeming such Units and/or the Manager. Investors of Listed Class of Units in the secondary market will not bear such Transaction Fees and Duties and Charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees, as described under the section “Fees and Expenses”). On the other hand, the subscription and redemption of Unlisted Class(es) of Units may be subject to a subscription fee and redemption fee respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, the Manager may, in its absolute discretion, in addition to the Subscription Price and/or Redemption Price, in certain circumstances, add or deduct an amount of Subscription Adjustment Allowance or Redemption Adjustment Allowance (as the case may be) it considers represents an appropriate provision for transactional

fees or expenses which are customarily incurred by the Sub-Fund, and such additional amount will be paid to the Trustee and will form part of the assets of the relevant Sub-Fund. Please refer to the section headed “PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS” for further information on Subscription Adjustment Allowance and Redemption Adjustment Allowance.

Any or all of these factors may lead to a difference in the Net Asset Value of the Listed Class of Units and Unlisted Class(es) of Units.

Trading Arrangements in respect of Unlisted Class(es) of Units

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

Trading Arrangements in respect of Listed Class of Units

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

Please also refer to “Risks associated with market trading (applicable to Listed Class of Units only)” below for additional risks relating to Listed Class of Units.

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

Absence of Active Market and Liquidity Risks

Although the Listed Class of Units of each Sub-Fund are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the underlying Securities, Swaps or Futures Contracts have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Listed Class of Units and the ability of an investor to dispose of his, her or its Listed Class of Units at the desired price. If an investor needs to sell his, her or its Listed Class of 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.

No Trading Market in the Listed Class of Units Risk

Although the Listed Class of Units are listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Listed Class of Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of 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.

Suspension of Trading Risk

Investors and potential investors will not be able to buy, nor will investors be able to sell, Listed Class of Units on the SEHK during any period in which trading of the Listed Class of Units is

suspended. The SEHK may suspend the trading of Listed Class of Units whenever the SEHK determines that it is appropriate 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.

Listed Class of Units May Trade at Prices Other than Net Asset Value Risk

Listed Class of 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 Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Listed Class of Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Listed Class of Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Listed Class Units of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Listed Class of Units can be created and redeemed in Application Unit size at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term.

While the creation/redemption feature is designed to make it likely that the Listed Class of Units will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value attributable to the Listed Class of Units due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Listed Class of Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

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 at Net Asset Value (unlike Units 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 Listed Class of Units and the Net Asset Value.

Cost of Trading Listed Class of Units Risk

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

Restrictions on Creation and Redemption of Listed Class of Units Risk

Investors should note that an investment in the Listed Class of Units of a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units or Units can generally be purchased and redeemed directly from the manager). Listed Class of Units of a Sub-Fund may only be created and redeemed in Application Unit sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer). Other investors of Listed Class of Units may only make a

request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Listed Class of Units in Application Unit sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Listed Class of Units under certain circumstances. Alternatively, investors may realise the value of their Listed Class of Units by selling their Units through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer to the section headed “Creations and Redemptions (Primary Market)” for details in relation to the circumstances under which creation and redemption applications can be rejected.

Secondary Market Trading Risk

Listed Class of Units in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund 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 Sub-Fund accepts subscription and redemption orders.

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 Sub-Fund or the Units traded in each counter of each Sub-Fund (as the case may be), there may be circumstances such as the revocation of the relevant market making approvals or registration or other changes beyond the control of the Manager that may result in the sudden loss of a Market Maker for a Sub-Fund. It should be noted that liquidity in the market for the Listed Class of Units may be adversely affected if there is no market maker for a Sub-Fund or, where there is a Multi-Counter, if there is no market maker for any of the counters of a Sub-Fund. 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 for each counter of the Listed Class of Units of each Sub-Fund 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 Sub-Fund or to a counter of a Sub-Fund 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 Listed Class of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Listed Class of Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or (for an Index Tracking Sub-Fund only) the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Listed Class of Units if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant Sub-Fund’s Securities, Swaps or Futures Contracts cannot be effected. Where a Participating Dealer appoints an agent or delegate (who is a participant of HKSCC) 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. 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 Listed Class of Units freely.

Trading Time Differences Risk (if applicable)

As a stock exchange or futures exchange may be open when the Listed Class of Units are not priced, the value of any Security or Futures Contract which comprises the Index or the portfolio of the Sub-Fund may change when investors may not be able to buy or sell Listed Class of Units.

Further the price of Securities, Swaps or Futures Contracts 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. When trading Futures Contracts there may be a time difference between the trading times of the Futures Contracts and the underlying index constituents or the underlying securities. There may be imperfect correlation between the value of the underlying index constituents or securities and the Futures Contracts, which may prevent a Sub-Fund from achieving its investment objective.

Listed Class of Units may be Delisted from the SEHK Risk

The SEHK imposes certain requirements for the continued listing of Securities, including the Listed Class of Units, on the SEHK. Investors cannot be assured that any Sub-Fund will continue to meet the requirements necessary to maintain the listing of Listed Class of Units on the SEHK or that the SEHK will not change the listing requirements. If the Listed Class of Units of a Sub-Fund are delisted from the SEHK, Unitholders will have the option to redeem their Listed Class of Units by reference to the Net Asset Value of the Sub-Fund. Where the relevant Sub-Fund 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 Sub-Fund for any reason it is likely that Listed Class of Units may also have to be delisted.

Risks In Respect of Low Trading Prices (applicable to Listed Class of Units only)

Low trading price risk

The trading price of the Listed Class of Units on the SEHK is determined by market supply and demand and may decline to a very low nominal level. In this case, the percentage impact of the minimum price movement (or "tick size") may be magnified. As a result, small absolute price movements may represent significant percentage changes in the trading price of the Listed Class of Units and may increase volatility in secondary market trading.

Wide bid-ask spread risk

Where the trading price of the Listed Class of Units is at a lower nominal level, market makers and other market participants may quote wider bid-ask spreads. Investors buying Listed Class of Units on the secondary market may pay substantially more than the prevailing Net Asset Value attributable to each Unit and investors selling Listed Class of Units may receive substantially less than such value. This may adversely affect investors' ability to transact in the Listed Class of Units at the desired price or time.

Risk of market makers not fulfilling market making obligations

Where the trading price of the Listed Class of Units is at a very low nominal level, market makers may face increased operational, inventory management or risk management constraints in fulfilling their market making obligations. Under adverse market conditions, market makers may be unable or unwilling to provide quotes at the expected size, frequency or spread. If market makers reduce their activities, cease market making or are otherwise unable to fulfil their market making obligations, the liquidity of the Units may be adversely affected. Investors may experience greater difficulty in buying or selling Units, and the market price of the Units may become more volatile and deviate more significantly from the Net Asset Value of the Sub-Fund.

Risk of trading at HKD0.01 per Unit (for HKD counter)

The trading price of the Listed Class of Units may reach the price floor of HKD0.01 per Unit (for HKD counter). If the market price of the Listed Class of Units reaches the price floor, the Listed Class of Units may effectively be trading at the minimum price increment available on the SEHK. In such circumstances, the secondary market trading price may have limited ability to reflect smaller changes in the value of the relevant Sub-Fund's assets and trading in the Listed Class of

Units may become less efficient. Trading at such a low price level may adversely affect market liquidity and may increase the risk of significant price volatility.

Risk of substantial deviation between trading price and Net Asset Value

Low trading price may lead to magnification of the percentage impact of tick size and significantly widened bid-ask spreads. As a result, the trading price of the Listed Class of Units may deviate materially from the Net Asset Value per Unit. Investors should exercise caution when trading the Units in the secondary market and should consider the latest available NAV, indicative NAV, trading price, and bid-ask spread before making any investment decision.

Risks associated with regulation

Withdrawal of SFC authorisation risk

The Trust and each Sub-Fund 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. For an Index Tracking Sub-Fund, the SFC reserves the right to withdraw the authorisation of the Trust or an Index Tracking Sub-Fund if the relevant Index is no longer considered acceptable or impose such conditions as it considers appropriate. If the Manager does not wish the Trust or a Sub-Fund 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 which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions, it becomes illegal, impractical or inadvisable to continue the Trust or a Sub-Fund, the Trust or a Sub-Fund (as applicable) will be terminated.

General legal and regulatory risk

A Sub-Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Sub-Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Index and as a result, the performance of an Index or the Securities comprising the portfolio of a Sub-Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Sub-Fund. In the worst case scenario, a Unitholder may lose a material part of its investments in a Sub-Fund.

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 Sub-Fund 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 a Sub-Fund are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the Sub-Fund. Where a Sub-Fund 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 Sub-Fund for any reason it is likely that Units may also have to be delisted.

Taxation risk

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

Risks relating to FATCA

FATCA provides that a 30% withholding tax will be imposed on certain payments to FFIs, such as the Trust and each Sub-Fund, including interests and dividends from securities of US issuers and gross proceeds from the sale of such securities, unless the Sub-Fund discloses the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the Sub-Fund, as well as certain other information relating to any such interest. The IRS has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have on 13 November 2014 signed a Model 2 IGA (the “HK IGA”). The HK IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the HK IGA arrangements, FFIs in Hong Kong would register with the IRS to be subject to the terms of a FFI with the IRS and comply with the terms of such FFI Agreement. Otherwise, they will be subject to a 30% withholding tax on relevant US source payments to them.

Although each Sub-Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of FATCA withholding tax, no assurance can be given that each Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

Each Sub-Fund’s ability to comply with FATCA will depend on each Unitholder providing the Sub-Fund with information that the Sub-Fund requests concerning the Unitholder or its direct and indirect owners. If a Unitholder fails to provide the Sub-Fund with any information requested, the Sub-Fund may exercise its right to compulsorily redeem such Unitholder and/or apply withholdings to payments to such Unitholder. Any such compulsory redemption and/or withholding will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager acting in good faith and on reasonable grounds.

Please also refer to the sub-section entitled “FATCA” under the section headed “TAXATION” in this Prospectus for further details on FATCA and related risks.

All prospective investors and Unitholders should consult with their own tax advisors regarding the possible implications of FATCA and the tax consequences on their investments in a Sub-Fund. Unitholders who hold their Units through intermediaries should also confirm the FATCA compliance status of those intermediaries.

Legal and Compliance Risk

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

Valuation and accounting risk

The Manager intends to adopt IFRS in drawing up the annual accounts of each Sub-Fund. 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. Under IFRS (i) investments should be valued at fair value (bid and after pricings are considered to be representative of fair value for listed investments) rather than the last traded price, and (ii) establishment costs should be expensed as incurred rather than amortised over a period of time. Accordingly, the Net Asset Value as described in this Prospectus will not necessarily be the same as the net asset value to be reported in the financial reports as the Manager will make necessary adjustments in the financial reports to comply with IFRS (although the Manager does not consider the differences between IFRS and the calculation of Net Asset Value are material). Any such adjustments will be disclosed in the financial reports, including a reconciliation.

Contagion across sub-funds risk

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

Non-recognition of sub-fund segregation risk

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

MANAGEMENT OF THE TRUST AND SUB-FUNDS

The Manager

The Manager of the Trust and the Sub-Fund(s) is Bosera Asset Management (International) Co., Limited.

The Manager was established in Hong Kong in March 2010 and is being directly held by Bosera Asset Management Co., Limited and China Merchants Fund Management Co., Limited as to 55% and 45% ordinary shares of the Manager.

The Manager is licensed by the SFC for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO with CE number AVR135. The Manager's licence is subject to the condition that, in respect of type 1 regulated activity, the Manager shall only carry on the business of dealing in collective investment schemes.

Under the Trust Deed, the Manager is responsible for the management of the assets of the Trust and each Sub-Fund, including the continuous supervision of each Sub-Fund's portfolio. The Manager is also responsible, in conjunction with the Trustee, for the maintenance of the accounts and records of the Trust and each Sub-Fund as well as certain other administrative matters relating to the Trust and each Sub-Fund. In particular the Manager will be primarily responsible for portfolio composition file generation, cash and RQFII management, trade execution in the PRC and instructing cross border money transfers.

The directors of the Manager are as follows:

WU Huifeng

Mr. Wu is a director of the Manager. From 1996 to 2023, he had worked at China Nanshan Development Group Inc, Shanghai Nanshan Real Estate Development Co., Ltd., China Merchants Finance Holdings Company Limited and China Merchants Securities Co., Ltd., being a senior management and overseeing finance functions. Mr. Wu joined Bosera Asset Management Co., Ltd. in 2023 and is currently its Deputy General Manager, Chief Financial Officer, and Secretary of its Board.

