IMPORTANT: Investments involve risks, including the loss of principal. Investors are advised to consider their own investment objectives and circumstances in determining the suitability of an investment in the iShares Core S&P BSE SENSEX India Index ETF ("SENSEX India ETF"). An investment in the SENSEX India ETF may not be suitable for everyone. 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.

PROSPECTUS

iShares by BLACKROCK

iShares Core S&P BSE SENSEX India Index ETF (HKD Counter Stock Code: 02836) (RMB Counter Stock Code: 82836) (USD Counter Stock Code: 09836)

iShares Asia Trust

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

Listing Agent and Manager
BlackRock Asset Management North Asia Limited
貝萊德資產管理北亞有限公司

5 December 2019

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of Units in the iShares Core S&P BSE SENSEX India Index ETF (the "SENSEX India ETF"), a sub-fund of the iShares Asia Trust (the "Trust"), an umbrella unit trust established under Hong Kong law by a trust deed dated 16 November 2001 between Barclays Global Investors North Asia Limited (now known as BlackRock Asset Management North Asia Limited) ("the Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee") as amended from time to time.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and for the accuracy and fairness of the opinions expressed (at the date of its publication), and 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 (the "SEHK") 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 Investment Products for the purposes of giving information with regard to the Units of the SENSEX India ETF and that having made all reasonable enquiries, the Manager confirms that, to the best of its knowledge and belief that there are no other matters the omission of which would make any statement in this Prospectus misleading, whether of fact or opinion; any inferences that might reasonably be drawn from any statement in the Prospectus are true and are not misleading; and all opinions and intents expressed in this Prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable. 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 "Trustee and Registrar".

The SENSEX India ETF is a fund falling within Chapter 8.6 of the Code. The Trust and the SENSEX India ETF are authorised by the Securities and Futures Commission (the "SFC") in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the SENSEX India ETF or for the correctness of any statements made or opinions expressed in this Prospectus. Authorisation by the SFC is not a recommendation or endorsement of the SENSEX India ETF nor does it guarantee the commercial merits of the SENSEX India ETF or its performance. It does not mean the SENSEX India ETF is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Applicants for Units shall undertake to the Manager and the Trustee that, to the best of their knowledge, the monies used to invest in Units in the SENSEX India ETF are not sourced from mainland China.

Applicants for Units should consult their financial adviser, 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 them 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 the SENSEX India ETF is appropriate for them.

Dealings in the Units in the SENSEX India ETF on the SEHK commenced on 2 November 2006 (HKD counter). Units in the SENSEX India ETF have been accepted as eligible securities by the Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS") with effect from 2 November 2006.

Further applications may be made to list units in additional Index Funds constituted under the Trust in future on the SEHK.

No action has been taken to permit an offering of Units of the SENSEX India ETF 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. Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial report of the SENSEX India ETF and, if later, its most recent interim financial report, which form a part of this Prospectus.

In particular:

(a) Units in the SENSEX India ETF have not been registered under the United States Securities Act of 1933 (as amended) (the "Act") and except in a transaction which does not violate such Act, may not be directly or indirectly offered 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 such Act).

(b) The SENSEX India ETF has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act"). Accordingly, Units may not, except pursuant to an exemption from, or in a transaction not subject to, the regulatory requirements of the 1940 Act, be acquired by a person who is deemed to be a US Person under the 1940 Act and regulations.

(c) Units may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan. An ERISA Plan is defined as (i) any retirement plan subject to Title I of the United States Employee Retirement Income Securities Act of 1974, as amended; or, (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended.

Where the Manager becomes aware that the Units are directly or indirectly beneficially owned by any person in breach of the above restrictions, the Manager may give notice to such person requiring him to transfer such Units to a person who would not thereby be in contravention of such restrictions or to request in writing the redemption of such Units in accordance with the Trust Deed.

The following requirements and restrictions (together, the "FPI Restrictions") apply as at the date of this Prospectus (investors should note that the FPI Restrictions may change from time to time):

- The SENSEX India ETF is registered as a Category II Foreign Portfolio Investor ("FPI") under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014 (as amended or supplemented from time to time) ("FPI Regulations"). In order to be registered as a Category II FPI, the SENSEX India ETF is required to demonstrate that it satisfies the following broad based criteria: (i) it must have a minimum of 20 investors including both direct investors and underlying investors in pooling vehicles; and (ii) no investor shall hold over 49% of its Units (by number or value). Institutional investors who hold over 49% of the SENSEX India ETF must themselves comply with the broad based criteria. As such, no investor in the SENSEX India ETF may hold over 49% of its Units (by number or value) (apart from HKSCC Nominees Limited, which is the registered owner (i.e. the sole holder of record) of all outstanding Units deposited with CCASS), unless such investor is an institutional investor which itself satisfies the broad based criteria. The SENSEX India ETF, as a registered Category II FPI, is also subject to certain requirements imposed by the Reserve Bank of India in conjunction with the Securities and Exchange Board of India ("SEBI") in relation to Know Your Customer (KYC), anti-money laundering and combat of terrorist financing obligations. In order to comply with such requirements, any investor who is an ultimate beneficial owner holding over 15% of the Units (by number or value) of the SENSEX India ETF is required to provide their consent to the fund's FPI registration and to have his/her client information disclosed to the relevant depository participant and SEBI by brokers, custodians, nominees, CCASS, any other intermediary and by the SENSEX India ETF and its service providers. Any ultimate beneficial owner who holds more than 15% of the Units (by number or value) of the SENSEX India ETF, by investing in and continuing to invest in the fund, hereby consents to the fund's FPI registration and consents to have his/her client information disclosed to the relevant designated depository participant and SEBI.

- Units in the SENSEX India ETF have not been and will not be registered under the laws of India and are not intended to benefit from any laws in India promulgated for the protection of investors. Units in the SENSEX India ETF are not being offered to, and may not be, directly or indirectly, sold to, subscribed or acquired or dealt in by, transferred to or held by or for the benefit of (i) any "Resident" in India, as such term is defined in the Income Tax Act, 1961 of India (as amended or supplemented from time to time), (ii) any person who is a "Non-Resident Indian" or a "Person of Indian Origin" (as such terms are defined under Indian law) and who would, as a result of the completion of the sale or transfer, hold more than 50% of the SENSEX India ETF, (iii) any person for re-offering or re-sale, directly or indirectly, in India or to a resident of India or any entity incorporated or registered in India, and/or (iv) any person who has the intention of purchasing Units in the SENSEX India ETF to circumvent or otherwise avoid any requirements applicable under the FPI Regulations and/or any other subsidiary regulations or circulars issued pursuant thereto (each a "Restricted Entity"). The Manager does not knowingly permit the sale of Units in the SENSEX India ETF or any beneficial interests therein to Restricted Entities. A prospective investor in the SENSEX India ETF may be required at the time of acquiring Units (or subsequently) to represent that such investor is not a Restricted Entity and is not acquiring Units for or on behalf of a Restricted Entity. Unitholders in the SENSEX India ETF are required to notify the Manager immediately in the event that they become Restricted Entities or hold Units for the benefit of Restricted Entities.

- Units in the SENSEX India ETF are not being offered to, and may not be, directly or indirectly, sold or delivered, subscribed or acquired or dealt in by, transferred to or held by or for the benefit of any investor who resides or is based out of any jurisdiction identified by the Financial Action Task Force (from time to time) as "High risk and non-cooperative jurisdictions". The Trustee and the Manager may be required, in accordance with the requirements or requests of SEBI or any other Indian governmental or regulatory authority, to provide information relating to the Unitholders and/or beneficial owners of Units in the SENSEX India ETF.

By investing and continuing to invest in the SENSEX India ETF (whether directly or indirectly), investors are deemed (i) to acknowledge and agree to, and represent that their holdings of Units are not in contravention of, the FPI Restrictions, and (ii) to consent to any disclosure to the relevant designated depository participant, SEBI or an IAP Issuer, as required by the relevant FPI Restrictions. Unitholders are also required to notify the Manager immediately in the event that they become aware that their holdings become in contravention of the FPI Restrictions. Unitholders may be required to provide information for the purpose of determining whether or not the FPI Restrictions have been complied with. If any Unitholder or beneficial owner fails to disclose the requested information and due to such non-disclosure or inadequate disclosure, the Manager believes that the SENSEX India ETF may be in breach of the FPI Restrictions, the Manager reserves the right to compulsorily redeem Units in the SENSEX India ETF held by or for the benefit of such person.

Investors should note that any amendment, addendum to, or replacement of, this Prospectus will only be posted on the Manager's website (www.blackrock.com/hk). Investors should refer to the section "Information Available on the Internet" for more details.

DIRECTORY

MANAGER
BLACKROCK ASSET MANAGEMENT NORTH ASIA LIMITED
16/F, CHAMPION TOWER
3 GARDEN ROAD CENTRAL
HONG KONG

TRUSTEE, REGISTRAR AND CUSTODIAN
HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED
1 QUEEN'S ROAD CENTRAL
HONG KONG

AUDITORS
PRICEWATERHOUSECOOPERS
22ND FLOOR
PRINCE'S BUILDING
CENTRAL
HONG KONG

DIRECTORS OF THE MANAGER
BELINDA BOA
GERALDINE BUCKINGHAM
SUSAN WAI-LAN CHAN
ANDREW JOHN HAMBLETON
ANDREW RAYMOND LANDMAN
GRAHAM DOUGLAS TURL

SERVICE AGENT
HK CONVERSION AGENCY SERVICES LIMITED
8/F, TWO EXCHANGE SQUARE
8 CONNAUGHT PLACE
CENTRAL
HONG KONG

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INTRODUCTION

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the SENSEX India ETF. It contains important facts about the Trust as a whole and the SENSEX India ETF.

The Trust and the SENSEX India ETF

The Trust is an umbrella unit trust created by a trust deed (the "Trust Deed") dated 16 November 2001, as amended, made under Hong Kong law between BlackRock Asset Management North Asia Limited (formerly known as Barclays Global Investors North Asia Limited) (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust may issue different classes of units and the Trustee shall establish a separate pool of assets within the Trust (each such separate pool of assets an "Index Fund") for each class of units. The assets of an Index Fund will be invested and administered separately from the other assets of the Trust. The Manager reserves the right to establish other Index Funds and to issue further classes of Units in the future.

This Prospectus relates to one of the Index Funds, SENSEX India ETF, which is an exchange traded fund (or "ETF") authorised by the SFC.

ETFs are funds that are designed to track an index. The Units of the SENSEX India ETF are listed on the SEHK and trade like any other equity security listed on the SEHK. Only Participating Dealers may create or redeem Units directly from the SENSEX India ETF at Net Asset Value who are under no obligation to accept instructions to create or redeem Units on behalf of retail investors. All other investors may only buy and sell Units in the SENSEX India ETF on the SEHK.