Mr. Wu holds a Master's Degree in Economics from Peking University and a Bachelor's Degree in Economics from Shanghai University of Finance and Economics.

LIAN Shaodong

Ms. Lian is the Chairman of the Board of Directors, Chief Executive Officer and Responsible Officer of the Manager. *Ms. Lian joined Bosera Asset Management Co., Ltd in May 2012 as head of product department and head of marketing and sales division. Effective from 2016, Ms. Lian was appointed as Deputy CEO, RO and director of the Manager.*

Prior to joining Bosera Asset Management Co., Ltd, Ms. Lian was Chief Executive Officer of Da Cheng International Asset Management from 2008 to 2012. She also worked for DBS Vickers (Hong Kong) as China Business director from 2004 to 2008. Prior to that, Ms. Lian joined Dacheng Fund Management Co. as first batch of employee in 2000. Lastly, she started her career as trader and chief representative in ABN AMRO Bank (Asia) since 1993.

Ms. Lian is the Chairperson of Chinese Asset Management Associate of Hong Kong and Election Committee Member of Hong Kong SAR currently.

Ms. Lian achieved a master degree in Economics from Guangdong Provincial Community Party College.

ZENG Peng

Mr. Zeng is a director and Chief Investment Officer of the Manager. He joined Bosera Fund Management Co., Ltd in 2012 and currently serves as the Chief Investment Officer, Integrated Director of Equity Research and Investment, General Manager of Equity Investment Department IV, General Manager of the Overseas Investment Department, Social Security Investment Manager, and Fund Manager. Prior to this, from March 2005 to March 2009, he worked at China International Fund Management Co., as a researcher and industry expert. From March 2009 to September 2012, he worked at Harvest Fund Management as an investment manager.

Mr. Zeng studied Management of Investment Economics at Shanghai University of Finance and Economics from September 1998 to July 2002, earning a bachelor's degree. He then pursued a master's degree in National Economics at the same university from September 2002 to January 2005, obtaining a master's degree.

OU Zhiming

Mr. Ou is a director of the Manager. Since 2002, Mr. Ou joined GF Securities in its Shenzhen business headquarters as an Institutional Client Account Manager. From April 2003 to July 2004, he was engaged in risk management at the headquarters of GF Securities. He joined China Merchants Fund Management Co., Ltd. ("CMFM") in July 2004 and consecutively served as the Legal Compliance Department's Senior Manager, Deputy Director, Director, and CMFM's Chief Inspector.

He is currently the Deputy General Manager, Chief Information Officer, Secretary of the Board of Directors of CMFM, and concurrently serves as a Director of the China Merchants Wealth Asset Management Co., Ltd.

Mr. Ou holds a Master's degree in Investment Economics and double undergraduate degrees in Economics and Law from the Huazhong University of Science and Technology.

ZHOU Yi

Ms. Zhou is a director of the Manager. Since July 2010, she joined the China Merchants Bank's Headquarters and served as the Risk Control Manager of the Financial Market Department and the Head of the Foreign Currency Wealth Management Team of the Asset Management Department. In 2018, she joined E Fund Management Co., Ltd., and was responsible for the investment management of USD Short-Term Bond Strategy, USD and HKD Money Market Funds. Ms. Zhou joined China Merchants Fund Management Co., Ltd. in 2021 as a Senior Fund Manager.

She holds a Master of Science degree from Oxford University. Ms. Zhou received a Master of Engineering and double undergraduate degrees in Engineering and Management from the Huazhong University of Science and Technology. Ms. Zhou is a Chartered Financial Analyst (CFA).

The Trustee and Registrar

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

The Trustee was incorporated with limited liability in Hong Kong on 27 September 1974. It is an indirect wholly-owned subsidiary of HSBC Holdings plc. It is registered as a trust company under Section 78(1) of the Hong Kong Trustee Ordinance (Cap.29) and is an approved trustee under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). It is also registered with the Hong Kong Monetary Authority under a statutory guideline to comply with the Supervisory Policy Manual ("SPM") module on "Regulation and Supervision of Trust Business" (TB-1) under section 7(3) of the Banking Ordinance. The Trustee is licensed by the SFC to carry out the Type 13 regulated activity (providing depositary services for relevant collective investment schemes) under the Securities and Futures Ordinance (Cap. 571) and has a Trust or Company Service Provider

("TCSP") License under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and each Sub-Fund, 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 or agent, all or any of the investments, assets or other property comprised in the Trust Fund or any of the sub-funds and may empower any such custodian, nominee or agent to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, co-custodian and sub-custodian a "Correspondent"). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and 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 each Sub-Fund. 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 depository 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 each Sub-Fund.

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

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 Sub-Fund, which is the sole responsibility of the Manager.

The Trustee will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury. The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions," which are described by OFAC as trade or financial transactions and other dealings in which US persons may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general licence for certain categories of transactions, or by specific licences issued on a case-by-case basis. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Trustee may request for additional information if deemed necessary.

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 under the section on “Fees and Expenses” and as specified in the relevant Appendix 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 each Sub-Fund 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 any Sub-Fund, 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 a Sub-Fund by Participating Dealers.

The Auditor

The Manager has appointed PricewaterhouseCoopers to act as the auditor of the Trust and the Sub-Funds (the “Auditor”). The Auditor is independent of the Manager and the Trustee.

The Participating Dealer

A Participating Dealer may act for its own account or for your account as its clients in making cash Creation Applications and cash Redemption Applications. The latest list of the Participating Dealers is available at www.bosera.com.hk (the contents of which has not been reviewed by the SFC).

The Market Maker

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 to facilitate the efficient trading of Units. The Manager will seek to use its best endeavours to put in place arrangements so that at least one Market Maker per Sub-Fund is required to give not less than three (3) months' prior notice to terminate market making under the relevant market making agreement. The latest list of Market Makers is available at www.hkex.com.hk and www.bosera.com.hk (the contents of which has not been reviewed by the SFC). Please refer to the section on “Website information” for the warning and the disclaimer regarding information contained in such websites.

Conflicts of interest and soft dollars

The Manager and the Trustee may, from time to time, act as manager, sub-investment manager, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and the Sub-Funds and retain any profit or benefit made in connection therewith.

In addition:

- (a) The Manager or any of its Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Fund.
- (b) The Trustee, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of a Sub-Fund's assets.
- (c) The Trustee or the Manager or any of their Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.
- (d) The Trustee, the Manager and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the Sub-Fund.
- (e) Any arrangements for the borrowing or deposit of any monies for the account of the Sub-Funds may be made with any of the Trustee, the Manager, any investment adviser or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar size and duration, in the same currency and with institutions of similar standing.
- (f) Neither the Trustee nor the Manager nor any of their Connected Persons shall be liable to account to each other or to the Sub-Funds or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Trustee, the Manager or any of their Connected Persons may, in the course of business, have potential conflicts of interest with the Sub-Funds. Each will, at all times, have regard in such event to its obligations to the Sub-Funds and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegate or any of its Connected Persons may enter into portfolio transactions for or with the Sub-Funds as agent in accordance with normal market practice, provided that commissions charged to the relevant Sub-Fund in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates. Where the Manager invests a Sub-Fund in shares or units of a collective investment scheme managed by the Manager, its delegates or any of its Connected Persons, the manager of the scheme in which the investment is being made by each Sub-Fund must waive any preliminary or initial charge which it is entitled to charge for its own account in relation to the acquisition of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the relevant Sub-Fund.

None of the Manager, its delegates or any of its Connected Persons shall retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for the Sub-Funds, and any such rebates or payments or benefits which are received shall be credited to the account of the relevant Sub-Fund.

The Manager, its delegates or any of its Connected Persons may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Sub-Funds (as may be permitted under the Code, applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards.

The services of the Trustee provided to the Trust and the Sub-Funds are not deemed to be

exclusive and the Trustee shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other moneys payable thereby and the Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Sub-Funds any fact or thing which comes to the notice of the Trustee in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Sub-Funds will be on arm's length terms. For so long as a Sub-Fund is authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment advisers or any of their respective Connected Persons, must ensure it complies with the following obligations:

- (a) such transactions should be on arm's length terms;
- (b) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
- (c) transaction execution must be consistent with applicable best execution standards;
- (d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
- (e) the Manager must monitor such transactions to ensure compliance with its obligations; and
- (f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual report of the Sub-Funds.

STATUTORY AND GENERAL INFORMATION

Reports

The financial year-end of the Trust (and each Sub-Fund) is 31 December every year. Audited financial reports are to be prepared (according to IFRS) and published on the Manager's website within four (4) 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 two (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.

Only an English version of the audited financial reports and the half-yearly unaudited financial reports of the Sub-Fund will be available. 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 the each Sub-Fund and the Manager's statement on transactions during the period under review (including for an Index Tracking Sub-Fund, a list of any constituent Securities or Futures Contracts 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 Sub-Fund have been complied with). The financial reports shall also provide a comparison of each Sub-Fund's performance and (for an Index Tracking Sub-Fund) the actual Index performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and each Sub-Fund 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 Sub-Fund. Nothing in the Trust Deed may provide that either the Trustee or the Manager (as the case may be) shall be exempted from or enjoy any indemnity against any liability for breach of trust or any liability which by virtue of any rule of Hong Kong law would arise in respect of any negligence or fraud of which either may be liable in relation to its duties.

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 the Trustee shall certify in writing that Manager such 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 liability to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of each Sub-Fund; 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 where the interests of the Unitholders as a whole are affected or an extraordinary resolution of the Unitholders of a Sub-Fund or of a class of Units where only the interests of such Unitholders are affected. The SFC must (where such approval is required) also give its prior approval to all amendments to the

Trust Deed.

To the extent required in advance or as soon as practicable after the relevant amendment is made, the Manager will notify affected Unitholders of the amendments if such notification is required under the Code.

Name of the Trust and any Sub-Fund

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

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 thinks 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 show of hands or 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 twenty-one (21) days' notice.

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 a Sub-Fund 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 a 75% majority 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 of 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 or a receiver is appointed and not discharged within sixty (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 and 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 thirty (30) days after the removal of the Manager, or the person nominated shall fail to be approved by extraordinary resolution or (vi) sixty (60) days after the Trustee notifies the Manager 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 Sub-Fund is less than RMB150 million (or equivalent in the base currency of the relevant Sub-Fund); (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable

endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

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

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

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

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

Distribution policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on dividend payments on Securities held by the relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and distribution policies of the relevant underlying entities. Distribution may be paid out of capital and/or effectively out of capital of the Sub-Fund. There can be no assurance that such entities will declare or pay dividends or distributions.

Inspection of documents

Copies of the following documents (where applicable) in respect of each Sub-Fund are available for inspection free of charge at the offices of the Manager copies thereof may be obtained from the Manager at a cost of HKD150 per set of copy documents:

- (a) Trust Deed;
- (b) Service Agreement(s);
- (c) Participation Agreement(s); and
- (d) The most recent annual financial reports of the Trust and each Sub-Fund (if any) and the most recent interim financial reports of the Trust and each Sub-Fund (if any).

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 Sub-Fund.

Liquidity risk management

The Manager has put in place measures to effectively manage the liquidity risk of each sub-fund. The Manager's risk management function monitors the implementation of liquidity risk management policies on a day-to-day basis. The risk management function regularly communicates with the portfolio managers on each sub-fund's liquidity risk issues. The Manager also has in place liquidity risk management tools (such as those described under the "Deferred Redemption" section) which allow the Manager to process redemptions in an orderly manner and to ensure that all investors are treated fairly.

On an on-going basis, the Manager's risk management function will assess each Sub-Fund's liquidity position against internal liquidity indicators. The Manager may consider a range of quantitative metrics and qualitative factors in arriving at a liquidity assessment. The quantitative metrics that the Manager may consider include, where available, the underlying asset's issue size, bid-ask spreads, transaction cost, the number of market makers, each Sub-Fund's holding as a proportion of the outstanding issuance, market status, and holding as a proportion of average trading volume, etc. The Manager supplements the available quantitative data with its professional judgment and other qualitative factors such as the overall market conditions, the applicable regulatory requirements, and the currency denomination. The Manager classifies each Sub-Fund's assets into different liquidity categories using the generic categories of low, medium, high liquidity, and illiquidity, and sets indicators on the minimum and maximum holding of assets that belong to each of these liquidity categories, taking into account the historical liquidity demands and expected future liquidity demands of each Sub-Fund under likely future market conditions. Where a Sub-Fund is unable to meet the targets, the Manager will report the incident to the senior management who perform the oversight role for consideration in a timely manner. Policies will be put in place and documentation will be maintained on the assessments. The Manager will also perform liquidity stress testing on each Sub-Fund on an ongoing basis. The liquidity management tools mentioned above will also be subject to ongoing review taking into account the stress test results.