PRICES FOR THE SENSEX INDIA ETF ON THE SEHK ARE BASED ON SECONDARY MARKET TRADING FACTORS AND MAY DEVIATE SIGNIFICANTLY FROM THE NET ASSET VALUE OF THE SENSEX INDIA ETF.

Investment Objective

The investment objective of the SENSEX India ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index.

An index is a group of Securities which an index provider selects as representative of a market, market segment or specific industry sector. The index provider is independent of the Manager and determines the relative weightings of the Securities in the index and publishes information regarding the market value of the index.

There can be no assurance that the SENSEX India ETF will achieve its investment objective.

The Underlying Index of the SENSEX India ETF may be changed by prior approval of the SFC and notice to Unitholders.

Investment Strategy

The Manager uses a passive or indexing approach to try to achieve the SENSEX India ETF's investment objective. The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index.

The Manager does not try to beat or perform better than the Underlying Index.

The SENSEX India ETF aims to invest at least 95% of its assets in achieving the investment objective. The SENSEX India ETF may invest, either directly or indirectly, in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the SENSEX India ETF achieve its investment objective. The Manager may invest the SENSEX India ETF's assets in money market instruments or funds that invest exclusively in money market instruments, in repurchase agreements, in stocks that are in the relevant market but not the SENSEX India ETF's Underlying Index, and/or in combinations of stock index futures contracts, options on futures contracts, stock index options, stock index swaps, cash, local currency and forward currency exchange contracts which the Manager believes will help the SENSEX India ETF achieve its investment objective. The investment strategy of the SENSEX India ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

In managing the SENSEX India ETF, the Manager may adopt a representative sampling investment strategy in lieu of a replication investment strategy as described below. A representative sampling investment strategy may be more appropriate in view of the comparative illiquidity and possible settlement difficulties which may be experienced with certain shares comprised in the Underlying Index. Having regard to the number of Securities constituting the Underlying Index, the liquidity of such Securities, any restrictions on the ownership of Securities, high transaction expenses and other trading costs, and tax and other regulatory restrictions the Manager may decide to adopt a representative sampling investment strategy. This means that the SENSEX India ETF may not hold all shares in all the constituent companies of the Underlying Index. However, the Manager may swap between the two investment strategies, without prior notice to Unitholders, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the SENSEX India ETF.

Representative Sampling Investment Strategy

"Representative sampling" is an indexing strategy that involves investing, directly or indirectly, in a representative sample of the Securities included in the relevant index that collectively has an investment profile that reflects the profile of the relevant index. The SENSEX India ETF, adopting a representative sampling investment strategy, may or may not (either directly or indirectly) hold all of the Securities that are included in the Underlying Index, and may hold Securities which are not included in the Underlying Index, provided that the sample closely reflects the overall characteristics of the Underlying Index and if the Manager believes that a replication investment strategy is not the most efficient means to track the Underlying Index. The Manager will select the representative sample of Securities using quantitative analytical models in a technique known as "portfolio sampling". Under this technique, each Security is considered for inclusion based on its contribution to certain capitalisation, industry and fundamental investment characteristics. The Manager seeks to construct the portfolio of the SENSEX India ETF so that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of its Underlying Index. Over time, the Manager may alter (or "rebalance") the portfolio composition of the SENSEX India ETF to reflect changes in the characteristics of its Underlying Index or to bring the performance and characteristics of the SENSEX India ETF more in line with that of its Underlying Index. The Manager will review the SENSEX India ETF regularly and will adjust its portfolio, when necessary, to conform to changes in the composition of its Underlying Index. Rebalancing may also be required for tax purposes. These rebalancings will require the SENSEX India ETF to incur transaction costs and other expenses.

Replication Investment Strategy

Although a representative sampling investment strategy has proven an effective means of approximating index performance in the past, it may not enable the SENSEX India ETF to track the Underlying Index's performance as well as a replication investment strategy. "Replication" is an indexing strategy that involves investing in substantially all of the Securities in the Underlying Index, either directly or indirectly, in substantially the same proportions as those Securities have in the Underlying Index. The Manager reserves the right to invest in all of the Underlying Index, and may do so on a regular basis for the SENSEX India ETF which comprises of relatively few stocks.

Correlation

An index is a theoretical financial calculation based on the performance of particular components that make up the index, whereas the SENSEX India ETF is an actual investment portfolio. The performance of the SENSEX India ETF and its Underlying Index may be different due to transaction costs, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the SENSEX India ETF's portfolio and the Underlying Index. These differences may result for example from legal restrictions affecting the ability of the SENSEX India ETF to purchase or dispose of Securities or the employment of a representative sampling investment strategy.

The use of a representative sampling investment strategy can be expected to result in greater tracking error than a replication investment strategy. The consequences of "tracking error" are described in more detail in "Risk Factors".

Leverage

The SENSEX India ETF's net derivative exposure may be up to 50% of the SENSEX India ETF's Net Asset Value.

Investment and Borrowing Restrictions

The SENSEX India ETF must comply with the investment and borrowing restrictions as summarised in Schedule 1 of this Prospectus (which includes a summary of the investment restrictions set out in the Trust Deed).

Index Licence Agreement

The Manager has been granted a licence by BSE Limited to use the Underlying Index to create the SENSEX India ETF for five years commencing from 6 October 2006 under a licence agreement. On 3 October 2011, the licence has been renewed for a period of 5 years. In 2013, BSE and S&P Dow Jones Indices LLC established a joint venture company Asia Index Private Limited, as a result of which the index licence agreement was novated to Asia Index Private Limited effective from 1 November 2014. Other material terms of the index licence agreement remain unchanged. Upon expiration of the current term, the parties may agree to extend the licence agreement on like terms or such other terms as may be agreed.

Investors' attention is drawn to "Risks Associated with the Underlying Index" on page 30.

Cross-trades

Cross-trades between the SENSEX India ETF and other funds managed by the Manager or its affiliates may be undertaken where the Manager considers that, as part of its portfolio management, such cross-trades would be in the best interests of the Unitholders to achieve the investment objective and policy of the SENSEX India ETF. By conducting cross-trades, the Manager may achieve trading efficiencies and savings for the benefit of the Unitholders. In conducting transactions, the Manager will ensure that the trades are executed on arm's length terms at current market value and the reason for such trades shall be documented prior to execution, in accordance with the SFC's Fund Manager Code of Conduct.

DESCRIPTION OF THE SENSEX INDIA ETF

Key Information

The following table is a summary of key information in respect of the SENSEX India ETF, and should be read in conjunction with the full text of the Prospectus.

Underlying Index	Index: S&P BSE SENSEX Launch Date: 1 January 1986 Number of constituents: 31 (20 November 2019) Total Index Market Capitalisation: approximately INR 41,900.43 billion or USD 895.79 billion as of 20 November 2019 Base Currency: USD
Listing Date (SEHK)	2 November 2006# # For HKD-traded Units. Trading for USD and RMB-traded Units commenced on 14 October 2016.
Exchange Listing	SEHK – Main Board
Initial public offering	Not applicable
Stock Code	02836 – HKD counter 09836 – USD counter 82836 – RMB counter
Stock Short Names	ISHARES INDIA – HKD counter ISHARES INDIA-U – USD counter ISHARES INDIA-R – RMB counter
ISIN Numbers	HK2836036130 – HKD counter HK0000310026 – USD counter HK0000310018 – RMB counter
Trading Board Lot Size	200 Units (for each counter)
Base Currency	US dollars (USD)
Trading Currencies	Hong Kong dollars (HKD) – HKD counter US dollars (USD) – USD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. All Units will receive distributions in the Base Currency (USD) only.*
Application Unit size (only Participating Dealers)	Minimum 200,000 Units (or multiples thereof) (for each counter)
Management Fee	0.64% p.a. of Net Asset Value calculated daily
Investment strategy	Replication investment strategy or representative sampling investment strategy (refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

* *Unitholders of the SENSEX India ETF should note that all Units will receive distributions in the Base Currency (USD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from USD to HKD, RMB or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "Other Currencies Distributions Risk".*

Investment Objective

The investment objective of the SENSEX India ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the S&P BSE SENSEX Index. There can be no assurance that the SENSEX India ETF will achieve its investment objective.

Investment Strategy

The SENSEX India ETF will carry out its investment strategy by investing substantially all of its assets (i) in India-listed securities as a Foreign Portfolio Investor ("FPI") registered with the Securities and Exchange Board of India and/or (ii) in a wholly owned subsidiary incorporated in Mauritius (the "Mauritius subsidiary"), and the Mauritius subsidiary will make investments into the Indian market. Both the Sensex India ETF and the Mauritius subsidiary are registered as a Category II FPI with SEBI, allowing them to invest directly in Indian Securities. Please see Schedule 2 for information on the Mauritius subsidiary and Schedule 3 for information on the FPI regime.

The Manager may use either a replication investment strategy or a representative sampling investment strategy to achieve the SENSEX India ETF's investment objective by investing in Indian Securities directly or indirectly (via the Mauritius subsidiary). The Manager currently intends to pursue a representative sampling investment strategy for the SENSEX India ETF. In pursuing a representative sampling investment strategy, the Manager may overweight the holdings of Indian Securities of the SENSEX India ETF relative to the respective weightings of the underlying Securities in the Underlying Index. For example such overweighting of holdings may occur if the Manager considers certain Securities in the Underlying Index should be excluded in view of the comparative illiquidity and possible settlement difficulties which may be experienced with such Securities. In addition, it may occur because any single FPI or an investor group shall hold below 10% of the total issued capital of an Indian company and the aggregate FPI holding in an Indian company may not exceed 24% of the total issued equity capital of the company and/or resulting from any change in the applicable laws and regulations affecting the investment capacity of the FPI. In pursuing a representative sampling investment strategy, the Manager will select underlying Securities, based on their contribution to certain capitalisation, industry and fundamental investment characteristics.

As a result, the SENSEX India ETF may not from time to time have exposure to all of the constituent companies of the Underlying Index. The basis for adopting any representative sampling investment strategy is that the SENSEX India ETF can meet its investment objective, which is to provide investment results that closely correspond with the performance of the Underlying Index. However, a representative sampling investment strategy entails certain additional risks, in particular a possible increased tracking error at the time of the switch.

The Manager may attempt to reduce tracking error by using futures contracts whose behaviour is expected to represent the market performance of the Underlying Index, although there can be no assurance that these futures contracts will correlate with the performance of the Underlying Index. The Manager will not use these instruments to leverage, or borrow against, the SENSEX India ETF's Securities holdings or for speculative purposes. In some cases, the use of these special investment techniques can adversely affect the performance of the SENSEX India ETF.

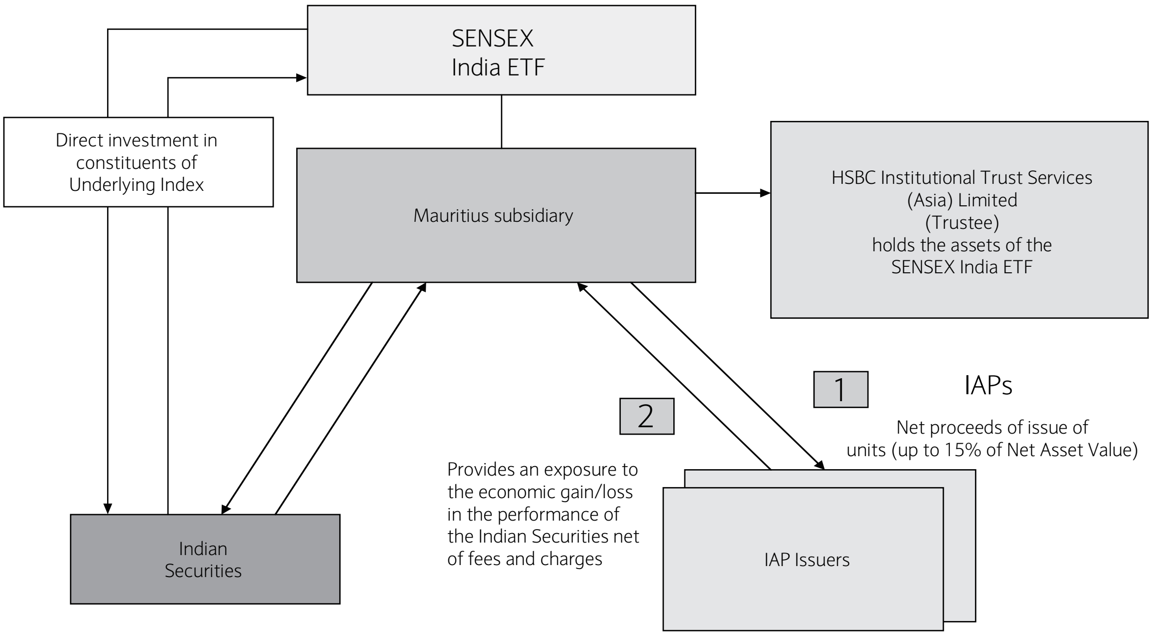
The Manager may swap between the two strategies, without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the SENSEX India ETF by tracking the Underlying Index as closely as possible for the benefit of investors.

The SENSEX India ETF may also invest up to 15% of its Net Asset Value in India Access Products ("IAPs"), being FDIs linked to Indian Securities issued by third parties. An IAP represents only an obligation of the IAP Issuer to provide the economic performance of the underlying Indian Security, and is a FDI subject to the risks relating to FDIs in the "Risk Factors" section of this Prospectus. If applicable, the relative exposures of the SENSEX India ETF to the IAP issuers will be published on the website www.blackrock.com/hk. Further information about IAPs is set out in Schedule 4. The SENSEX India ETF may invest in FDIs for reducing tracking error, hedging purposes or to achieve its investment objective, subject to the limit that the SENSEX India ETF's net derivative exposure does not exceed 50% of SENSEX India ETF's NAV.

As the SENSEX India ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 2%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the SENSEX India ETF. The annual and semi-annual reports of the SENSEX India ETF shall also disclose whether or not such limit has been complied with during such period.

Fund Structure

The diagram below summarizes the structure of the SENSEX India ETF:



Underlying Index

The Underlying Index is a float-adjusted market capitalisation-weighted index that is compiled and published by Asia Index Private Limited, a joint venture company established by S&P Dow Jones Indices, LLC, USA ("S&P DJI") and BSE Limited ("BSE") (formerly known as Bombay Stock Exchange Limited). It comprises the 31 largest and most actively traded stocks, representative of various sectors, on BSE. The Underlying Index represents (as at 20 November 2019) approximately 47.16% of total market capitalisation of BSE.

Index Provider

The Index is being provided by Asia Index Private Limited. The Manager has the non-exclusive right to use the Underlying Index in connection with the SENSEX India ETF. Asia Index Private Limited, S&P DJI and BSE are independent of the Manager or any of the Manager's affiliates. The Underlying Index is used as a performance benchmark and as the basis for FDI trading as well as index tracking funds such as the SENSEX India ETF.

About Asia Index Private Limited

Asia Index Private Limited is a 50-50 partnership between S&P DJI and BSE established in 2013. Asia Index Private Limited, which combines the benchmarks, market intelligence, and insights of both parent companies, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies.

About BSE Ltd.

Established in 1875, BSE is Asia's first Stock Exchange and one of India's leading exchange groups and has played a prominent role in developing the Indian capital market. BSE is a corporatised and demutualised entity, with a broad shareholder-base which includes two leading global exchanges, Deutsche Bourse and Singapore Exchange as strategic partners. BSE provides an efficient and transparent market for trading in equity, debt instruments, derivatives, mutual funds. It also has a platform for trading in equities of small-and-medium enterprises (SME). It has a global reach with customers around the world. BSE provides depository services through its Central Depository Services Ltd. (CDSL) arm. It also operates one of the most respected capital market educational institutes in India (BSE Institute Ltd.). BSE's role in the development of the Indian capital market is recognised and the Underlying Index, commonly known as S&P BSE SENSEX, first compiled in 1986, is well known across the world.

About S&P Dow Jones Indices LLC

S&P Dow Jones Indices LLC, a subsidiary of The McGraw-Hill Companies, Inc., is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average℠, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of institutional and retail investors. More assets are invested in products based upon its indices than any other provider in the world. With over 830,000 indices covering a wide range of assets classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets.

Description of Index Methodology and Construction

The Underlying Index is calculated using float adjusted market capitalisation methodology. Under this methodology, the level of index at any point of time reflects the float adjusted market capitalization of 30 component stocks relative to a base period. The float-adjusted market capitalisation of a company is determined as below.

Float adjusted market capitalization$_i$ *= Total outstanding share*$_i$ *X Price*$_i$ *X IWF*$_i$

where,

Total outstanding share$_i$ *= total shares issued by company i*

Price$_i$ *= last traded price or close price of company i*

IWF$_i$ *= investable weight factor of company i*

IWF is defined below in the section Free float, under Schedule 6 of this Prospectus

The base period of the Underlying Index is 1978-79 and the base index value is 100 index points. This is often indicated by the notation 1978-79 = 100. The calculation of the Underlying Index involves dividing the float adjusted market capitalisation of 30 companies in the Underlying Index by the Index Divisor. The index divisor is the only link to the original base period value of the Underlying Index. It keeps the Underlying Index comparable over time and is adjusted on account of corporate actions of index constituents or replacement of index stocks etc. During market hours, prices of the index stocks, at which latest trades are executed, are used by the index calculation system to calculate the Underlying Index on a continuous/real time basis.

Index Maintenance

The Underlying Index is reviewed semi-annually in June and December to ensure that the Underlying Index continues to reflect state and structure of the underlying market it measures. The advance notification for index constituents' replacements is posted on www.asiaindex.co.in or www.spdji.com. A schedule of periodic index reviews is also provided on website mentioned above.

The general guidelines for selection of the constituent securities in the Underlying Index are as follows:

- Listing history
- Trading frequency
- Final rank
- Turnover weightage
- Market capitalisation weightage
- Industry representation

Schedule 6 of this Prospectus also sets out some of the key ground rules applicable to the Underlying Index as of the date of this Prospectus. A full set of the ground rules for the management of the Underlying Index is also available on www.asiaindex.co. in or www.spdji.com. The index methodology is subject to change from time to time and investors should refer to these websites for up-to-date information about index methodology.

The Underlying Index is calculated and is updated continuously by BSE, on an intra-second streaming basis until the market closes. The real time Underlying Index levels are available on www.bseindia.com and also with major data vendors including Bloomberg throughout the day.

Constituent Securities of the Underlying Index

The constituents of the Underlying Index together with their respective weightings can be accessed on https://supplemental.spindices.com/supplemental-data/hong-kong (this website has not been reviewed by the SFC).

Underlying Index Calculation Times

As of the date of this Prospectus, the Underlying Index opens at 9:15 am (Indian Standard Time) (11:45 am (Hong Kong Time)) and closes at 3:30 pm (Indian Standard Time) (6:00 pm (Hong Kong Time)) each day on which the BSE is open. The Underlying Index is calculated and is updated continuously until the market closes. The Underlying Index is published as at end of day values, where the underlying currency is US dollars.

The closing price of each constituent of the Underlying Index on a day on which the BSE is open is calculated by taking the weighted average of the trading prices of the constituents during the 30 minutes period immediately before the close of the market. If a constituent is not traded during that 30 minutes period, the last traded price of that constituent shall be taken as its closing price. At 3:40 pm (Indian Standard Time) on each day on which the BSE is open, the closing value of the Underlying Index shall be calculated by reference to the closing price of each constituent of the Underlying Index as calculated above. The Underlying Index calculation times are subject to changes from time to time and investors should refer to the S&P's website at www.spdji.com for up-to-date information.

Exchange and Underlying Index's Times

The table below sets out the various commencement and closing times of the relevant exchanges and the Underlying Index (as of the date of this Prospectus):

	Trading of the SENSEX India ETF on the SEHK	**BSE***	**Underlying Index***
Commencement time (Morning)	9:30 am (Hong Kong time)	11:45 am (Hong Kong time)	11:45 am (Hong Kong time)
Closing time (Afternoon)	4:00 pm (Hong Kong time)	6:00 pm (Hong Kong time)	6:00 pm (Hong Kong time)

* Normally, the BSE opens for trading between 9:15 am (Indian Standard Time) (11:45 am (Hong Kong Time)) to 3:30 pm (Indian Standard Time) (6:00 pm (Hong Kong Time)) from Monday to Friday. However BSE may from time to time schedule special trading sessions with a shorter or extended trading time on any day. In anticipation of such different trading time, the BSE will make a prior announcement with regard to the date and time of such special trading session on the BSE's website at www.bseindia.com and the Valuation Point, the commencement and/or closing time of the Underlying Index will be adjusted accordingly.

For the purposes of the creation or redemption of Units by a Participating Dealer on any Dealing Day, the Valuation Point will be as at the close of the BSE at 6:00 pm (Hong Kong Time). Because the BSE operates in a different time zone to Hong Kong, the BSE will be open after the SEHK is closed for trading. The attention of investors is drawn to the fact that Unitholders will not be able to trade Units after the SEHK is closed even if the value of the Securities comprising the Underlying Index changes before the BSE closes on that day. The times under this sub-section are subject to change from time to time and investors should refer to the BSE's website at www.bseindia.com for up-to-date information.

Distribution Policy

Income net of withholding tax earned by the SENSEX India ETF will, at the discretion of the Manager, be distributed by way of annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. The Mauritius subsidiary will receive dividends (if any) in Rupees or USD and where such dividends are received in Rupees, convert these amounts into US dollars prior to any distribution to the SENSEX India ETF. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

Information relating to the composition of any dividends paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be available from the Manager on request. Investors should also refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis. All Units in the SENSEX India ETF will receive distributions in the Base Currency (USD) regardless of whether such Units are traded in Units of a different currency counter.