The liquidity stress testing policy should at least prescribe the following:

- (i) design of stress test scenario analysis based on backward-looking historical market conditions and redemption demands of the fund, etc., and taking into account possible forward-looking scenarios;
- (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (iii) reporting frequency and reporting mechanism; and
- (iv) liquidity management tools and contingency planning in response to significant redemption requests.

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, each Sub-Fund 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 for any applications for Units. Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or
- (b) the application is made through a recognised intermediary.

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

Index licence agreement

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

Material changes to the Index

The SFC should be consulted on any events that may affect the acceptability of the Index. Significant events relating to the Index will be notified to the Unitholders 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 Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Index with another index in accordance with the provisions of the index licence agreement. 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 Futures Contracts comprised within the Index becomes difficult;
- (f) the Index/Benchmark 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;
- (h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and
- (i) the instruments and techniques used for efficient portfolio management not being available.

The Manager may change the name of each Sub-Fund if the 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 Sub-Fund of the Index and/or (ii) the name of the relevant Sub-Fund will be notified to investors.

Information available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including in respect of the relevant Index), both in the English and in the Chinese languages, on the Manager's website at www.bosera.com.hk/ (which has not been reviewed by the SFC) including:

- (a) this Prospectus and each product key facts statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual and semi-annual financial reports (in English only);
- (c) any notices for material alterations or additions to this Prospectus or the Sub-Funds' constitutive documents;
- (d) any public announcements made by the Sub-Funds, including information with regard to the Sub-Funds and Index, notices of the suspension of the calculation of the Net Asset Value, 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 base currency and (if the base currency is not HKD) in HKD;
- (f) the last Net Asset Value of each Sub-Fund in the relevant base currency and the last Net Asset Value of per Unit of each Sub-Fund in the relevant base currency and (if the base currency is not HKD) in HKD;
- (g) the past performance information of each Sub-Fund;
- (h) the tracking difference and tracking error of each Sub-Fund;
- (i) full portfolio information of each Sub-Fund (updated on a daily basis);
- (j) the latest list of the Participating Dealers and Market Makers; and
- (k) in respect of a Sub-Fund which may distribute dividends, the composition of dividends for each Sub-Fund (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital (if any)), for a rolling 12-month period.

The near real-time indicative Net Asset Value per Unit in HKD is updated during SEHK trading hours. Real-time updates about the Index can be obtained through other financial data vendors. It is your own responsibility to obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the website www.bosera.com.hk (the contents of which has not 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

Bosera Asset Management (International) Co.,
Limited

Suite 4109, Jardine House
One Connaught Place
Central

Trustee

HSBC Institutional Trust Services (Asia)
Limited

1 Queen's Road Central
Hong Kong

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, 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, 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 www.bosera.com.hk (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.

TAXATION

The following summary of taxation is of a general nature, and for information purposes only, and is not intended to be an exhaustive list of all the tax considerations that may be relevant to a decision to purchase, own, realise or otherwise dispose of Units. The summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of Unitholders. Prospective Unitholders should consult their professional advisers on the consequences to them of acquiring, holding, redeeming, transferring or selling Units under the relevant laws of Hong Kong as well as the relevant jurisdiction(s) to which they are subject, including the tax consequences and any exchange control requirements. These consequences, including the availability of, and the value of, tax relief to investors, will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances. The following statements regarding taxation are based on advice received by the Manager regarding the law and practice in force in Hong Kong, Mainland China, South Korea and also regarding FATCA and related laws 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. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that the relevant tax authorities will not take a contrary position to the tax treatment described below.

Hong Kong taxation

Taxation of the Trust and the Sub-Funds

Profits Tax

As the Trust and each Sub-Fund are authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and each Sub-Fund are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Inland Revenue Ordinance ("IRO").

Stamp Duty

Sale and purchase of Hong Kong stock is subject to Hong Kong ad valorem stamp duty at the current rate of 0.1% of the consideration or the fair market value (whichever is higher) of the Hong Kong stocks being sold and purchased. The purchaser and the seller will each be liable for the Hong Kong stamp duty upon such transfer and thus the total stamp duty payable for such transfer is 0.2%.

"Hong Kong stock" is defined as "stock" the transfer of which is required to be registered in Hong Kong. The Units should fall within the definition of "Hong Kong stock" in the Stamp Duty Ordinance (Cap.117) of Hong Kong (the "Stamp Duty Ordinance") as the Units will be listed in Hong Kong and the register of Unitholders will be kept in Hong Kong. However, allotment of Units in the Sub-Funds is not subject to stamp duty in Hong Kong.

Pursuant to a remission order issued by the Secretary for the Treasury on 20 October 1999, transfer of Hong Kong stocks to the Trust and/or the Sub-Fund (which have been authorised under Section 104 of the SFO) in exchange for issue of Units or transfer of Hong Kong stocks from the Trust and/or the Sub-Fund in consideration for redemption of Units is exempt from Hong Kong Stamp Duty.

No Hong Kong Stamp Duty is payable by the Trust and the Sub-Fund on an issue or redemption of Units.

Taxation of the Unitholders

Profits tax

In general, gains arising from the disposal or redemption of the Units in the Sub-Funds by the

Unitholders should not be subject to Hong Kong profits tax where the Unitholders do not carry on a trade, profession or business in Hong Kong or such gains are capital in nature or non-Hong Kong sourced for Hong Kong profits tax purposes. For Unitholders carrying on a trade, profession or business in Hong Kong, such gains may be subject to Hong Kong profits tax if the gains in questions arise in or are derived from such trade, profession or business carried on in Hong Kong and the Units are not capital assets to Unitholders. Whether an asset is of “trading” or “capital” nature will depend on the particular circumstances of each of the Unitholders.

For Unitholders subject to Hong Kong profits tax, a two-tiered profits tax regime was enacted on 29 March 2018. It is applicable to any year of assessment commencing on or after 1 April 2018. Under the two-tiered tax rates, for corporations, the first HKD2 million of assessable profits of a nominated corporation within the group is subject to a reduced tax rate at 50% of the standard profits tax rate for corporations (i.e. 8.25%) and the remaining profits is subject to the standard rate of 16.5%. For unincorporated business, the first HKD2 million of assessable profits is subject to a reduced tax rate at 50% of the standard profits tax rate for unincorporated business (i.e. 7.5%), and the remaining profits is subject to the standard rate of 15%.

Distributions made by the Trust and/or the Sub-Fund should generally not be subject to Hong Kong profits tax (whether by way of withholding or otherwise) in the hands of Unitholders).

Stamp duty

Under the Stamp Duty (Amendment) Ordinance 2015 stamp duty payable in respect of any contract notes or instruments of transfer relating to transactions 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 Units in any Sub-Fund (which is an exchange traded fund as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance) will not attract stamp duty and no stamp duty is payable by Unitholders.

No Hong Kong stamp duty is payable where the sale is effected by transferring the Units back to the Manager, who then either extinguishes the Units or resell the Units to another person within two months thereof.

Unitholders should take advice from their own professional advisers as to their particular tax position.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the “Ordinance”) came into effect on 30 June 2016. The Ordinance together with the later amendments is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“AEOI”). The AEOI comprises, among others, the model Competent Authority Agreement (“CAA”) and Common Reporting Standard (“CRS”). In addition, IRD published guidance for financial institutions (“FIs”) on 9 September 2016 which is updated and amended from time to time to provide guidance to them for complying with the CRS obligations. The AEOI requires FIs in Hong Kong to obtain certain information and documentation relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report the required information to the IRD for the purpose of automatic exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in a reportable jurisdiction(s) with which Hong Kong has a Multilateral CAA or bilateral agreement in force; however, a Sub-Fund and/or its agents may further obtain information and/or documentation relating to the residents of other jurisdictions that are not resident in a reportable jurisdiction for CRS purposes in Hong Kong.

The Trust is required to comply with the requirements of the Ordinance, which means that the Trust and/or its agents shall obtain and provide to the IRD the required information relating to Unitholders. The Ordinance requires the Trust to, amongst other things, (i) register the Trust as a “Reporting Financial Institution” with the IRD to the extent the Trust maintains reportable financial accounts; (ii) conduct due diligence on its account holders (i.e. Unitholders) in order to determine whether any of their relevant financial accounts are regarded as “Reportable Accounts” under the

Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts. The IRD is expected on an annual basis to exchange the required information reported to it to the competent authorities of the respective reportable jurisdictions. Broadly, AEOI requires that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a reportable jurisdiction; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Unitholders, including but not limited to their name, place of birth, date of birth, address, tax residence, tax identification number(s) (if any), account number, account balance/value regarding their interest in the Trust, and income or sale or redemption proceeds received from the Trust, should be reported to the IRD and subsequently exchanged with competent authorities in the relevant jurisdictions.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Unitholders acknowledge that they may be required to provide additional information or documents to the Trust and/or its agents in order for the Trust to comply with the Ordinance. A Unitholders's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect Unitholders or other persons associated with such Unitholders that are passive non-financial entities as defined under the Ordinance) may be exchanged by the IRD to the competent authorities in the relevant reportable jurisdictions.

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

South Korea Taxation

Under Korean tax law, trusts are generally treated as pass-through vehicles, such that income derived through a trust is attributed to and taxed at the level of the beneficial owner.

Accordingly, where a foreign corporation or a non-resident receives Korean-source income through a foreign investment vehicle, such Korean-source income is deemed to accrue to the beneficial owner of the income.

Income derived through a foreign investment vehicle may consist of the following:

- 1) Dividend income arising from shareholdings.
- 2) Capital gains from the disposition of shares
- 3) Gains from derivative transactions

1) Dividend income arising from shareholdings

Dividend income derived from Korean shares by a foreign corporation or a non-resident is generally subject to Korean withholding tax at 22%, inclusive of local income tax.

However, 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% where the beneficial owner is a company (other than a partnership) that directly holds at least 25% of the capital of the company paying the dividends, or 15% in other cases.

2) Capital gains from the disposition of shares

Capital gains arising from the disposal of shares listed and traded on the KRX are generally not subject to Korean taxation, provided that the foreign investor has not owned 25% or more of the shares (by voting power or value) at any time during the five-year period preceding the disposal.

However, where the foreign investor is deemed a substantial shareholder owning more than 25% of the total shares issued of the Korean corporate, capital gains may be subject to Korean

withholding tax at the lower of 11% of the gross proceeds or 22% of the net capital gains, inclusive of local income tax.

While the KR-HK Tax Treaty contains a capital gains article (Article 13), it does not restrict Korea's taxing rights with respect to gains derived from the disposal of Korean shares.

3) Gains from derivative transactions

Under Korean tax law, income derived by a non-resident or foreign corporation without a permanent establishment in Korea from exchange-traded derivatives prescribed under Article 5(2) of the Financial Investment Services and Capital Markets Act ("FISCMA"), or OTC derivatives that qualify as hedging transactions under the FISCMA, is generally not treated as Korean-source income and therefore is not subject to Korean taxation.

By contrast, income derived from OTC derivative transactions may constitute Korean-source income unless such transactions qualify as hedging transactions under the FISCMA.

Accordingly, gains arising from OTC derivative transactions that do not qualify as hedging transactions may be subject to Korean taxation.

In particular, under the amendments to the Korean Corporate Income Tax Law effective in 2026, gains characterized as dividends derived by a foreign corporation from OTC derivative transactions are treated as dividend income and may be subject to Korean withholding tax applicable to dividend income, inclusive of local income tax. Dividend income derived from Korean shares by a foreign corporation is generally subject to Korean withholding tax at 22%, inclusive of local income tax.

Under the KR-HK Tax Treaty, however, the withholding tax rate on Korea-sourced dividends may be reduced to 10% where the beneficial owner is a company (other than a partnership) that directly holds at least 25% of the capital of the company paying the dividends. In all other cases, the withholding tax rate may be reduced to 15%, provided that the relevant treaty requirements are satisfied.

However, the Korean Income Tax Law does not currently contain a corresponding provision applicable to non-resident individuals.

For non-resident individuals, there remains a possibility that gains derived from OTC derivative transactions could be subject to Korean taxation as "other income". Where such gains are treated as other income, they may be subject to Korean withholding tax at a rate of 22%, inclusive of local income tax.