Further Information

Further information in relation to the SENSEX India ETF (including details of its Net Asset Value) is available at the iShares website (www.blackrock.com/hk). Investors should refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in the SENSEX India ETF

There are two types of investor in the SENSEX India ETF, with two corresponding methods of investment in Units and realisation of an investment in Units. The first type of investor is a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the SENSEX India ETF. Only a Participating Dealer can create and redeem Units directly with the SENSEX India ETF. A Participating Dealer may create and redeem Units on their own account or for the account of their clients.

The second type of investor is an investor, other than a Participating Dealer, who buys and sells the Units on the SEHK.

This section relates to the first type of investor: Participating Dealers, and should be read in conjunction with the Operating Guidelines and the Trust Deed. The section titled "Exchange Listing and Trading (Secondary Market)" relates to the second type of investor.

Creation by Participating Dealers

Only Participating Dealers may apply for Units directly from the SENSEX India ETF. Units in the SENSEX India ETF are continuously offered to Participating Dealers who may apply for them on any Dealing Day on their own account or for the account of their clients, in the minimum Application Unit size in accordance with Operating Guidelines. The dealing period on any Dealing Day commences at 9:00 a.m. and ends at the Dealing Deadline at 4:00 p.m. (Hong Kong time) or such other time as notified by the Manager to the Participating Dealers from time to time. All dealing requests are dealt with at the same Net Asset Value at the same Valuation Point i.e. the close of the BSE (6:00 pm Hong Kong time). The Manager expects that Participating Dealers will generally accept and submit creation requests received from third parties, subject to normal market conditions and their client acceptance procedures. Participating Dealers may impose fees and charges in handling any creation request which would increase the cost of investment. Investors are advised to check with the Participating Dealers as to relevant fees and charges. You should note although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

Units in the SENSEX India ETF are offered and issued at the Issue Price only in aggregations of a specified number of Units (each, an "Application Unit") which is currently 200,000 Units (or whole multiples thereof). Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum holding of the SENSEX India ETF is one Application Unit.

The Manager shall instruct the Trustee to effect, for the account of the Trust, the creation of Units in Application Unit size in exchange for either a transfer of Securities or cash or a combination of both at the discretion of the Participating Dealer, in accordance with the Operating Guidelines and the Trust Deed. Whilst it is open to a Participating Dealer to choose the method of creation, in addition to its rights to reject or cancel a Creation Application under the Trust Deed, the Manager reserves the right to reject or cancel a Creation Application if it is unable to invest the cash proceeds of a cash creation or if proposed Securities are not acceptable to the Manager. Notwithstanding a Multi-Counter being adopted, all cash Creation Applications must be made in the Base Currency of the SENSEX India ETF.

Where the aggregate value of the Securities delivered by a Participating Dealer, exceeds the Net Asset Value of an Application Unit as determined in accordance with the Operating Guidelines, the SENSEX India ETF will pay the Participating Dealer a cash amount equal to the difference. In the event that the SENSEX India ETF has insufficient cash required to pay such cash amount to the Participating Dealer, the Manager may effect sales of the assets of the SENSEX India ETF, or may borrow moneys to provide the cash required.

Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Manager may add to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges.

The Manager shall have the right to reject or suspend a Creation Application if (i) in the opinion of the Manager, acceptance of any Security in connection with the Creation Application would have certain adverse tax consequences for the SENSEX India ETF; (ii) the Manager reasonably believes that the acceptance of any Security would be unlawful; (iii) the acceptance of any Security would otherwise, in the opinion of the Manager, have an adverse effect on the SENSEX India ETF; (iv) circumstances outside control of the Manager make it for all practicable purposes impossible to process the Creation Application; (v) the Manager has suspended the rights of Participating Dealers pursuant to the Trust Deed to redeem Units; or (vi) an insolvency event occurs in respect of the Participating Dealer.

Once the Units are created, the Manager shall effect, for the account of the Trust, the issue of Units to a Participating Dealer in accordance with the Operating Guidelines.

Units are denominated in US dollars (unless otherwise determined by the Manager) and no fractions of a Unit shall be created or issued by the Trustee.

An application for the creation and issue of Units shall only be made or accepted (as the case may be) on a Dealing Day, shall only be in respect of Units constituting an Application Unit size or whole multiples thereof and shall only be accepted if made by or through a Participating Dealer in accordance with the terms of a Participation Agreement.

The creation and issue 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, 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 the register will be updated on Settlement Day or the Dealing Day immediately following Settlement Day if the settlement period is extended. An extension fee may be payable in relation to such an extension. See the section on “Fees and Expenses” for further details.

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 Dealing Deadline is 4:00 p.m. (Hong Kong time) or such other time as notified by the Manager to the Participating Dealers from time to time.

No Units shall be issued to any Participating Dealer unless the application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines.

The Manager may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee it charges (but not as between different Participating Dealers in respect of the SENSEX India ETF). The Manager may, at its discretion, waive the charging of Transaction Fee and any Duties and Charges in respect of certain Creation Applications on any dividend ex-date, where such Creation Applications directly facilitate the partial or full payment of the pending dividend distribution to Unitholders at that time in accordance with the distribution policy. Such waiver will be offered in respect of Creation Applications on a “first come, first served” basis. The Transaction Fee (if any) shall be paid by or on behalf of the Participating Dealer applying for such Units (and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Creation Application(s)) for the benefit of the Trustee and/or the Service Agent. 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 SENSEX India ETF.

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, in regard to the issue of Units, are being infringed.

Evidence of Unitholding

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 Units deposited with the CCASS and is holding such Units for the participants in accordance with the General Rules of CCASS. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of CCASS 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).

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 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 the SENSEX India ETF being adversely affected which the Trust or the SENSEX India ETF might not otherwise have suffered; or

- in the circumstances which, in the Manager's opinion, may result in the Trust or the SENSEX India ETF incurring any withholding or any tax liability or suffering any other pecuniary disadvantage which the Trust or the SENSEX India ETF might not otherwise have incurred or suffered.

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.

The Manager has, pursuant to its powers, imposed restrictions on Units in the SENSEX India ETF being held by Non-Resident Indians, Persons of Indian Origin or a Person Resident in India, or a Category III foreign portfolio investor or a Category II unregulated broad based fund and as otherwise required by Indian law. Please also refer to the "IMPORTANT INFORMATION" section and "Exchange Listing and Trading (Secondary Market)" section of this Prospectus for more details.

Cancellation of Creation orders

The Trustee shall cancel Units created and issued in respect of a Creation Application if it has not received good title to all Securities and/or cash (including Duties and Charges) relating to the Creation Application by the Settlement Day, provided that the Manager may at its discretion, with the approval of the Trustee, (a) extend the settlement period (either for the Creation Application as a whole or for a particular Security) such extension to be on such terms and conditions (including as to the payment of collateral and an Extension Fee to the Manager or the Trustee or their Connected Persons or otherwise) as the Manager may determine or (b) partially settle the Creation Application to the extent to which Securities and or cash has been vested in the Trustee, on such terms and conditions the Manager may determine including terms as to any extension of the settlement period for the outstanding Securities or cash.

In addition to the preceding circumstances, the Manager may also cancel 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 the relevant Creation Application.

Upon the cancellation of any Units as provided for above or if a Participating Dealer otherwise withdraws a Creation Application other than in certain circumstances contemplated in the Trust Deed, any Securities or cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) and the relevant Units shall be deemed for all purposes never to have been created and the applicant therefore shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that:

- the Manager may charge the Participating Dealer for the account of the Trustee and/or the Registrar an Application Cancellation Fee; see the section on “Fees and Expenses” for further details;

- the Manager may at its discretion require the Participating Dealer to pay to the Trustee for the account of the SENSEX India ETF in respect of each Unit so cancelled Cancellation Compensation, being (a) 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 a Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, plus (b) such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the SENSEX India ETF as a result of any such cancellation;

- the Registrar and/or the Service Agent shall be entitled to the Transaction Fee payable in respect of a Redemption Application; see the section on “Fees and Expenses” for further details; and

- no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

Redemption of Units

Redemption Applications may only be made by a Participating Dealer in respect of an Application Unit size or whole multiple thereof. Participating Dealer may redeem Units on any Dealing Day in accordance with the Operating Guidelines, by submitting a Redemption Application to the Trustee. The Manager may charge a Transaction Fee in respect of Redemption Applications. 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 Registrar and/or the Service Agent. See the section on “Fees and Expenses” for further details.

Investors cannot acquire or redeem Units directly from the SENSEX India ETF. Only Participating Dealers may submit redemption applications to the Manager. The Manager expects that Participating Dealers will generally accept and submit redemption requests received from third parties, subject to normal market conditions and their client acceptance procedures. Participating Dealers may impose fees and charges in handling any redemption request which would increase the cost of investment and or reduce the redemption proceeds. Investors are advised to check with the Participating Dealers as to relevant fees and charges. You should note although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

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, the 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. 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 Dealing Deadline is 4 p.m. (Hong Kong time) or such other time as notified by the Manager to the Participating Dealers from time to time.

The Manager shall, on receipt of an effective Redemption Application for the SENSEX India ETF from a Participating Dealer, effect the redemption of the relevant Units and shall require the Trustee to transfer to the Participating Dealer Securities or cash or combination of Securities and cash in accordance with the Operating Guidelines. Investors should note that any payments in cash will be made in the Base Currency only.

To be effective, a Redemption Application must:

- be given by a Participating Dealer in accordance with the Operating Guidelines;

- specify the number of Units which is the subject of the Redemption Application; and

- include the certifications required in the Operating Guidelines in respect of redemptions of Units, together with such certifications and opinions of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable Securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

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

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit of the SENSEX India ETF rounded to the nearest 4 decimal places.

The Manager may deduct from and set off against any cash payable to a Participating Dealer on the redemption proceeds such sum (if any) as the Manager may consider represents an appropriate provision for Duties and Charges and/or the Transaction Fee. To the extent that the cash amount is insufficient to pay such Duties and Charges and the Transaction Fee payable on such redemption the Participating Dealer shall promptly pay the shortfall in the currency of account for the SENSEX India ETF to or to the order of the Trustee. The Trustee shall not be obliged to deliver (and shall have a general lien over) any Security to be transferred in respect of the relevant Redemption Application until such shortfall and any cash amount, Transaction Fee and Extension Fee payable by the Participating Dealer is paid in full in cleared funds to or to the order of the Trustee.

Any accepted Redemption Application will be effected by the transfer or payment of the Securities or cash or a combination of both (at the discretion of the Participating Dealer) in accordance with the Operating Guidelines and the Trust Deed, on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and, where any amount is to be paid by telegraphic transfer to a bank account in Hong Kong or New York State, verified in such manner as may be required by, and to the satisfaction of, the Trustee) has been received and provided further that the Manager shall have received (unless otherwise provided in the Operating Guidelines) the full amount of any amount payable by the Participating Dealer including any Duties and Charges and the Transaction Fee have been either deducted or otherwise paid in full.