Where gains derived from OTC derivative transactions fall within the scope of the Other Income article of the KR-HK Tax Treaty, such gains may be taxable only in Hong Kong, subject to satisfaction of the relevant treaty requirements.

As a result, the Korean tax treatment of OTC derivative gains may differ depending on the status of the investor and remains subject to potential future legislative, regulatory or administrative developments. In addition, future changes to the tax treatment of derivative instruments, or the introduction of new taxes or levies, may increase the costs of the fund and adversely affect the fund's ability to achieve its investment objective.

4) Securities Transactions Tax

The sale/transfer of Korean shares is generally subject to Korean securities transaction tax ("STT"). Effective January 1, 2026, the Korean STT rates increased to 0.20%. For shares listed on the KOSPI/KOSDAQ markets, STT is imposed at a rate of 0.20% (including the rural development tax) of the gross sale proceeds. STT at a rate of 0.35% applies to transfer of Korean shares off the exchanges (KOSPI/KOSDAQ).

Mainland China Taxation

The following is based on the Manager's understanding of and certain aspects of the tax laws, regulations and practice currently in force in the PRC. No guarantee can be given that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

General China Taxation

Corporate Income Tax ("CIT")

Under the prevailing PRC CIT Law, a China Tax Resident Enterprise ("TRE") is subject to CIT on its worldwide income. A foreign enterprise with a "place of effective management" within the PRC is also regarded as a China TRE.

The "place of effective management" refers to the place where the exercise, in substance, of the overall management and control of the production and business operation, personnel, accounts and assets is located.

A non-TRE with an establishment or a place of business in China shall pay CIT on income derived by such establishment or place from sources in China as well as income derived from outside China that is effectively connected with such establishment or place.

An "establishment or place" is defined under PRC CIT regulations as an establishment or place in China engaging in production and business operations, including management and business organisations, offices, places where natural resources are exploited, labour services are rendered, contractor projects are undertaken, and other establishments or places where production and business activities are undertaken. Business agents who regularly sign contracts, store and deliver goods, etc. on behalf of non-TREs would also be regarded as creating an establishment or place of business in China under CIT law/regulations.

Under the CIT law, the standard CIT rate is 25%.

A non-TRE that has no establishment or place in China is taxed only on its China-source income. A unilateral concessionary rate of 10% CIT/Withholding Income Tax ("WHT") will be applied on the China-sourced income (including but not limited to dividends, interest and capital gains) derived by a non-TRE with no establishment or place in China, unless any specific exemption or reduction is available under current PRC tax laws, or tax treaties or tax arrangements.

If the Sub-Fund does not have a place of effective management, an establishment or a place of business in the Mainland China, the Sub-Fund will normally be regarded as a non-TRE with no establishment or place in China.

The Trust together with the Manager, do not intend to operate in a way that would cause a Sub-Fund to be treated as a PRC TRE or to have an establishment or a place in the PRC, although this cannot be guaranteed. It is possible, however, that the PRC tax authority could disagree with such an assessment or that changes in Mainland China tax law could affect the non-TRE with no establishment or a place in China status of a Sub-Fund.

Value-added Tax ("VAT") and surtaxes

In Mainland China, VAT payers are classified into general payers and small scale payers. They are subject to different VAT calculation methods and different VAT rates.

Being an overseas entity, the Trust and the Sub-Fund are subject to VAT at 6% which is applicable to general payers on the gains derived from trading financial products issued in the PRC (including but not limited to trading equity or equity-linked securities) and various interest income from China.

VAT surcharges (up to 12% of VAT payables) including Urban Maintenance and Construction Tax ("UMCT"), Educational Surcharge ("ES") and Local Educational Surcharge ("LES")) are no longer applicable for a foreign taxpayer from 1st September 2021. However, the implementation of the exemption may vary depending on the local practice.

Stamp Duty ("SD")

The SD law of the PRC took into effect from 1 July 2022. According to SD Law, SD is levied on the execution or receipt in China of certain documents. Given that China H-Shares are listed in Hong Kong but not PRC, PRC SD is not applicable to the contracts for sale of H-Shares.

Dividends derived from China H-Shares

Dividends derived by the Sub-Fund from H-Shares are generally subject to WHT at 10% unless reduced under a tax treaty or tax arrangement. Under the current China tax regulations, China H-Shares listed companies are required to withhold and settle such WHT with China tax authorities.

Dividends from China equity investment is not subject to VAT.

Capital gains derived from the trading of China H-Shares

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the disposal of China H-shares. Hence, the tax treatment for investment in China H-Shares is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, the Sub-Fund could be technically subject to 10% WIT on the China-sourced capital gains, unless any specific exemption or reduction is available under current PRC tax laws, or tax treaties or tax arrangements.

However, for China H-Shares invested by the Sub-Fund directly, there may be practical difficulty for the PRC tax authorities to impose and collect WHT on such capital gains. The 10% WHT has not been strictly enforced by the China tax authorities on capital gains derived by non-TREs from the trading of China H-Shares.

Where the capital gains are derived from the trading of H-Shares, PRC VAT in general is not imposed as the purchase and disposal are often concluded and completed outside the Mainland China. In addition, the new VAT Law stipulates that where the financial product sold is issued in the PRC or the seller is a PRC domestic individual or entity, the capital gains derived from such trading of financial products are VAT-taxable in the PRC. Therefore, there may be technical grounds to support that the capital gains derived by the Sub-Fund (outside the PRC) from the trading of H-Shares are not subject to VAT.

It should also be noted that the actual PRC taxes imposed by China tax authorities may be different and may change from time to time. There is a possibility of regulatory changes and PRC taxes being applied retrospectively. There are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. Such changes or uncertainties may result in higher taxation on PRC investments than currently contemplated. As such, any provision for taxation made by the Manager may be excessive or inadequate to meet ultimate PRC tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the ultimate PRC tax liabilities, the level of provision and when they subscribed and/or redeemed their Units in the Sub-Fund.

Investors should seek their own tax advice on their tax position with regard to their investment in the Sub-Fund.

FATCA

The United States (“US”) Hiring Incentives to Restore Employment Act (the “HIRE Act”) was signed into US law in March 2010 and includes provisions commonly referred to as the “Foreign Account Tax Compliance Act” or “FATCA”. Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the “Revenue Code”), which impose a reporting regime with respect to certain payments to foreign financial institutions (each an “FFI”), such as a Sub-Fund, including interests and dividends from securities of US issuers and potentially in the future gross proceeds from the sale of such securities. All such payments may be subject to withholding at a rate of 30%, 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 Revenue Code) (“US persons”) with interests in such FFIs. To avoid such withholding on payments made to it, FFIs (including banks, brokers, custodians and investment funds) located in jurisdictions that have not signed an intergovernmental agreement (“IGA”) for implementation of FATCA, will be required to enter into an FFI agreement (an “FFI Agreement”) with the IRS to be treated as a participating FFI (“Participating FFI”). Participating FFIs are required to identify all investors that are US persons and report certain information concerning such US persons to the IRS. Such information to be reported includes but not limited to their name, date and jurisdiction of birth, address, tax identification number, account details, account balance/value, and income or sale or redemption proceeds. The FFI Agreement will also generally require that a Participating FFI deduct and withhold 30% from certain payments made by the Participating FFI to investors who fail to cooperate with certain information requests made by the Participating FFI. Moreover, Participating FFIs may be required to deduct and withhold such payments made to investors that are themselves FFIs but that have not entered into an FFI Agreement with the IRS or that are not otherwise deemed compliant with FATCA (i.e. a “nonparticipating FFI”).

FATCA withholding applies to (i) payments of US source income, including US source dividends and interest, made after 30 June 2014; and (ii) potentially in the future payments of gross proceeds of sale or other disposal of property that can produce US source income. The 30% withholding could also in the future apply to payments otherwise attributable to US source income (also known as “foreign passthru payments”), though the US tax rules on “foreign passthru payments” are currently pending. Withholding agents (which may include Participating FFIs) will generally be required to begin withholding on certain withholdable payments made after 30 June 2014. The first reporting deadline for FFIs that have entered into the FFI Agreement was 31 March 2015 with respect to information relating to the 2014 calendar year.

The US and a number of other jurisdictions have entered into IGAs. The US Department of the Treasury and Hong Kong have on 13 November 2014 signed a Model 2 IGA (the “HK IGA”). The HK IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the HK IGA, FFIs in Hong Kong (such as the Sub-Fund) would register with the IRS to be subject to the terms of an FFI Agreement with the IRS and comply with the terms of such FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US source payments to them.

Under the HK IGA, it is expected that FFIs in Hong Kong (such as the Sub-Fund) complying with an FFI Agreement will generally not be required to withhold tax on withholdable payments to non-consenting US accounts (i.e. certain accounts of which the holders do not consent to FATCA reporting and disclosure to the IRS) or close such non-consenting US accounts (provided that information regarding the non-consenting US accounts is reported to the IRS according to the terms of the HK IGA), but may be required to withhold tax on payments made to non-compliant FFIs.

Even though the HK IGA has now been signed between Hong Kong and the US, withholding may apply to withholdable payments covered by FATCA if a Sub-Fund cannot satisfy the applicable

requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the HK IGA.

In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require a Sub-Fund (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Unitholder to the IRS or the local authorities (e.g. the IRD) pursuant to the terms of the HK IGA. It is also possible that a Sub-Fund may be required to compulsorily redeem and/or apply withholdings to payments to Unitholders who fail to provide the information and documents required to identify their status, or who are nonparticipating FFIs or who fall within other categories specified in the FATCA provisions and regulations. Any such compulsory redemption and/or withholding will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager acting in good faith and on reasonable grounds. In any event, the Manager shall comply with personal data protection principles, and requirements as set out in the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and all other applicable regulations and rules governing personal data use in Hong Kong from time to time.

Although a Sub-Fund will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding, no assurance can be given that the Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and the HK IGA, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Unitholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Unitholders should therefore consult their own tax and professional advisors regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.

FATCA in Mainland China

On 26 June 2014, the US and China reached an agreement in substance to implement the FATCA through a Model 1 IGA. As China is one of the US largest trading partners, this is a substantial development in achieving overall tax compliance through information sharing agreements. However, an official mutual announcement continues to be absent until now, which means the agreement is still not effective for China. As a result, there is no local implementation rules or guidance to follow at current stage in China regarding FATCA.

SCHEDULE 1

INVESTMENT RESTRICTIONS, SECURITY LENDING AND BORROWING

Investment Restrictions

If any of the restrictions or limitations set out below is breached in respect of a Sub-Fund, the Manager and/or the Investment Adviser (as applicable) will make it a priority objective to take all necessary steps within a reasonable period to remedy the situation, taking due account the interests of the Unitholders of the Sub-Fund.

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

Unless otherwise specifically provided for in the relevant Appendix, the investment restrictions applicable to each Sub-Fund are summarised below:

- (a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity (other than Government and other Public Securities) through the following may not exceed 10% of the total Net Asset Value of such Sub-Fund, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code in respect of an Index Tracking Sub-Fund:
 - (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 Sub-Fund's investments in, or exposure to, entities within the same group through the following may not exceed 20% of the total Net Asset Value of the Sub-Fund:
 - (1) investments in Securities issued by such entities;
 - (2) exposure to such entities through underlying assets of FDIs; and
 - (3) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs;
- (c) unless otherwise approved by the SFC, the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the total Net Asset Value of the Sub-Fund, unless:
 - (1) the cash is held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or
 - (2) the cash is proceeds from liquidation of investments prior to the merger or termination of a Sub-Fund, whereby the placing of cash deposits with various financial institutions may not be in the best interest of investors; or
 - (3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise investors' interests;

For the purpose of this sub-paragraph (3), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services;

- (d) ordinary shares issued by any single entity (other than Government and other Public Securities) held for the account of a Sub-Fund, when aggregated with other ordinary shares of the same entity held for the account of all other Sub-Funds under the Trust collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;
- (e) not more than 15% of the total Net Asset Value of a Sub-Fund may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;
- (f) notwithstanding (a), (b), (d) and (e), where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:
 - (1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the Code;
 - (2) any increase in the overall fees and charges directly or indirectly borne by the Unitholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and
 - (3) the Sub-Fund must produce the reports required by the Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund;
- (g) notwithstanding (a), (b) and (d), not more than 30% of the total Net Asset Value of a Sub-Fund may be invested in Government and other Public Securities of the same issue, except, for an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund, such limit may be exceeded with the approval of the SFC;
- (h) subject to (g), a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues;
- (i) unless otherwise approved by the SFC, a Sub-Fund may not invest in physical commodities;
- (j) for the avoidance of doubt, exchange traded funds that are:
 - (1) authorised by the SFC under Chapter 8.6 or 8.10 of the Code; or
 - (2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code,

may either be considered and treated as (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 a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

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

- (1) the value of such Sub-Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC may not in aggregate exceed 10% of the total Net Asset Value of the Sub-Fund; and
- (2) such Sub-Fund may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Sub-Fund's investment in units or shares in each such underlying scheme may not exceed 30% of the total Net Asset Value of the Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Sub-Fund,

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

- (i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, a Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraph (k)(1) and (k)(2);
 - (ii) where the underlying schemes are managed by the Manager, or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;
 - (iii) the objective of the underlying schemes may not be to invest primarily in other collective investment scheme(s);
 - (3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and
 - (4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme, or any quantifiable monetary benefits in connection with investments in any underlying scheme;
- (l) a Sub-Fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme and will be authorised as a feeder fund by the SFC. In this case:
- (1) the underlying scheme ("master fund") must be authorised by the SFC;
 - (2) the relevant Appendix must state that:
 - (i) the Sub-Fund is a feeder fund into the master fund;

- (ii) for the purpose of complying with the investment restrictions, the Sub-Fund (i.e. feeder fund) and its master fund will be deemed a single entity;
 - (iii) the Sub-Fund (i.e. feeder fund)'s annual report must include the investment portfolio of the master fund as at the financial year end date; and
 - (iv) the aggregate amount of all the fees and charges of the Sub-Fund (i.e. feeder fund) and its underlying 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 the Sub-Fund (i.e. feeder fund) may result, if the master fund in which the Sub-Fund (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and
- (4) notwithstanding paragraph (k)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (k); and
- (m) if the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its total Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

A Sub-Fund shall not:

- (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. For the avoidance of doubt, where investments are made in listed REITs, Chapter 7.1, 7.1A and 7.2, apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then Chapter 7.3 and 7.11 apply respectively ;
- (C) make short sales if as a result a Sub-Fund would be required to deliver Securities exceeding 10% of the total Net Asset Value of the Sub-Fund (and for this purpose Securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations;
- (D) lend or make a loan out of the assets of a the Sub-Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;
- (E) subject to (e) above, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;
- (F) enter into any obligation in respect of a Sub-Fund or acquire any asset or engage in any transaction for the account of a Sub-Fund which involves the assumption of any liability

which is unlimited; or

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

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following in relation to each Index Tracking Sub-Fund: 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. Given the investment objective of each Index Tracking Sub-Fund and nature of the relevant Index, an Index Tracking Sub-Fund is allowed under Chapter 8.6(h) of the Code to, notwithstanding Chapter 7.1 of the Code, hold investments in constituent Securities of any single entity exceeding 10% of the relevant Index Tracking Sub-Fund's latest available Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Index Tracking Sub-Fund'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 in relation to an Index Tracking Sub-Fund if:

- (a) the relevant Index Tracking Sub-Fund 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;
- (b) the strategy is clearly disclosed in the relevant Appendix;
- (c) the excess of the weightings of the constituent Securities held by the relevant Index Tracking Sub-Fund over the weightings in the Index is caused by the implementation of the representative sampling strategy;
- (d) any excess weightings of the relevant Index Tracking Sub-Fund's holdings over the weightings in the Index must be subject to a maximum limit reasonably determined by the relevant Index Tracking Sub-Fund after consultation with the SFC. In determining this limit, the relevant Index Tracking Sub-Fund must consider the characteristics of the underlying constituent Securities, their weightings and the investment objectives of the Index and any other suitable factors;
- (e) limits laid down by the relevant Index Tracking Sub-Fund pursuant to the point above must be disclosed in the relevant Appendix;
- (f) disclosure must be made in the relevant Index Tracking Sub-Fund's interim and annual reports as to whether the limits imposed by such Index Tracking Sub-Fund itself pursuant to the above point (d) 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

According to the Trust Deed, a Sub-Fund 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 Sub-Fund which engages in securities financing transactions, it is subject to the following requirements:

- it shall have at least 100% collateralisation in respect of the securities financing transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;
- all the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions to the extent permitted by applicable legal and regulatory requirements, shall be returned to the Sub-Fund;
- it shall ensure that it is able to at any time to recall the securities or the full amount of cash / collateral (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered.

Financial Derivative Instruments

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

Where specified in the relevant Appendix, a Sub-Fund 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) although they may not necessarily reference to the same underlying assets, 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. Hedging arrangement should be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for non-hedging purposes (“investment purposes”), subject to the limit that the Sub-Fund’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 Sub-Fund pursuant to Chapter 8.8 or Chapter 8.9 of the Code). For the avoidance of doubt:

- (a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a Sub-Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the 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 the above, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the Code.

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

- (A) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates or currencies or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. Where a Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 of the Code provided that the relevant Index is in compliance with Chapter 8.6(e) of the Code;
- (B) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;
- (C) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the total Net Asset Value of a Sub-Fund. The exposure of the a Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by such Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and
- (D) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

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

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

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

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

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

The above policies relating to FDIs apply to financial instruments which 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;
- 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 Sub-Fund’s exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code;
- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that 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;
- Re-investment of 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;
- collateral must be of high quality 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 received;
- the issuer of collateral must be an entity that is independent from the counterparty and is approved by the Manager, including governments, supranationals, government agencies, substantial financial institution, policy banks or government guaranteed entities, with a minimum credit rating of BBB- or above (by Moody’s or Standard & Poor’s, or any other equivalent ratings by internationally recognised credit rating agencies) or which are SFC-licensed corporations or are registered institutions with the Hong Kong Monetary Authority;
- collateral should be marked-to-market daily by using independent pricing source;
- collateral must be readily enforceable by the Trustee and may be subject to netting or set-off;
- 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 is expected not to display a high correlation with the performance of the counterparty; and
- cash collateral will generally not be used for reinvestment purposes unless otherwise determined by the Manager and notified to investors.

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

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

Borrowing Policy

Borrowing against the assets of the each Sub-Fund is allowed up to a maximum of 10% of its total Net Asset Value. Securities lending transactions and sale and repurchase transactions in compliance with the requirements as set under the section entitled "Securities Financing Transactions" above are not subject to the borrowing restrictions under this section.

Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Trustee may on instruction of the Manager borrow for the account of a Sub-Fund any currency, and charge or pledge assets of that Sub-Fund for securing such borrowing for the account of that Sub-Fund, and interest thereon and expenses thereof, 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 such Sub-Fund; or
- (c) for any other proper purpose as may be agreed by the Manager and the Trustee, except to enhance the performance of any Sub-Fund.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to each Sub-Fund established under the Trust and listed on the SEHK (in respect of Listed Class of Units). It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails. However, it is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to “Sub-Fund” refer to the relevant Sub-Fund which is the subject of that Appendix. For each Index Tracking Sub-Fund, references in each Appendix to “Index” refer to the relevant Index details of which are set out in that Appendix.

APPENDIX 1: BOSERA HKEX KRX SEMICONDUCTOR INDEX ETF

This is a passive exchange traded fund.

Investors should note that this Sub-Fund has both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections relevant to your intended holding of Units.

Business Day

The Business Day of the Sub-Fund is a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Securities and/or Futures Contracts comprised in the relevant Index or Securities and/or Futures Contracts comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

Key information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and this Prospectus.

Key information applicable to both Listed Class and Unlisted Classes

Investment Type	Exchange Traded Fund (“ETF”)
Index	HKEX KRX Semiconductor Index (net total return version) Inception Date: 31 March 2026 Number of constituents: 30 Base Currency of Index: HKD
Type of Index	Net Total Return
Investment Strategy	Please refer to the section on “Investment Strategy” below
Base Currency	Hong Kong dollars (HKD)
Financial Year End	31 December (The first annual report for the Sub-Fund will be published for the financial year ending 31 December 2027 and the first half-yearly unaudited report will be published for the half year ending 30 June 2027)
Website	http://www.bosera.com.hk/en-US/products/list/hk (this website has not been reviewed by the SFC)

Key information applicable to Listed Class only

Initial Issue Date	Expected to be 23 September 2026 (the Business Day immediately before the Listing Date)
Listing Date (SEHK)	Expected to be 24 September 2026
Issue Price during the Initial Offer Period	HKD 10
Exchange Listing	SEHK – Main Board
Stock Code	03516
Short Stock Name	BOS HKKRSEMI
ISIN Number	HK0001350278
Trading Board Lot Size	100 Units
Trading Currency	Hong Kong dollars (HKD)
Dealing Deadline	1:00 p.m. (Hong Kong time) on the relevant Dealing Day
Management Fee	Currently 0.90% per annum of the Net Asset Value
Trustee's Fee	Up to 0.10% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum fee of HKD 39,000 per month
Creation / Redemption Policy	In-Cash (HKD Only)
Application Unit Size (only by or through Participating Dealers)	Minimum 400,000 Units (or multiples thereof) or such other number of Units as the Manager may determine and approved by the Trustee.
Distribution Policy	The Manager has discretion as to whether or not the Sub-Fund will make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the Net Asset Value per Unit. All Listed Class of Units will receive distributions in the Base Currency (HKD) only.

Listing Agent	Altus Capital Limited
Market Makers	Please refer to the Sub-Fund's website set out above for the latest lists of market makers.
Participating Dealers	Please refer to the Sub-Fund's website set out above for the latest lists of participating dealers.
Service Agent	HK Conversion Agency Services Limited

Key information applicable to Unlisted Classes only

Unlisted Classes of Units Offered	Class A HKD Units Class A USD Units Class I HKD Units Class S HKD Units
Minimum Initial Investment Amount	Class A HKD: HKD 1,000 Class A USD: USD 100 Class I HKD: HKD 1,000,000 Class S HKD: HKD 1,000
Minimum Subsequent Investment Amount	Class A HKD: HKD 100 Class A USD: USD 10 Class I HKD: HKD 100,000 Class S HKD: HKD 100
Initial Offer Period	9:00 a.m. (Hong Kong time) on 21 September 2026 and ends at 4:00 p.m. (Hong Kong time) on 22 September 2026, or such other date or time as the Manager may determine for a particular class
Subscription Price during the Initial Offer Period	Class A HKD: HKD 10 Class A USD: USD 10 Class I HKD: HKD 10 Class S HKD: HKD 10
Dealing Deadline	1:00 p.m. (Hong Kong time)
Management Fee	Class A HKD: 1.00% per annum of the Net Asset Value

	Class A USD: 1.00% per annum of the Net Asset Value Class I HKD: 0.50% per annum of the Net Asset Value Class S HKD: Nil
Trustee's Fee	Up to 0.10% per annum of the Net Asset Value, subject to a minimum fee of HKD 39,000 per month
Subscription / Redemption Policy	Cash
Distribution Policy	The Manager has discretion as to whether or not the Sub-Fund will make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the Net Asset Value per Unit. Distributions will be made in the relevant currency of the relevant Class.