Provided that on the relevant Settlement Day in relation to an effective Redemption Application:

- the Units, which are the subject of the Redemption Application, shall be redeemed and cancelled;

- the Trust Fund shall be reduced by the cancellation of those Units but, for valuation purposes only, such Units shall be deemed to have been redeemed and cancelled after the Valuation Point as at the Dealing Day on which the Redemption Application was received; and

- the name of the holder of such Units shall be removed from the register in respect of those Units on the relevant Settlement Day,

the Trustee shall transfer Securities and/or cash relevant to the Redemption Application out of the assets of the SENSEX India ETF to the Participating Dealer in accordance with the Operating Guidelines.

No Security or cash shall be transferred or paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Manager for redemption by such time on the Settlement Day 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 Manager for redemption in accordance with the foregoing:

- the Redemption Application shall be deemed never to have been made except that the Transaction Fee in respect of such application shall remain due and payable and once paid, shall be retained by the Trustee and/or the Service Agent;

- the Manager may charge the Participating Dealer for the account of the Trustee and/or the Registrar an Application Cancellation Fee, currently US$1,300;

- the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the SENSEX India ETF , in respect of each Unit Cancellation Compensation, being (a) 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 a Participating Dealer had, on the actual date when the Manager is able to repurchase the replacement Securities, made a Creation Application, plus (b) such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the SENSEX India ETF as a result of any such cancellation; and

- no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Notwithstanding a Multi-Counter being adopted, any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in the Base Currency of the SENSEX India ETF. The Manager, with the approval of the Trustee, may at its discretion extend the settlement period such extension to be on such terms and conditions (including as to the payment of an Extension Fee to the Manager or the Trustee or their Connected Persons or otherwise) as the Manager may determine but, in any event, not later than one month from the receipt of an effective Redemption Application unless the Market(s) in which a substantial portion of investments of the SENSEX India ETF 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. In such case, subject to all applicable legal or regulatory requirements, payments may be delayed but the extended time frame for the payment of the redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant Market(s).

The Manager may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the amount of the Transaction Fee it charges (but not as between different Participating Dealers). 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 cash amount due to the Participating Dealer in respect of such Redemption Application(s)).

The Trustee or the Manager may withhold the whole or any part of any redemption payment to any Unitholder and set it off against any unpaid amounts due from that Unitholder to the Trustee or the Manager, and may also deduct from any redemption proceeds (or any other payment to be made in respect of any Unit) any other amounts that the Trustee or the Manager must or may make by law for any fiscal charges, government charges, stamp and other duties for the SENSEX India ETF or other taxes, charges or other assessments of any kind or where, the SENSEX India ETF’s income or gains are subject to any withholding in consequence of the relevant Unitholder or beneficiary of an interest in the relevant Units being redeemed. Any withholding or set off of redemption payment and any deduction of redemption proceeds above must be conducted by the Trustee or the Manager in good faith with reasonable grounds and in compliance with any applicable law and regulation.

Directed Cash Dealing

Where a Participating Dealer subscribes or redeems in cash, the Manager may at its sole discretion (but shall not be obliged to) transact for Securities with a broker or counterparty nominated by the Participating Dealer. Should the nominated broker or counterparty default on, or change the terms for, any part of the transaction, the Participating Dealer shall bear all associated risks and costs. In such circumstances the Manager has the right to transact with another broker or counterparty and amend the terms of the Creation or Redemption Application to take into account the default and the changes to the terms.

Suspension of Creations and Redemptions

Units may not be created during any period when the right of Unitholders to redeem is suspended by the Manager.

The Manager may, at its discretion, at any time after consultation with the Trustee (and where practicable, after consultation with Participating Dealers), having regard to the best interests of the Unitholders, suspend the right of Unitholders to redeem Units of the SENSEX India ETF and/or delay the payment of any moneys and transfer of any Securities in respect of any Redemption Application during:

- any period when a market on which a Security (being a component of the Underlying Index) has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed; or

- any period when dealings on a market on which a Security (being a component of the Underlying Index) has its primary listing is restricted or suspended; or

- any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depositary (if any) of such market is disrupted; or

- the existence of any state of affairs as a result of which delivery or purchase of Securities or disposal of investments for the time being comprised in the SENSEX India ETF cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the SENSEX India ETF; or

- any period when the Underlying Index for the SENSEX India ETF is not compiled or published; or

- any breakdown in the means normally employed in determining the Net Asset Value of the SENSEX India ETF or when for any other reason the Value of any Securities or other property for the time being comprised in the SENSEX India ETF cannot in the opinion of the Manager, reasonably, promptly and fairly be ascertained.

The Manager will, after consultation with the Trustee, having regard to the best interests of the Unitholders, suspend the right to subscribe for or redeem Units or delay the payment of any monies or the transfer of any Securities when dealings in the Units on the SEHK are restricted or suspended.

The Manager will not be liable for any losses, costs or expenses incurred by Unitholders as a result of a suspension of Creation Application or Redemption Application and/or a delay of payment of any monies or transfer of Securities in circumstances set out above.

A suspension shall remain in force until the earlier of (a) declaration by the Manager that the suspension is at an end; or (b) the Business Day following the first Business 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.

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 Unitholder may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation or Redemption Application by notice in writing to the Manager and the Trustee shall cause the return of any Securities and/or cash received by it in respect of the Application (without interest).

Transfer of Units

A Unitholder may transfer Units using the standard transfer form issued by SEHK or by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the Unitholders of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. No Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the minimum holding in the SENSEX India ETF. 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 CCASS.

Multi-Counter

Although cash Creation Applications must be made in USD, Units created and issued pursuant to a Creation Application may be deposited in CCASS as HKD traded Units, RMB traded Units or USD traded Units initially. Similarly, Units redeemed pursuant to a Redemption Application may be withdrawn from any trading counter (i.e. USD, HKD or RMB trading counter), although cash proceeds for a cash Redemption Application will only be paid in USD.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

Dealings in the Units on the SEHK commenced on 2 November 2006 (HKD counter). Trading of USD and RMB-traded Units commenced on 14 October 2016. Units of the SENSEX India ETF are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges.

Units will trade on the SEHK in board lots of 200 Units.

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell Units on the secondary market, normally via a broker/dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Units in the primary market.

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes, where applicable, associated with the trading and settlement through the SEHK. There can be no guarantee that the Units will remain listed on the SEHK. The trading prices of Units in different counters of the SENSEX India ETF may also be different as each counter is a distinct and separate market.

It is the Manager's expectation that at least one Market Maker will maintain a market for the Units traded in each counter of the SENSEX India ETF. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units traded in each counter and that at least one Market Maker to each counter gives not less than 3 months notice prior to termination of the market making arrangement. 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 the Market Maker, the portfolio composition information made available to Participating Dealers.

Units may be purchased from and sold through the Market Maker. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Units, the market makers may make or lose money based on the differences between the prices at which they buy and sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities comprised within the Underlying Index. Market makers may retain any profits made by them for their own benefit and they are not liable to account to the SENSEX India ETF in respect of their profits. For the list of Market Makers for ETFs, please refer to www.hkex.com.hk.

Investors wishing to purchase or sell Units on the secondary market should contact their broker. Brokerage and other fees may be payable when selling (and purchasing) Units. Units may not be acquired by, transferred to or held for or on the account of and/or for the benefit of a person who is a Non-Resident Indian, Person of Indian Origin or a Person Resident in India (each term as described in Schedule 3).

Investors cannot acquire or redeem Units directly from the SENSEX India ETF. Only Participating Dealers may submit creation or redemption applications to the Manager. The Manager expects that Participating Dealers will generally accept and submit creation or redemption requests received from third parties, subject to normal market conditions and their client acceptance procedures. Participating Dealers may impose fees and charges in handling any creation/redemption request which would increase the cost of investment and/or reduce the redemption proceeds. Investors are advised to check with the Participating Dealers as to relevant fees and charges. You should note although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

The Units have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS. Settlement of transactions concluded on the SEHK between participants of the SEHK is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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

Multi-Counter

The Manager has arranged for the Units of the SENSEX India ETF to be available for trading on the secondary market on the SEHK under a Multi-Counter arrangement. Units are denominated in the Base Currency of the SENSEX India ETF. The creation of new Units and redemption of Units in the primary market are settled in the Base Currency of the SENSEX India ETF. The SENSEX India ETF offers 3 trading counters on the SEHK (i.e. USD counter, RMB counter and HKD counter) to investors for secondary trading purposes. Units traded in USD counter will be settled in USD; Units traded in RMB counter will be settled in RMB and Units traded in HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Units in different counters may be different as each counter is a distinct and separate market.

Units traded on all three counters are of the same class and all Unitholders of all these counters are treated equally. Each counter will have a different stock code, stock short name and ISIN number, as stated in the "Key Information" section.

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide USD, HKD and/or RMB trading services at the same time and offer inter-counter transfer services to support Multi-Counter trading. Inter-counter buy and sell is permissible even if the trades take places within the same trading day. However, investors should note that the trading price of Units traded in different counters may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Multi-Counter, including inter-counter transfers. Investors' attention is also drawn to the risk factor entitled "Multi-Counter Risks".

Renminbi Equity Trading Support Facility

The Renminbi Equity Trading Support Facility (the "TSF") was launched on 24 October 2011 by HKEx to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. With effect from 6 August 2012, the coverage of TSF was extended and the SENSEX India ETF is eligible for the TSF. As such the TSF is currently available to investors who wish to invest in the SENSEX India ETF by purchasing Units trading in RMB on the SEHK. Investors should consult their financial advisers if they have any questions concerning the TSF. More information with regard to the TSF is available on HKEx's website http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of the SENSEX India ETF will be determined as at each Valuation Point by valuing the assets of the SENSEX India ETF and deducting the liabilities of the SENSEX India ETF, in accordance with the terms of the Trust Deed.

Set out below is a summary of how various Securities held by the SENSEX India ETF are valued:

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

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available Net Asset Value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the average of the latest available bid and offer prices for the share or unit, unless the Manager considers the latest available bid price is more appropriate;

(c) futures contracts will be valued based on the formulae set out 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 SENSEX India ETF 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 in consultation with the Trustee and shall at the request of 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, any adjustment should be made to reflect the value thereof; and

(f) notwithstanding the foregoing, the Manager 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 (following consultation with the Trustee) considers that such adjustment is required to fairly reflect the value of the investment.

The Trustee will perform any currency conversion at rates it determines appropriate.

The above summary is, by its nature, limited and does not provide a complete description of how the various assets of the SENSEX India ETF are valued. Investors are encouraged to review the specific provisions of the Trust Deed in relation to valuation of assets.