Key similarities and differences between Listed Class and Unlisted Classes

Investment Objective	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "Investment Objective" and "Investment Strategy".
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "Determination of Net Asset Value" section of the Prospectus.
Dealing Arrangements	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. Investors should note that the minimum amounts for creation (in the case of Listed Class of Units) / subscription (in the case of Unlisted Classes of Units) and redemption in respect of Listed and Unlisted Classes of Units are different. Investors should also note that while the dealing frequency, the definition of "Dealing Day" and the Dealing Deadlines for creation/subscription and redemption in respect of Listed

	Class of Units and Unlisted Classes of Units are the same, the applicable dealing procedures and timing with the relevant Participating Dealer (in the case of Listed Class of Units) and the distributor (if applicable, in the case of Unlisted Classes of Units) may be different. Investors should check with the relevant Participating Dealer or distributor for the applicable dealing procedures and timing. In respect of the Listed Class of Units: - the dealing deadline for a Creation Application or Redemption Application is 1:00 p.m. (Hong Kong time) on each Dealing Day, or such other date or time as the Manager may determine; - a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; - the Creation Application or Redemption Application for Listed Class of Units received after 1:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. In respect of the Unlisted Classes of Units: - the Dealing Deadline currently is 1:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Classes of Units at the Net Asset Value of the relevant Unlisted Classes of Units. Applicants may apply for Unlisted Classes of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Classes of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures; - the subscription application or redemption requests for Unlisted Classes of Units submitted after 1:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. Please refer to the sections headed “Provisions relating to the Offer, Creation, Redemption, Listing and Trading of the
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	Listed Class of Units” and “Provisions relating to the Offer, Subscription, Conversion and Redemption of the Unlisted Class(es) of Units” for details of the dealing arrangements of Listed Class of Units and Unlisted Classes of Units respectively.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Classes of Units – each Business Day.
Valuation Point	Same for both Listed Class of Units and Unlisted Classes of Units – the close of business in the last relevant market to close on a relevant Valuation Day or such other time on that day or such other day as the Manager and the Trustee may determine from time to time.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. Both classes of Units are subject to their respective management fee, trustee’s fee and registrar’s fee. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent’s fee, transaction costs, brokerage fee, transaction levy, trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees and switching fees (if applicable), but not redemption fees. Please refer to the “Fees and Expenses” section in Part 1 of this Prospectus and this Appendix respectively.
Investment Return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Class of Units in the secondary

	market), stamp duty. Accordingly, the performance of the different classes of Units will be different. There is a separate Net Asset Value for each class of Units. The Trustee does allow each class of Units to have its own Net Asset Value (i.e. one Net Asset Value for one class of Units). Please refer to the “Risk associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units” risk factor of Part 1 of this Prospectus.
Termination	Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes of Units may differ. Please refer to the sub-section headed “Termination (otherwise than by winding up)” under the section headed “Statutory and General Information” of Part 1 of this Prospectus for further details

Investment Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the HKEX KRX Semiconductor Index (net total return version) (the “Index”). There is no assurance that the Sub-Fund will achieve its investment objective.

Investment Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager will use a combination of physical representative sampling and synthetic representative sampling strategy. The Manager will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of the Sub-Fund’s NAV in securities constituting the underlying index (“Index Securities”); and (ii) where the Manager believes such investments are beneficial to the Sub-Fund and will help the Sub-Fund achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of the Sub-Fund’s NAV in financial derivative instruments (“FDIs”), including funded total return swaps and participatory notes (“P-notes”).

Physical representative sampling strategy

The Sub-Fund primarily uses a physical representative sampling strategy by investing 50% to 100% of its NAV in Index Securities and portfolio featuring high correlation with the underlying

index. The Sub-Fund may invest up to 100% of its NAV directly in equity securities listed on the SEHK and the Korea Exchange ("KRX"). The Sub-Fund may not hold all Index Securities and may hold securities which are not Index Securities.

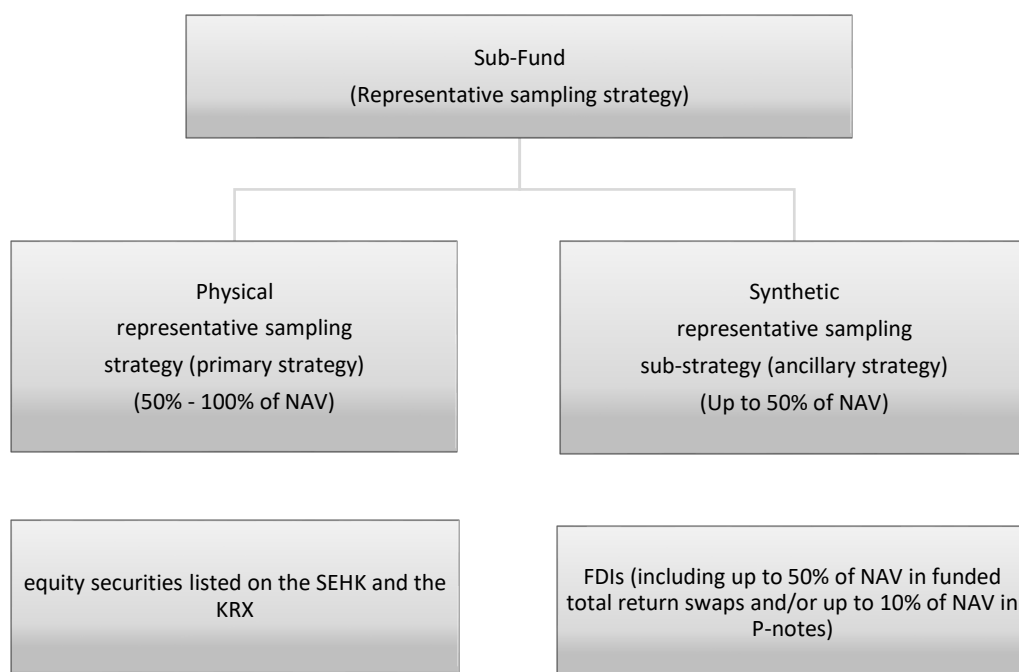
Synthetic representative sampling sub-strategy

On an ancillary basis, the Sub-Fund's synthetic representative sampling sub-strategy will involve investing up to 50% of its NAV in FDIs, which may comprise of up to 50% of its NAV in funded total return swap transaction(s) and/or up to 10% of its NAV in P-notes. The Manager will only use a synthetic representative sampling sub-strategy when they consider that such investments are beneficial to the Sub-Fund.

For investment in funded total return swap transaction(s), the Sub-Fund will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the Index Securities (net of transaction costs). The Sub-Fund shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which 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, represent a variable spread (which can be positive or negative) plus HIBOR or other reference rates which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Sub-Fund is 0.3% per transaction on the notional amount of the swap unwound. The Swap fees will be disclosed in the interim and annual financial reports of the Sub-Fund.

For P-notes, where it is demonstrably more cost-efficient or operationally practical in the opinion of the Manager, the Sub-Fund may invest in P-notes referencing equity securities listed on the SEHK and the KRX.

Exposure of the Sub-Fund to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.



Securities Lending Transactions

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the Sub-Fund's NAV. The Manager may, on behalf of the Sub-Fund, recall the securities lent out at any time. All securities lending transactions will only be carried out in the best interest of the Sub-Fund and as set out in the relevant securities lending agreement.

Other Investment

The Sub-Fund may also invest not more than 10% of its NAV in cash and cash equivalents including money market funds which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code for cash management purposes.

No more than 20% of the Sub-Fund's NAV may be invested in collective investment scheme which have high correlation with the underlying index and are authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Sub-Fund'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.

Other than as set out above, the Sub-Fund may also invest in FDIs for hedging purposes.

There is no current intention for the Sub-Fund to engage in sale and repurchase transactions, reverse repurchase transactions and/or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required) and provide at least one month's

prior notice to Unitholders before the Manager engages in any such investments.

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 30 June 2026, there are 2869 listed companies across the equity markets in the KRX, with a total market capitalisation of KRW 7446 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> (the contents of which has not been reviewed by the SFC).

Specific Risk Factors

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 to the Sub-Fund.

Investment risk

The Sub-Fund's investment portfolio may fall in value due to any of the risk factors relevant to the Sub-Fund. Investors may suffer losses as a result.

Investors should be aware that investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in the underlying assets into which the Sub-Fund may invest.

There can be no assurance that any appreciation in value of investments will occur. There is no guarantee of repayment of principal.

Equity market risk

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines, changes in investment sentiment, political and economic conditions and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Concentration risk

As the Index constituents concentrate in Hong Kong and Korea companies and may concentrate in certain sectors from time to time, the investment of the Sub-Fund may be similarly concentrated. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong and the Korea markets or the relevant sector.

Risks of investing in companies focusing on semiconductor industry

The Sub-Fund invests in companies in the semiconductor industry, which may particularly be affected by the intense competition in such industry. Specific factors which may cause the value of securities within the semiconductor sector to deteriorate include, but are not limited to, domestic and international competition pressures, rapid obsolescence of products caused by fast-developing nature of the industry, economic performance of customers, substantial capital expenditures, rapid obsolescence and potential shortages of raw materials or equipment. Companies in the semiconductor sector typically make significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products.

The semiconductor sector may be subject to government intervention, sanctions and trade protectionism. Companies in the semiconductor sector are typically dependent on maintaining relationships with their technology partners. If such relationship is impaired or terminated, the company may not be able to enter into a new technology alliance on a timely basis or on commercially favourable terms. The semiconductor sector is also characterised by cyclical market patterns and periodic overcapacity. All these could harm the business and operating results of semiconductor companies.

Risk factors relating to Mainland China

Mainland China economic, political and social conditions as well as government policies risk

The economy of Mainland China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources. Although the majority of productive assets in Mainland China are still owned by the Mainland Chinese government at various levels, in recent years, the Mainland Chinese government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of Mainland China and a high level of management autonomy. The economy of Mainland China has experienced significant growth in the past 20 years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. Mainland China government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than 20 years, Mainland China government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of Mainland China. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that Mainland China government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in Mainland China as well as the underlying Securities of the Sub-Fund. Further, Mainland China government may from time to time adopt corrective measures to control the growth of Mainland China economy which may also have an adverse impact on the capital growth and performance of the Sub-Fund.

Political changes, social instability and adverse diplomatic developments in Mainland China could result in the imposition of additional government restrictions affecting the Mainland China companies.

Legal system of Mainland China risk

The legal system of Mainland China is based on written laws and regulations. Despite the Mainland Chinese government's effort in improving the commercial laws and regulations, many of these laws and regulations are still at an experimental stage and the implementation of such laws and regulations remains unclear. The regulatory and legal framework for capital markets and joint stock companies in Mainland China may not be as well developed as those of developed countries. As the Mainland China legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

Mainland China laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties.

Accounting and reporting standards risk

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

Mainland China taxation Risk

The PRC government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of Mainland China companies and foreign investors in such companies.

Korea 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. Consequently, this may lead to an increased tracking difference.

New index risk

The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Risk associated with small-capitalisation / mid-capitalisation companies

The Index may consist of shares of small-capitalisation / mid-capitalisation companies. The stock of such companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Tracking error risk

The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used and/or fees and expenses. The Manager will monitor and seek to manage such risk and minimise tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

Representative sampling risk

With a representative sampling strategy, a Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by a Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that a Sub-Fund may be subject to larger tracking error.

Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the Sub-Fund may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective to track the Index.

In the case of funded swaps, the Sub-Fund may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Index, which may cause the Sub-Fund's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

Investment in P-notes may involve an over-the-counter transaction with a third party. Therefore, where the Sub-Fund invests in P-notes, it may be exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, which may result in a substantial loss to the Sub-Fund.

Korean tax risk

Under Korean tax law, trusts are generally treated as pass-through vehicles, such that income derived through a trust is attributed to and taxed at the level of the beneficial owner. Accordingly, where a foreign corporation or a non-resident receives Korean-source income through a foreign investment vehicle, such Korean-source income is deemed to accrue to the beneficial owner of the income. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may increase the Sub-Fund's costs, and adversely affect the Sub-Fund's ability to achieve its investment objective. Please refer to the sub-section entitled "South Korea Taxation" under the section entitled "TAXATION" in Part 1 of this Prospectus for further details on South Korea Taxation.

Derivatives risk

The Sub-Fund's synthetic representative sampling strategy will involve investing up to 50% of

its Net Asset Value in FDIs, including funded total return swaps and P-notes. The Sub-Fund may suffer significant loss if a counterparty of the swaps/P-notes fails to perform its obligations, or in case of insolvency or default of the counterparty(ies) of the swaps/P-notes.

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element / component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Investment in P-notes may involve an over-the-counter transaction with a third party. Therefore, where the Sub-Fund invests in P-notes, it may be exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, which may result in a substantial loss to the Sub-Fund.

Please refer to “Collateral and FDI Risks” under the section entitled “Risk Factors” in Part 1 of this Prospectus for further details.

Trading difference risk (applicable to the Listed Class of Units only)

As the stock exchanges on which the Index Securities are listed may be open when the Listed Class of Units of the Sub-Fund are not priced, the value of the Index Securities in the Sub-Fund’s portfolio may change on days when investors will not be able to purchase or sell the Listed Class of Units.

Differences in trading hours between the stock exchanges on which the Index Securities are listed and the SEHK may also increase the level of premium or discount of the trading price of the Listed Class of Units to the Sub-Fund’s Net Asset Value.

Please refer to “Trading Time Differences Risk” under the section entitled “Risk Factors” in Part 1 of this Prospectus for further details.

Fluctuations risk

The performance of the Units of the Sub-Fund should, before fees and expenses, correspond closely with the performance of the Index. If the Index experiences volatility or declines, the price of the Units of the Sub-Fund which tracks that Index will vary or decline accordingly.

Licence to use Index may be terminated risk

The Manager is granted a licence by the Index Provider to use the Index to create the Sub-Fund based on the Index and to use certain trade-marks and any copyright in the Index. The Sub-Fund 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 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” below. Although the Manager will seek to find a replacement Index, the Sub-Fund may also be terminated if the 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 Sub-Fund. The Sub-Fund 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 Sub-Fund or other persons regarding the advisability of investing in Securities generally or in the Sub-Fund particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Sub-Fund 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 which case there might be significant difference between the return of the Sub-Fund and the Index. 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 Sub-Fund, 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 new Securities are included in the Index or where the methodology of the Index is changed by the Index Provider. When this happens the weightings or composition of the Securities owned by the Sub-Fund (either directly or indirectly) will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units of the Sub-Fund will generally reflect the performance of the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that the Sub-Fund will, at any given time accurately reflect the composition of the relevant Index (please refer to the section on “Tracking error risk”).

Currency risk

Classes of Unit of a Sub-Fund may be designated in a currency other than the base currency of the Sub-Fund. The underlying investments of a Sub-Fund may include securities denominated in currencies other than the base currency of the Sub-Fund. The Net Asset Value of a Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the

Sub-Fund's base currency and by changes in exchange rate controls.

Trading risk

Generally, retail investors can only buy or sell Units on the SEHK. The trading price of Units on the SEHK is driven by market factors such as the demand and supply of Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's NAV. 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 NAV per Unit when buying Units on the SEHK, and may receive less than the NAV per Unit when selling Units on the SEHK.

Risk associated with investing in other collective investment schemes/funds

The underlying funds in which the Sub-Fund may invest may not be regulated by the SFC. There will 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 Sub-Fund's redemption requests as and when made. There can also be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved.

Conflicts of interests may arise in a situation where the Sub-Fund invests in other funds managed by the Manager or its connected persons (despite that all initial charges and, where the underlying fund is managed by the Manager, all management fees and performance fees on the underlying fund will be waived). The Manager will use its best endeavours to avoid and resolve such conflicts fairly.

Risk associated with Securities Lending Transactions

The Sub-Fund which enters into Securities Lending Transactions may be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral. In particular, Securities Lending Transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

The Offering Phases of the Listed Class of Units

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 21 September 2026 and ends at 4:00 p.m. (Hong Kong time) on 22 September 2026, or such other date as the Manager may determine.

The Listing Date is 24 September 2026.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Listed

Class of Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class of Units to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Listed Class of Units for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Listed Class of Units on their behalf.

After Listing

“After Listing” commences on the Listing Date.

Dealings in the Listed Class of Units on the SEHK will commence on the Listing Date, which is 24 September 2026.

The current Dealing Deadline After Listing is 1:00 p.m. (Hong Kong time) for cash Creation and Redemption Applications on the relevant Dealing Day, or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK are reduced.

All Creation Applications must be made in cash (in HKD only). Settlement in cash for subscribing for Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Issue Price of Listed Class of Units created and issued by a Creation Application After Listing will be the prevailing Net Asset Value attributable to the Listed Class of Units as at the relevant Valuation Point divided by the total number of Listed Class of Units in issue rounded to the nearest 4 decimal places (0.00005 and above being rounded up; below 0.00005 being rounded down).

The attention of investors is drawn to the section entitled “The Offering Phases” in Part 1 of this Prospectus. 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	
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Participating Dealers may apply for creation for themselves or for their clients in Application Unit size	9:00 a.m. (Hong Kong time) on 21 September 2026 or such other date or time as the Manager may determine
The date that is two Business Days prior to the Listing Date Latest time for Creation Applications by Participating Dealers for Listed Class of Units to be available for trading on the Listing Date	4:00 p.m. (Hong Kong time) on 22 September 2026 or such other date or time as the Manager may determine
After listing (period commences on the Listing Date) - All investors may start trading Listed Class of Units on the SEHK through any designated brokers; and - Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Unit size	- Commence at 9:30 a.m. (Hong Kong time) on 24 September 2026. - From 9:30 a.m. (Hong Kong time) to 1:00 p.m. (Hong Kong time) on each Dealing Day

Exchange Listing and Trading (Secondary Market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Listed Class of Units traded in HKD will begin on 24 September 2026.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption

proceeds may be paid in cash (in HKD). Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines and the Trust Deed.

The Redemption Price on a Dealing Day shall be the prevailing Net Asset Value attributable to the Listed Class of Units as at the relevant Valuation Point divided by the total number of Listed Class of Units in issue rounded to the nearest 4 decimal places (0.00005 and above being rounded up; below 0.00005 being rounded down).

Subscription and Redemption of Unlisted Classes of Units

The Sub-Fund currently offers the following Unlisted Classes of Units to investors:

- Class A HKD
- Class A USD
- Class I HKD
- Class S HKD

** The Manager will determine a person's eligibility to subscribe for Class S Units and will have the absolute discretion to decline any subscription application for such Classes of Units as it sees fit. Where a holder of Class S Units ceases to become eligible to subscribe for such Class of Units, such holder may only redeem its Units and may not subscribe for additional Units of the relevant Class.*

The Manager may in future determine to issue additional Unlisted Classes of Units.

Initial Offer Period

The Initial Offer Period of the Unlisted Classes of Units will commence at 9:00 a.m. (Hong Kong time) on 21 September 2026 and end at 4:00 p.m. (Hong Kong time) on 22 September 2026 (or such other dates or times as the Manager may determine).

Initial Subscription Price

The initial Subscription Price for each of the Unlisted Classes of Units is as follows:

- Class A HKD: HKD 10 per Unit
- Class A USD: USD 10 per Unit
- Class I HKD: HKD 10 per Unit
- Class S HKD: HKD 10 per Unit

The Manager may at any time decide to close a Class to further subscriptions before the end of the Initial Offer Period without any prior or further notice.

Dealing procedures

For details of dealing procedures, please refer to the information below and in the section entitled "PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS" of Part 1 of this Prospectus. The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day
<i>Dealing Deadline</i>	1:00 p.m. (Hong Kong time) on the relevant Dealing Day
<i>Deadline for cleared funds</i>	1:00 p.m. (Hong Kong time) on the relevant Dealing Day

Investors should note that subscription monies in respect of the Sub-Fund must be paid in the currency of denomination of the relevant class of Units. Redemption proceeds will be paid to redeeming Unitholders in the currency of denomination of the relevant class of Units.

Subscription Price and Redemption Price

The Subscription Price and Redemption Price of each of the Unlisted Class of Units (namely, Class A HKD, Class A USD, Class I HKD and Class S HKD) on any Dealing Day will be the price per Unit of the relevant Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant class as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of that class then in issue and rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). Any rounding adjustment will be retained by the relevant class.

Payment of subscription monies

Subscription monies in respect of Unlisted Classes of Units should be received in cleared funds by (i) 1:00 p.m. (Hong Kong time) on the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Classes of Units during the Initial Offer Period, such time on the last day of the Initial Offer Period of Unlisted Classes of Units as specified in this Appendix, or within such other period as determined by the Manager.

Payment of redemption proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder in the Class Currency of the relevant Unlisted Class of Units by telegraphic transfer within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the market(s) in which a substantial portion of the Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s).

Investment Minima

The following investment minima apply to the Unlisted Classes of Units:

	<u>Class A HKD</u>	<u>Class A USD</u>	<u>Class I HKD</u>	<u>Class S HKD</u>
<i>Minimum initial investment</i>	HKD 1,000	USD 100	HKD 1,000,000	HKD 1,000
<i>Minimum subsequent investment</i>	HKD 100	USD 10	HKD 100,000	HKD 100
<i>Minimum holding amount</i>	HKD 100	USD 10	HKD 1,000,000	HKD 100
<i>Minimum redemption amount</i>	HKD 100	USD 10	HKD 100,000	HKD 100

The Manager reserves the right to waive the minimum initial investment, minimum subsequent investment, minimum holding amount and minimum redemption amount requirements for any class of Units.

Switching

Investors should note that switching between Unlisted Classes of Units and Listed Class of Units is not available. Switching between different classes of Unlisted Classes of Units of the Sub-Fund may be permitted by the Manager. Please refer to the section “Switching of Unlisted Class(es) of Units” in Part 1 of this Prospectus. Switching between an Unlisted Class of Units of the Sub-Fund and an Unlisted Class of Units of other sub-fund(s) of the Trust is not available.

Distribution Policy

In relation to all Classes, the Manager intends to declare and distribute net dividends to Unitholders at the Manager’s discretion. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in the relevant currency of the relevant Class (i.e. USD or HKD as the case may be) in respect of Unlisted Classes of Units and in HKD in respect of Listed Classes of Units. Distributions may be made out of capital as well as income at the Manager’s discretion. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital.

Each Unitholder will receive distributions in the relevant currency of the relevant Class (i.e. USD or HKD as the case may be) in respect of Unlisted Classes of Units and in HKD in respect of Listed Classes of Units. Unitholders may have to bear the fees and charges associated with the conversion of such dividend into any other currency. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit. Please refer to "Distributions out of or effectively out of capital risk" under the section entitled "Risk Factors" in Part 1 of this Prospectus for further details.

The composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website www.bosera.com.hk (this website has not been reviewed by the SFC). The Manager may amend the Sub-Fund's distribution policy with respect to the distributions out of capital or effectively out of capital of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders,

Fees and Expenses

Fees applicable to Listed Class of Units only

Fees and expenses payable by Participating Dealers

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Units (applicable both during the Initial Offer Period and After Listing)	Amount
Transaction Fee and Service Agent's Fee	Up to HKD 3,900 ¹⁶ per Application and HKD 1,000 ¹⁶ per book-entry deposit and book-entry withdrawal transaction

¹⁶ The Transaction Fee of up to HKD 3,900 is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee of HKD 1,000 is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee and Service Agent's fee.

Application cancellation fee	Up to HKD 9,350 ¹⁷ per Application
Extension Fee	Up to HKD 9,350 ¹⁸ per Application
Registrar's Fee	Up to HKD 160 per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

Fees payable by the Sub-Fund

Management fee

The Manager is entitled to a management fee in respect of Listed Class of Units of 0.90%[#] per annum of the Net Asset Value of the Sub-Fund attributable to the Listed Class of Units, which is accrued daily and calculated as at each Dealing Day. It is payable out of the assets of the Sub-Fund attributable to the Listed Class of Units, monthly in arrears in HKD.

Trustee's fee

The Trustee is entitled to receive out of the assets of the Sub-Fund a monthly Trustee's fee, payable in arrears, accrue daily and calculated as at each Dealing Day of up to 1%[#] per annum of the Net Asset Value of the Sub-Fund. The current Trustee's fee is up to 0.10% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum fee of HKD 39,000 per month, payable monthly in arrears, accrued daily and calculated as at each Dealing Day.

Fees applicable to Unlisted Classes of Units only

Fees payable by Unitholders

Fee	What you pay	
	Class A and Class I	Class S
Subscription fee[#]	Up to 1% of the subscription amount	Nil
Switching fee[#] (i.e. conversion fee)	Up to 1%* of the redemption amount for each Unit converted	Nil

¹⁷ An application cancellation fee is payable to the Trustee in respect of either a withdrawn or failed Creation Application or Redemption Application.

¹⁸ An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

Redemption fee[#]	Nil
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* The switching fee will be deducted from the redemption proceeds and retained by the Manager. This is payable in addition to the applicable redemption fee (if any).

Fees payable by the Sub-Fund

Fee	Annual rate (as a % of the Sub-Fund's Net Asset Value)		
	Class A	Class I	Class S
Management fee[#]	1.0% per annum	0.5% per annum	Nil
Performance fee	Nil		
Trustee's fees[#]	Up to 0.10% per annum, subject to a monthly minimum fee of HKD 39,000		

[#] Please note that some fees may be increased up to a permitted maximum amount by providing one month's prior notice to Unitholders. Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus for further details on the permitted maximum of such fees allowed.

Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus for details of other fees and expenses payable by Participating Dealers (in respect of Listed Class of Units only) or investors and payable out of the Sub-Fund.

Establishment costs

The cost of establishing Bosera HKEX KRX Semiconductor Index ETF (including its Listed Class and initial Unlisted Class of the Sub-Fund) including the preparation of its offering documents, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, will be borne by Bosera HKEX KRX Semiconductor Index ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of the Sub-Fund or such other period as determined by the Manager after consulting the Auditor. Such costs are estimated to be HKD 500,000.

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 of 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 HKEX KRX Semiconductor Index (the "**Index**") measures the performance of the 30 top

semiconductor companies listed in Hong Kong and South Korea, with 15 companies from each market in terms of free-float market capitalization.