Suspension of Net Asset Value

The Manager may, after consultation with the Trustee, declare a suspension of the determination of the Net Asset Value of the SENSEX India ETF for the whole or any part of any period during which:

(a) there exists any state of affairs prohibiting the normal disposal of the SENSEX India ETF's investments; or

(b) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the SENSEX India ETF or the Net Asset Value per Unit of the SENSEX India ETF , or when for any other reason the value of any Security or other asset in the SENSEX India ETF cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained; or

(c) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Securities held or contracted for the account of the SENSEX India ETF or it is not possible to do so without seriously prejudicing the interest of Unitholders of the SENSEX India ETF ; or

(d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities of the SENSEX India ETF or the subscription or realisation of Units of the SENSEX India ETF is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or

(e) the right to redeem Units of the relevant class is suspended.

Any suspension shall take effect upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the SENSEX India ETF and the Manager shall be under no obligation to rebalance the SENSEX India ETF until the suspension is terminated on the earlier of (a) the Manager declaring the suspension 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.

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.blackrock.com/hk or in such publications as it decides.

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

Issue Price and Redemption Value

The Issue Price of Units of the SENSEX India ETF, created and issued pursuant to a Creation Application, will be the Net Asset Value of the SENSEX India ETF divided by the total number of Units in issue rounded to the nearest 4 decimal places.

The Redemption Value of a Unit on a Dealing Day shall be the Net Asset Value of the SENSEX India ETF divided by the total number of Units in issue rounded to the nearest 4 decimal places.

The Issue Price and the Redemption Value for the Units (or the last Net Asset Value of the Units) will be available on the Manager's website at www.blackrock.com/hk or published in such publications as the Manager may decide from time to time.

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

FEES AND EXPENSES

There are 3 levels of fees and expenses applicable to investing in the SENSEX India ETF as set out in the following table, current as at the date of the Prospectus.

Fees and expenses payable by Participating Dealers on creation and redemption of Units (primary market)	Amount
Transaction Fee	US$2,000 and HK$1,000[1] per Application
Application Cancellation Fee	US$1,300[2] per Application
Extension Fee	US$1,300[3] per Application
Partial Delivery Request Fee	US$1,300[4] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil
Inter-counter transfer fee	HK$5 per instruction[5]

Fees and expenses payable by investors on SEHK (secondary market)	Amount
Brokerage	Market rates
Transaction levy	0.0027%[6]
Trading fee	0.005%[7]
Stamp duty	Nil

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 Securities and Futures Ordinance.

Fees and expenses payable by SENSEX India ETF (see further disclosure below)	Amount
Management Fee[8]	0.64% p.a. of Net Asset Value

[1] *US$2,000 is payable to the Registrar and HK$1,000 is payable to the Service Agent.*

[2] *An Application Cancellation Fee is payable to the Trustee and/or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation Compensation may also be payable pursuant to the terms of the Operating Guidelines.*

[3] *An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participating Dealer's request for extended settlement in respect of a Creation or Redemption Application.*

[4] *A partial delivery request fee is payable by the Participating Dealer for the benefit of the Trustee or Registrar on each occasion the Manager grants the Participating Dealer's request for partial settlement.*

[5] *HKSCC will charge each CCASS participant a fee of HKD 5 per instruction for effecting an inter-counter transfer of Units from one counter to another counter. Investors should check with their brokers regarding any additional fees.*

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

[7] *Trading fee of 0.005% of the price of the Units, payable by the buyer and the seller.*

[8] *Accrued daily and payable monthly in arrears.*

Fees and Expenses Payable by the SENSEX India ETF

The SENSEX India ETF employs a single management fee structure, with the SENSEX India ETF paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Management Fee"). Fees and expenses taken into account in determining the Management Fee include, but are not limited to, the Manager's fee, Trustee's fee (which includes fees for registrar and custody and administration transaction handling fees), fees and expenses of the auditor, fees of service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or Manager, and the costs and expenses of licensing the Underlying Index. The Management Fee also includes fees and expenses of the Mauritius subsidiary. The Manager reserves the right in its discretion to share part of the Management Fee (that the Manager is entitled to receive as its own fee) with any distributor or sub-distributor of the SENSEX India ETF. A distributor may re-allocate an amount of any distribution fee to the sub-distributors.

The Management Fee does not include brokerage and transaction costs (including but not limited to fees, charges, commissions or spreads relating to the acquisition or disposal of portfolio assets), stamp duty, taxes, fees and charges relating to the IAPs, or extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

If the SENSEX India ETF invests in another ETF managed by the Manager, the Manager shall ensure that neither the SENSEX India ETF nor its Unitholders suffer an increase in the overall total of initial charges, management fees and other costs and charges payable to the Manager or any Connected Person by investing in the other ETF. The SENSEX India ETF will not be charged 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 SENSEX India ETF will not be paid (either in whole or in part) out of the SENSEX India ETF.

Fees and Charges Relating to IAPs

The SENSEX India ETF may invest up to 15% of its Net Asset Value in IAPs. Pursuant to the IAP documentation, the SENSEX India ETF is generally required to bear all taxes and expenses including depositary charges transaction or exercise charges which may be or would be (i) incurred in connection with the exercise or redemption of the IAPs and/or any payment and/or delivery in respect thereof; (ii) incurred by the IAP Issuer or its affiliate had such entity established, unwound or varied any underlying related hedging arrangements in respect of the IAPs; (iii) withheld by India (or any political subdivision of taxing authority thereof or therein); or (iv) payable in India by or on behalf of a foreign investor or its agent. Any such amounts are ordinarily built into the price of the IAPs.

Despite the above, the Manager has agreed with each IAP Issuer to pay the IAP Maintenance Charge and the IAP Commission to compensate them for any routine costs in relation to the maintenance and custody of the underlying shares of the Underlying Index including the routine costs in relation to the above transaction charges.

IAP Commission: The IAP Issuer charges a 0.295% commission (including stamp duty) on each purchase and sale of each IAP acquired for the account of the SENSEX India ETF. The IAP Commission is an expense borne by the SENSEX India ETF.

The IAP Commission may be increased generally or in respect of specific IAP Issuers.

IAP Maintenance Charge: In addition to the IAP Commission, each IAP Issuer shall also be entitled to deduct an IAP Maintenance Charge out of distributions payable under the IAPs equal to 0.30% per annum of the daily mark to market value of the IAPs issued by the relevant IAP Issuer up to and including US$200 million, and 0.20% per annum for IAPs in excess of US$200 million, payable at the end of each quarter based on the period's number of actual days.

Establishment Costs

The cost of establishing the SENSEX India ETF and the Mauritius subsidiary including the preparation of this Prospectus, the costs of seeking and obtaining the authorisation and the listing and all initial legal and printing costs has been borne by the Manager. If subsequent Index Funds are launched and incur establishment costs which are specific to them, such expenses may either be allocated to the relevant Index Fund for whose account they were incurred or be paid by the Manager.

Increase in fees

The fees payable to the Manager and the Trustee (which are included in the calculation of the Management Fee) may be increased on 3 months' notice to Unitholders, subject to (i) a maximum of 2% per annum of the Net Asset Value in case of the fees payable to the Manager and (ii) a maximum of 1% per annum of the Net Asset Value in case of the fees payable to the Trustee.

RISK FACTORS

An investment in the Trust carries various risks referred to below. Each of these risks 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 the SENSEX India ETF will be achieved. Prospective investors should carefully evaluate the merits and risks of an investment in the SENSEX India ETF in the context of their overall financial circumstances, knowledge and experience as an investor.

Investment Risk

Emerging Market Risk. India, the market in which SENSEX India ETF invests, is considered an emerging market country. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed market and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient Securities markets; generally greater price volatility; exchange rate fluctuations and foreign exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose the SENSEX India ETF to sub-custodial risk in circumstances whereby the Trustee will have no liability; the risk of expropriation of assets and the risk of war.

Economic Risk. Economic instability in an emerging market may arise when such country is heavily dependent upon commodity prices and international trade. Economies in emerging market countries have been and may continue to be adversely affected by the economics of their trading partners, foreign exchange controls, managed adjustments in relative currency values, trade barriers and other protectionist measures imposed or negotiated by the countries with which they trade. Some emerging market countries have experienced currency devaluations and some have experienced economic recession causing a negative effect on their economies and securities markets.

Political and Social Risk. Some governments in emerging market countries are authoritarian or have been installed or removed as a result of military coup and some have periodically used force to suppress civil dissent. Disparities of wealth, the pace and success of democratisation and capital market development and ethnic, religious and racial disaffection, among other factors, have also led to social unrest, violence and/or labour unrest in some emerging market countries. Unanticipated political or social developments may result in sudden and significant investment losses. All of these factors can have a material impact on the Underlying Index and create a risk of higher price volatility which, in turn, can increase any tracking error.

Market Risk. Past performance is not indicative of future performance. The Net Asset Value of the SENSEX India ETF will change with changes in the market value of the Securities it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that the SENSEX India ETF will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of the SENSEX India ETF is based on the capital appreciation and income on the Securities it holds, less expenses incurred. The SENSEX India ETF's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, the SENSEX India ETF may experience volatility and decline in a manner that broadly corresponds with its Underlying Index. Investors in the SENSEX India ETF are exposed to the same risks that investors who invest directly in the Underlying Index would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Underlying Index).

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

Foreign Exchange Risk. The SENSEX India ETF's assets and Securities are not denominated in US dollars. A substantial portion of the revenue and income of the SENSEX India ETF may be received in currencies other than US dollars. Accordingly any fluctuation in the relevant exchange rates will affect the value of Securities as well as the Net Asset Value of the SENSEX India ETF. Further, the Base Currency of the SENSEX India ETF may be different than the trading counters available for Units of the SENSEX India ETF meaning investors trading in the secondary market may be subject to additional costs or losses associated with foreign currency fluctuations when trading in Units of the SENSEX India ETF. Significant changes, including changes in liquidity, may occur in such markets within very short periods of time, often within minutes. The SENSEX India ETF may experience losses if the values of its currency forwards and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid market. Some of the risks associated with foreign exchange transactions include but are not limited to:

- exchange rate risk;
- maturity gaps;
- interest rate risk;
- counterparty risk; and
- potential interference by government intervention through regulation of local exchange markets, foreign investment or particular transactions in foreign currency.

RMB Currency Conversion Risk. Under the Multi-Counter model, Units are traded in RMB (in addition to USD and HKD). RMB is currently not freely convertible and is subject to exchange controls and restrictions. Investors in the secondary market who buy and sell Units traded in RMB are also exposed to foreign exchange currency risk arising from the fluctuations between the SENSEX India ETF's Base Currency and RMB.

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

Derivatives Risk. The SENSEX India ETF may invest in stock index future contracts and other FDIs. Investing in a FDI is not the same as investing directly in an underlying asset which is part of the Underlying Index.

A FDI is a form of contract. Under the terms of a derivative contract the SENSEX India ETF and its counterparty (i.e. the person(s) with whom the SENSEX India ETF has made the agreement) agree to make certain payments to the other party under particular circumstances or on the occurrence of particular events specified in the contract. The value of the FDI depends on, or is derived from, or determined by reference to, the value of an underlying asset such as a Security or an index.