The Index is a free-float adjusted market capitalization weighted index consisting of combines: (i) semiconductor-related companies listed on the Main Board of the SEHK that are eligible for the Southbound Stock Connect and (ii) constituents of the KRX Semiconductor Top 15 Index which consists of 15 stocks related to semiconductor industry's value chain, such as semiconductor materials and equipment manufacturing, listed either on the KOSPI or KOSDAQ market. The Index aims to maintain an allocation between Hong Kong-listed and Korea-listed securities at each rebalancing by capping the weight of Hong Kong-listed securities at 62% and Korea-listed securities at 38% of the total Index weighting.

The Index is a net total return index which means that the performance of the Index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Index is denominated and quoted in HKD. The index was launched on 31 March 2026.

As at 30 April 2026, the Index had 30 constituents. The constituents market capitalisation is HKD 13,857 billion. The base date for the Index was 31 December 2020 with a base level of 10,000 as of the base date. As at 30 April 2026, the largest constituent of the index accounts for 14.24% of the Index.

Index methodology

Universe

The universe for the Index comprises securities listed on the Main Board of the SEHK that are eligible for the Southbound Stock Connect and securities listed on the KOSPI and KOSDAQ markets of the KRX.

Constituent Eligibility

Hong Kong-listed Securities

Hong Kong-listed security is eligible for selection if it fulfils all the criteria below:

1. Industry Requirement

Companies classified within, or demonstrating material revenue exposure to, the following sub-sectors under the Revere Business Industry Classification System ("RBICS"):

Company Type	Sub-Sector Code	Sub-Sector
	551020	Semiconductor Manufacturing

Semiconductors-focused Securities	551030	Semiconductor Equipment and Services
Supplementary Securities	551010	Electronic Components
	551515	Communications Equipment
	551520	Computer Hardware and Storage

2. Listing History Requirement

Securities must have been listed for at least 3 months.

3. Liquidity Requirement

Securities must:

- rank within the top 80% shares by average daily turnover over the past 12 months within the respective exchanges; and
- have an average daily turnover over the past 6 months of at least HKD 20 million.

Korea-listed Securities

Korea-listed security is eligible for selection if it is the constituent of the KRX Semiconductor Top 15 Index, which represents 15 largest stocks related to semiconductor industry's value chain listed either on the KOSPI or KOSDAQ market.

The universe for the KRX Semiconductor Top 15 Index consists of common stocks listed on the KOSPI or KOSDAQ, excluding ineligible securities such as administrative or delisting-risk issues, collective investment schemes, special purpose acquisition companies ("SPACs"), depository receipts ("DRs"), foreign securities, and stocks with a free-float rate below 10%.

Constituents for the KRX Semiconductor Top 15 Index are selected semi-annually. For each selection, average daily market capitalization and average daily trading value over the three months preceding the relevant screening base date (the last trading day of either April or October) are calculated. Stocks must satisfy both of the following criteria:

- Industry: classified under the Global Industry Classification Standard as Semiconductors & Semiconductor Equipment.
- Liquidity: average daily trading value ranks within the top 80% of the universe for the KRX Semiconductor Top 15 Index.

Among the stocks satisfying the above criteria, the 15 largest stocks by average daily market capitalization are selected for inclusion in the KRX Semiconductor Top 15 Index.

Constituent Selection

The total number of constituents of the Index is fixed at 30.

Hong Kong-listed Securities

Hong Kong-listed eligible securities are ranked in descending order by their average daily market capitalisation over the past 12 months. For securities listed for less than 12 months, the average daily market capitalisation is calculated from the listing date. The constituents will be selected in accordance with the following rules:

- The top 15 Semiconductors-focused Securities (i.e. companies under sub-sectors “Semiconductor Manufacturing” and “Semiconductor Equipment and Services” under the RBICS) with the highest market capitalisation will be selected as index constituents.
- If fewer than 15 Semiconductors-focused Securities are available, all eligible Semiconductors-focused Securities will be included. Additional eligible Supplementary Securities (i.e. companies under sub-sectors “Electronic Components”, “Communications Equipment” and “Computer Hardware and Storage” under the RBICS) with the highest market capitalisation will then be added until the number of constituents reaches 15.

Korea-listed Securities

All constituents of the KRX Semiconductor Top 15 Index will be selected as index constituents.

Securities Weighting and Rebalancing

Index recapping and rebalancing are conducted quarterly in March, June, September and December, with all changes generally implemented after market close on the second Friday of the month and becoming effective on the following trading day. The cutoff date for prices used for the recapping and rebalancing is generally the Monday preceding the implementation date.

Constituents are weighted by free-float adjusted market capitalization. The total weights of the Hong Kong-listed constituents and Korea-listed constituents are 62% and 38% respectively. In particular, Hong Kong-listed Semiconductor-focused Constituents and Korea-listed constituents are subject to a 12% cap at individual security level, while Hong Kong-listed Supplementary Constituents are subject to a 3% cap at individual security level.

If the aggregate weight of the Korea-listed constituents exceeds 38% at market close of the third trading day prior to the last trading day of March and September, an ad hoc rebalancing will be performed and will take effect on the last trading day of March and September respectively.

Index Providers

The Index is a co-branded index and jointly developed by HKEX Indices and Benchmarks Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited (“HKEX”) and Korea Exchange, Inc (collectively, the “**Index Providers**”). The Index is overseen by the Index Oversight Committee (the “Committee”). The Committee comprises an equal number of representatives from each of HKEX and KRX.

Solactive AG (“Solactive”) is the calculation agent of the Index.

HKEX is one of the world’s major exchange groups, and operates a range of equity, commodity, fixed income and currency markets. HKEX is the world’s leading IPO market and as Hong Kong’s only securities and derivatives exchange and sole operator of its clearing houses, it is uniquely placed to offer regional and international investors access to Asia’s most vibrant market. Index Services is one of HKEX’s key adjacent capabilities which, together with its core exchange business, widen the vibrant product ecosystem at HKEX; KRX is an integrated exchange that operates equity, bond, derivatives and commodity markets and carries out the OTC clearing. Having introduced the very first stock market index in Korea in 1964, the KRX has developed and administered a variety of indices that represent the Korean market over the last 60 years. Including its representative benchmark indices such as KOSPI 200, KOSDAQ 150, and Korea Value-up, the KRX manages over 1,000 indices that cover equity, derivatives, commodity, bond, multi-asset, global and custom indices. Solactive is headquartered in Frankfurt, with regional offices in various locations, including Hong Kong. The firm calculates more than 36,000 indices globally and is regulated by BaFin, Germany’s financial supervisory authority.

The Manager and its Connected Persons are independent of the Index Providers and the calculation agent.

Index Review

The Index is reviewed semi-annually, with all changes generally implemented after market close on the second Friday of June and December, and becoming effective on the following trading day. The data cut-off dates for index review are the respective exchanges’ last trading day of April and October, respectively. The results of the index review are generally announced two weeks prior to the effective date.

For Hong Kong-listed securities, if at least 15 eligible Semiconductors-focused Securities are available, no Supplementary Securities will be included in the index and existing Supplementary Securities will also be excluded. Only eligible Semiconductors-focused Securities will be ranked. Existing eligible Semiconductors-focused constituents ranked below 18th will be removed from the Index, while non-constituents eligible Semiconductors-focused Securities ranked 12th or above will be added. Next, stocks will be added to or removed from the Index to maintain the number of constituents at 15. If the number of Semiconductors-focused constituents exceeds 15 after the application of the buffer zone, the smallest constituent(s) will be removed from the Index until the constituent count reaches 15. If the number of Semiconductors-focused constituents

below 15 after the application of the buffer zone, the highest-ranked eligible Semiconductors-focused securities will be added to the Index until the constituent count reaches 15.

If fewer than 15 eligible Semiconductors-focused Securities are available, all eligible Semiconductors-focused Securities will be included. The next largest eligible Supplementary Securities will be added based on the buffer rule⁸ until the number of constituents reaches 15. After applying this buffer rule, if the number of constituents exceeds 15, the smallest Supplementary constituent(s) will be removed from the Index until the constituent count reaches 15.

Southbound Stock Connect eligible securities list is generally updated in March and September. Existing constituents that have been removed from Southbound Stock Connect will be removed from the Index and replaced by the next highest ranked non-constituent candidate from the last semi-annually Index review. The number of constituents will be reset in the Quarterly Adjustments. All changes are generally implemented after market close on the second Friday of March and September and becoming effective on the following trading day.

If an existing constituent is removed from Southbound Stock Connect, it will be removed from the Index. Such changes will generally be implemented after the close of the fifth Hong Kong cash market trading day following this. In the event of other corporate actions, the Index will be adjusted in accordance with the corresponding guideline⁹.

Constituents of the Index and further information

You can obtain the last closing index level, the most updated list of the Index constituents with their respective weightings, the index methodology, important news, and any additional information from the website <https://www.hkex.com.hk/Services/Market-Data-Services/Index-Services/KRX-Semiconductor> (this website has not been reviewed by the SFC).

Index code

Bloomberg: HKEXKRXN

Refinitiv: .HKEXKRXN

Index Provider disclaimer

⁸ Existing constituents ranked below $N \times 1.2$ (rounded up) will be removed, while non existing constituents ranked at or above $N \times 0.8$ (rounded down) will be included, where N represents the number of supplementary companies required to reach the constituent count of 15

⁹ Please refer to Solactive's Equity Index Methodology: <https://www.solactive.com/documents/equity-indexmethodology/> (this website has not been reviewed by the SFC)

HKEX Indices and Benchmarks Limited and Korea Exchange, Inc (“KRX”) (collectively, “Joint Owners”), their respective affiliates, information providers and any other third parties (“Relevant Parties”) involved in, or related to, computation, compilation, publication, dissemination, or provision of HKEX KRX Semiconductor Index do not sponsor, endorse, sell, or promote the Boserá HKEX KRX Semiconductor Index ETF (the “Sub-Fund”) and make no representation or warranty, express or implied, and shall have no liability to any person including the owners of the Sub-Fund or any member of the public with regard to the Sub-Fund including regarding the legality, suitability, advisability of investing in the underlying assets or financial products generally, or in the Sub-Fund in particular.

The Joint Owners’ only relationship with Boserá Asset Management (International) Co., Limited (if any) is the licensing of HKEX KRX Semiconductor Index and certain trademarks, service marks, and/or trade names of the Joint Owners or their respective affiliates. HKEX KRX Semiconductor Index and such marks and trade names are the exclusive property of the Joint Owners and their respective affiliates. HKEX KRX Semiconductor Index is determined, composed, and calculated by Relevant Parties without regard to the Sub-Fund or its performance. Relevant Parties may cease to compute, compile or publish HKEX KRX Semiconductor Index and may change its computation from time to time without liability to any person and have no obligation to take the needs of Boserá Asset Management (International) Co., Limited or the investors of the Sub-Fund into consideration in determining, composing, or calculating HKEX KRX Semiconductor Index.

RELEVANT PARTIES DO NOT GUARANTEE THE ACCURACY, TIMELINESS, RELIABILITY AND/OR THE COMPLETENESS OF HKEX KRX SEMICONDUCTOR INDEX OR ANY DATA INCLUDED THEREIN AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

RELEVANT PARTIES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, SHALL HAVE NO LIABILITY OF ANY KIND TO ANY PERSON WITH RESPECT TO HKEX KRX SEMICONDUCTOR INDEX OR ANY DATA INCLUDED THEREIN INCLUDING WITHOUT LIMITATION (I) THE RESULTS TO BE OBTAINED BY BOSERA ASSET MANAGEMENT (INTERNATIONAL) CO., LIMITED, INVESTORS IN THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF HKEX KRX SEMICONDUCTOR INDEX OR ANY DATA INCLUDED THEREIN; (II) USEFULNESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO HKEX KRX SEMICONDUCTOR INDEX OR ANY DATA INCLUDED THEREIN; (III) THE ABILITY OF HKEX KRX SEMICONDUCTOR INDEX TO TRACK GENERAL MARKET PERFORMANCE OR GENERAL PERFORMANCE OF ANY UNDERLYING ASSETS, THEIR PRICES OR OTHERWISE.

An investor by subscribing or purchasing the Sub-Fund will be regarded as having acknowledged, understood and accepted the disclaimer above.

Index licence agreement

The licence of the Index commenced on 8 Apr 2026 and should continue in full force and effect unless terminated by either party upon giving three month's prior written notice to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Appendix dated September 2026