FDIs may be more sensitive to factors which affects the value of investments. Accordingly FDIs have a high degree of price variability and are subject to occasional rapid and substantial price changes. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (or gain) to the SENSEX India ETF. The SENSEX India ETF's losses may be greater if it invests in FDIs than if it invests only in conventional Securities.

In addition, many FDIs are not traded on exchanges. This means that it may be difficult for the SENSEX India ETF to sell its investments in FDIs in order to raise cash and/or to realise a gain or loss. The sale and purchase of FDIs, which are not traded on an exchange, are privately negotiated and are generally not subject to regulation by government authorities and it may be difficult to find a willing buyer/seller because there is no regulatory requirement for a Market Maker to ensure that there is continuous market for such FDIs.

Derivatives Counterparty Risk. As explained in the section on Derivatives Risk, a FDI is a form of contract. Payments to be made under a derivatives contract are not made through or guaranteed by a central clearing agency. Accordingly the SENSEX India ETF which invests in FDIs is exposed to the risk of its counterparty being unwilling or unable to perform its payment (and other) obligations under the contract. If the counterparty to the FDI is involved in any insolvency event, the value of that FDI may drop substantially or be worth nothing. This is because investing in a FDI is not the same as investing directly in an underlying asset which is part of the Underlying Index.

Passive Investments Risk. The SENSEX India ETF is passively managed. The aim is to track the performance of the Underlying Index. The SENSEX India ETF does not try to beat or perform better than the Underlying Index. The SENSEX India ETF invests (either directly or indirectly) in the Securities included in or representative of the Underlying Index regardless of their investment merit. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the SENSEX India ETF will mean that falls in the Underlying Index are expected to result in corresponding falls in the value of the SENSEX India ETF.

Management Risk. Because there can be no guarantee that the SENSEX India ETF will fully replicate its Underlying Index and may hold non-index stocks, it 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 held by the SENSEX India ETF. There can be no guarantee that the exercise of such discretion will result in the investment objective of the SENSEX India ETF being achieved. Investors should also note that, none of the Unitholders has any voting rights with respect to Securities held by the SENSEX India ETF.

Tracking Error Risk. The Net Asset Value of the SENSEX India ETF may not have exactly the same Net Asset Value of the Underlying Index. Factors such as the fees and expenses of SENSEX India ETF, the investments of SENSEX India ETF not matching exactly the Securities which make up the Underlying Index (e.g. where it uses representative sampling), an inability to rebalance the SENSEX India ETF's holdings of Securities in response to changes to the Securities which make up the Underlying Index, rounding of Security prices, changes to the Underlying Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. This may cause the SENSEX India ETF's returns to deviate from the Underlying Index. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

Concentration Risk. To the extent that the Underlying Index or its portfolio is concentrated in the Securities in a particular market, industry, group of industries, sector or asset class, the SENSEX India ETF may be adversely affected by the performance of those Securities. It may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory event affecting that market, industry, group of industries, sector or asset class. Furthermore, since the IAP Issuers are predominantly financial institutions, any adverse event or news affecting the performance of a particular IAP Issuer may also have a negative impact on the performance of other IAP Issuers due to the contagion effect.

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

Distributions May Not be Paid Risk. Whether the SENSEX India ETF will pay distributions on Units is subject to the Manager's distribution policy and also depends on dividends declared and paid in respect of the Securities of the Underlying Index. Dividend payment rates in respect of such Securities will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Dividends Payable Out of Capital or Effectively Out of Capital Risk. The Manager may at its discretion pay dividends out of the capital of the SENSEX India ETF. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the SENSEX India ETF are charged to/paid out of the capital of the SENSEX India ETF, resulting in an increase in distributable income for the payment of dividends by the SENSEX India ETF and therefore, the SENSEX India ETF may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the SENSEX India ETF's capital may result in an immediate reduction of the Net Asset Value per unit.

Counterparty to the Executing Broker Risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the Trustee in relation to the sale and purchase of assets or Securities. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of the Trust or the SENSEX India ETF. The Manager intends to attempt to limit the SENSEX India ETF's investment transactions to well-capitalised and established banks and brokerage firms in an effort to mitigate such risks. There can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the SENSEX India ETF. Furthermore, the Manager is permitted to borrow for the account of the SENSEX India ETF in order to carry out its functions under the Trust Deed. Borrowings may be secured by the Securities or other assets of the Trust that are pledged to counterparties as collateral.

Counterparty of an Exchange or Clearing House Risk. If any exchange or a clearing house becomes bankrupt or insolvent, the Trust could experience a loss of funds deposited through its broker as margin with the exchange or clearing house, a loss of any profits on its open positions on the exchange, and the loss of unrealised profits on its closed positions on the exchange.

Counterparty to the Custodian Risk. The SENSEX India ETF will be exposed to the credit risk of any custodian or any depository used by the custodian where cash is held by the custodian or other depositaries. Where the custodial and/or settlement systems in a market the SENSEX India ETF invests in are not fully developed, the assets of the SENSEX India ETF may be exposed to custodial risk. In the event of the liquidation, bankruptcy or insolvency of the custodian or other depositaries, the SENSEX India ETF may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the SENSEX India ETF may even be unable to recover all of its assets. The costs borne by the SENSEX India ETF in investing and holding investments in such market will be generally higher than in organised securities markets. Further, in the event of the insolvency of the custodian or other depositaries, the SENSEX India ETF will be treated as a general creditor of the custodian or other depositaries in relation to cash holdings of the SENSEX India ETF. The SENSEX India ETF's Securities are however maintained by the custodian or other depositaries in segregated accounts and should be protected in the event of insolvency of the custodian or other depositaries.

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

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

Market Trading Risks Associated with the SENSEX India ETF

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

Liquidity Risk. Any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, one or more Market Makers have been appointed.

Reliance on Market Makers Risk. Investors should note that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the SENSEX India ETF. It is the Manager's intention that there will always be at least one Market Maker in respect of the Units traded in each counter and the Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for the Units traded in each counter gives not less than 3 months notice prior to termination of the market making arrangement. There may be less interest by potential Market Makers in making a market in Units denominated or traded in currencies other than HKD. Furthermore, any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for RMB traded Units. It is possible that there is only one Market Maker to a counter of the SENSEX India ETF and therefore it may not be practical for the SENSEX India ETF to remove the only Market Maker to a counter even if the Market Maker fails to discharge its duties as the sole Market Maker.

Reliance on Participating Dealers Risk. The creation and redemption of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or the Underlying Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of the SENSEX India ETF or disposal of the SENSEX India ETF's Securities cannot be effected. Where a Participating Dealer appoints an agent (who is a CCASS participant) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent, or if the agent ceases to be a CCASS participant, the creation or redemption 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 Units freely.

The SENSEX India ETF is Different from a Typical Unit Trust Offered to the Public in Hong Kong. Investors should note that the SENSEX India ETF is not like a typical unit trust offered to the public in Hong Kong. Units may only be created and redeemed in Application Unit sizes by Participating Dealers and Units may not be subscribed for, or redeemed, by retail investors. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities in CCASS is disrupted or the Underlying Index is not compiled or published. Investors may generally only realise the value of their Units by selling their Units on the SEHK. These features are not usually present in a typical unit trust offered to the public in Hong Kong, where units can generally be purchased and redeemed directly by the retail public.

Units May Trade at Prices Other Than Net Asset Value Risk. Units of the SENSEX India ETF trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of the SENSEX India ETF is calculated at the end of each Business Day and fluctuates with changes in the market value of the SENSEX India ETF's holdings and changes in the exchange rate between the US dollar and, where Securities are denominated in another currency, the subject foreign currency. The trading prices of the SENSEX India ETF's Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the SENSEX India ETF's Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Units of the SENSEX India ETF trading at a premium or discount to the Net Asset Value in the secondary market. On the basis that Units can be created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the SENSEX India ETF's Units will normally trade at prices close to the SENSEX India ETF's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the SENSEX India ETF's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Investors Buying at a Premium Risk. The SENSEX India ETF may be terminated early under certain circumstances as set out in the section "Termination". Upon the SENSEX India ETF being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the SENSEX India ETF 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. A Unitholder who purchases Units at a time when the market price is at a premium to Net Asset Value may therefore be unable to recover the premium in the event the SENSEX India ETF is terminated.

Differences Between Primary and Secondary Market Trading Hours Risk. Units of the SENSEX India ETF may trade on the SEHK even when the SENSEX India ETF does not accept orders to create 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 SENSEX India ETF accepts creation and redemption orders. Additionally, as foreign stock exchanges may be open when Units in the SENSEX India ETF are not priced, the value of the Securities in the SENSEX India ETF's portfolio may change on days when investors will not be able to purchase or sell the SENSEX India ETF's Units.

The market prices of underlying Securities listed on a foreign stock exchange may not be available during part of all of the SEHK trading sessions due to time zone differences which may result in the trading price of the SENSEX India ETF deviating away from Net Asset Value.

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

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

Multi-Counter Risks. The Multi-Counter arrangement for exchange traded funds listed on the SEHK is relatively new. The novelty may bring additional risks for investment in such ETF for example where for some reason there is a settlement failure on an inter-counter transfer if the Units of one counter are delivered to CCASS at the last batch settlement run on a trading day, leaving not enough time to transfer the Units to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfer of Units between different counters for any reasons, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that inter-counter transfers may not always be available.

There is a risk that the market price on the SEHK of Units traded in one counter may deviate significantly from the market price on the SEHK of Units traded in another counter due to different factors such as market liquidity, supply or demand in each counter and exchange rate fluctuations. The trading price of Units in each counter is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units or buying Units traded in one counter, an investor may receive less or pay more than the equivalent amount in the currency of another counter if the trade of the relevant Units took place on another counter. There can be no assurance that the price of Units in each counter will be equivalent. Investors without RMB or USD accounts may not be able to buy or sell RMB or USD traded Units.

It is possible that some brokers and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in different counters at the same time. In such a case another broker or CCASS participant may need to be used. Accordingly investors may only be able to trade their Units in one currency, investors are recommended to check the readiness of their brokers in respect of the Multi-Counter trading and inter-counter transfer and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Other Currencies Distributions Risk. Investors should note that all Units of the SENSEX India ETF will receive dividend distributions only in its Base Currency. Upon the termination of the SENSEX India ETF, the termination proceeds may be distributed and paid in a currency other than its Base Currency. In the event that the relevant Unitholder has no account in the Base Currency and upon the termination of the SENSEX India ETF, the Unitholder may have to bear the fees and charges associated with the conversion of any distributions from the applicable Base Currency to any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Exchange Rates Movement between the Base Currency and Other Currencies Risk. Investors whose assets and liabilities are predominantly in currencies other than the Base Currency of the SENSEX India ETF should take into account the potential risk of loss arising from fluctuations in value between the applicable Base Currency of the SENSEX India ETF and the currency of the Units traded. There is no guarantee that the Base Currency will appreciate in value against any other currency, or that the strength of the Base Currency may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of the Base Currency but suffer a loss when converting funds from the Base Currency back into any other currency.

Risks Associated with the Underlying Index

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

Composition of and Weightings in the Underlying Index May Change Risk. The companies which comprise the Underlying Index are changed by the Underlying Index Provider from time to time. The price of the Units may rise or fall as a result of such changes. The composition of the Underlying Index may also change if one of the constituent companies were to delist its shares or if a new eligible company were to list its shares and be added to the Underlying Index. If this happens, the weighting or composition of the Securities owned by the Underlying SENSEX India ETF would be changed as considered appropriate by the Manager to achieve the Investment Objective. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units.

Underlying Index Related Risks. As prescribed by this Prospectus, in order to meet its investment objective, the SENSEX India ETF seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the Underlying Index as published by the Index Provider. There is no assurance that the Index Provider will compile the Underlying Index accurately, or that the Underlying Index will be determined, composed or calculated accurately. While the Index Provider does provide descriptions of what the Underlying Index is designed to achieve, the Index Provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, and does not guarantee that the Underlying Index will be in line with their described index methodology. The Manager's mandate as described in this Prospectus is to manage the SENSEX India ETF consistently with the Underlying Index provided to the Manager. Consequently, the Manager does not provide any warranty or guarantee for Index Provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used . Therefore gains, losses or costs associated with Index Provider errors will be borne by the SENSEX India ETF and its Unitholders. For example, during a period where the Underlying Index contains incorrect constituents, the SENSEX India ETF tracking such published Underlying Index would have market exposure to such constituents and would be underexposed to the Underlying Index's other constituents. As such, errors may result in a negative or positive performance impact to the SENSEX India ETF and its Unitholders . Unitholders should understand that any gains from Index Provider errors will be kept by the SENSEX India ETF and its Unitholders and any losses resulting from Index Provider errors will be borne by the SENSEX India ETF and its Unitholders.

Apart from scheduled rebalances, the Index Provider may carry out additional ad hoc rebalances to the Underlying Index in order, for example, to correct an error in the selection of index constituents . Where the Underlying Index is rebalanced and the SENSEX India ETF in turn rebalances its portfolio to bring it in line with its Underlying Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne directly by the SENSEX India ETF and its Unitholders. Unscheduled rebalances to the Underlying Index may also expose the SENSEX India ETF to tracking error risk, which is the risk that its returns may not track exactly those of the Underlying Index. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider to the Underlying Index may increase the costs and market exposure risk of the SENSEX India ETF.

The past performance of the Underlying Index is not a guide to future performance. The Manager does not guarantee the accuracy or the completeness of the Underlying Index or any data included therein and the Manager shall have no liability for any errors, omissions or interruptions therein. The Manager makes no warranty, express or implied, to the unitholders of the SENSEX India ETF or to any other person or entity, as to results to be obtained by the SENSEX India ETF from the use of the Underlying Index or any data included therein. Without limiting any of the foregoing, in no event shall the Manager have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

Licence to Use Underlying Index may be Terminated Risk. The Manager is granted a licence by the Index Provider to use the Underlying Index to create the SENSEX India ETF based on the Underlying Index and to use certain trade marks and any copyright in the Underlying Index. The SENSEX India ETF may not be able to fulfill its objective and may be terminated if the licence agreement is terminated. The SENSEX India ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement Underlying Index using the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index. The Index Provider and the Manager (and its Connected Persons) are independent of one another.

Composition of the Underlying Index May Change Risk. The Securities constituting the Underlying Index will change as the Securities of the Underlying Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Underlying Index. When this happens the weightings or composition of the Securities owned by the SENSEX India ETF will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Underlying 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 SENSEX India ETF will, at any given time accurately reflect the composition of the Underlying Index (refer to "Tracking Error Risk").

Regulatory Risks

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

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 the SENSEX India ETF 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 are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the SENSEX India ETF. Where the SENSEX India ETF remains authorised by the SFC, such procedures required by the Code will be observed by the Manager.

Legal and Regulatory Risk. The SENSEX India ETF 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 SENSEX India ETF. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Underlying Index and as a result the performance of the SENSEX India ETF. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for any SENSEX India ETF. In the worst case scenario, a Unitholder may lose all its investments in the SENSEX India ETF.

Taxation Risk. Investing in the SENSEX India ETF 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.

Foreign Account Tax Compliance Act ("FATCA") Risk. Although the Manager will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA withholding, no assurance can be given that the Trust or the SENSEX India ETF will be able to achieve this and/or satisfy such FATCA obligations. If the SENSEX India ETF becomes subject to a 30% FATCA penalty withholding on most types of income from US investments (further described under the sub-section headed "FATCA" in the section headed "Taxes" on page 52) as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material loss.

Specific Risk Factors Relating to the SENSEX India ETF

In addition to the principal risk factors above, investors should also note the following additional specific risk factors associated with investing in the SENSEX India ETF.

FPI Investment Restrictions Risk. Investors should note that the relevant Indian laws and regulations may limit the ability of the FPI to acquire Securities in certain Indian issuers from time to time. In such case, this may accordingly restrict the issuance, and therefore the purchase, of Units of the SENSEX India ETF. This may occur in a number of circumstances, such as (i) where the aggregate FPI holding in any Indian company exceeds 24% or the relevant sectoral cap as prescribed by the Government of India; and/or (ii) where a single FPI (or any investor group) holds 10% or more of the issued equity capital of an Indian company; and/or (iii) change in the applicable laws and regulations affecting the investment capacity of the FPI. In the event that these limits are exceeded the relevant FPIs will be required to dispose of the shares in order to comply with the relevant requirements and each FPI may dispose of the relevant shares on a "last in first out" basis. As a consequence, in such circumstances, the Manager may need to adopt further measures in line with representative sampling investment strategy in order to achieve the SENSEX India ETF's investment objective. This may cause increased tracking error in general.

India FPI Licensing Risk. In order to invest physically in Indian-listed securities, each of the SENSEX India ETF and the Mauritius subsidiary is required to be registered as a Category II FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014. In order to be registered as a Category II FPI, each of the SENSEX India ETF and the Mauritius subsidiary is required to demonstrate, on an ongoing basis, that it satisfies the FPI Restrictions. Investors should refer to the section in this Prospectus headed "Important Information" for full details of the FPI Restrictions (which include the restrictions set out above in this risk factor). To the extent that an investor's holding in Units is in contravention of the FPI Restrictions or an investor fails to disclose the required information, the SENSEX India ETF and/or the Mauritius subsidiary may lose their FPI licence and may no longer be able to invest physically in Indian securities. In addition, if any Unitholder or beneficial owner fails to disclose information requested by the Trustee or the Manager and, due to such non-disclosure or inadequate disclosure, the Manager believes the SENSEX India ETF or the Mauritius subsidiary may be in breach of the FPI Restrictions, the Manager reserves the right to compulsorily redeem Units in the SENSEX India ETF held by or for the benefit of such person.

Counterparty Risk of IAP Issuers Risk. The Mauritius subsidiary may invest up to 15% of its net asset value in IAPs, with a maximum exposure to any single issuer of 10% of the net asset value. The IAPs constitute direct, general and unsecured contractual obligations of the IAP Issuer. The IAPs do not provide the SENSEX India ETF (or the Mauritius subsidiary) with any legal or equitable interest of any type in the underlying Indian Securities comprising the Underlying Index. Each IAP is designed to replicate the economic benefit of holding the underlying Indian Security. The value of the SENSEX India ETF's assets may therefore be affected by the credit risk of the IAP Issuers (if any). Any default in relation to, or other failure to perform obligations under an IAP or related agreement of, any of the IAP Issuers will have an adverse impact on the Net Asset Value of the SENSEX India ETF. The SENSEX India ETF is indirectly subject to counterparty risk associated with each IAP Issuer and may suffer losses potentially equal to the full value of the IAPs issued by an IAP Issuer if such IAP Issuer fails to perform its obligations under the IAPs. Any loss would result in a reduction in the Net Asset Value and impair the ability of the SENSEX India ETF to achieve its investment objective to track the Underlying Index. In the event of any default by an IAP Issuer, dealing may be suspended and the SENSEX India ETF may ultimately be terminated.

Liquidation of IAPs Risk. Although IAPs which may be held by the SENSEX India ETF would be listed on the Luxembourg Stock Exchange, the IAPs would not have an active secondary market. In addition, the Manager may have to agree with each FPI that, in any event, the Manager will not sell any IAP to Non-Resident Indians, Persons Resident in India, Persons of Indian Origin, Category III foreign portfolio investors or Category II unregulated broad based funds (please see definitions in Schedule 3). Accordingly the SENSEX India ETF will rely entirely on a Connected Person of the Participating Dealer or the Participating Dealer to liquidate its holdings of the IAPs from time to time.

Tracking Error due to IAPs Risk. The tracking error of the SENSEX India ETF may be increased by the overall costs of maintaining the IAPs. Such costs include the IAP Commission and the IAP Maintenance Charge (please refer to the "IAP Commission" and the "IAP Maintenance Charge" sections above) as well as the spread and foreign exchange costs from investing in the IAPs. As a result of such costs the value of the IAPs may differ from the price of the Securities to which such IAPs are linked, leading to an increased tracking error, although the Manager does not believe that this will be significant.

FPI Tax Risk. Under the terms of the IAPs, any tax levied on and payable by the FPI in India would be passed on to and borne by the SENSEX India ETF if (i) the SENSEX India ETF settles the IAP; (ii) when the IAPs settles at expiry; or (iii) when distributions are made by the IAP Issuer to the SENSEX India ETF. In addition when the Manager sells an IAP, the sale price will take into account of the FPI's tax liability. In such circumstances the value of the IAPs held by the SENSEX India ETF may have taken into account such tax liabilities, if any.

Risk Factors Relating to India

Indian Exchange Controls Risk. The operation of the FPI's bank account in India is subject to regulation by the Reserve Bank of India ("RBI") under Foreign Exchange Management Act ("FEMA") and the regulations and circulars issued by RBI thereunder ("FEMA Regulations"). A designated bank, namely any bank in India which has been authorised by the RBI to act as a banker to FPIs, is authorised to convert currency and repatriate capital and income on behalf of the FPI. There can be no assurance that the Indian Government will not, in future, impose restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. Any amendments to the FEMA Regulations may impact adversely on the SENSEX India ETF's performance.

Corporate Disclosure, Accounting and Regulatory Standards Risk. Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD (Organisation for Economic Co-operation and Development) countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the FPI experiences difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the SENSEX India ETF has indirectly invested. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.

Economic, Political and Taxation Considerations Risk. The SENSEX India ETF, the market price and liquidity of the shares may be affected generally by exchange rates and controls, interest rates, changes in Indian governmental policy, taxation, social and religious instability and other political, economic or other developments in or affecting India.

Clearing, Settlement and Registration Systems Risk. Although the Indian primary and secondary equity markets have grown rapidly over the last few years and the clearing, settlement and registration systems available to effect trades on the Indian stock markets have significantly improved with mandatory dematerialisation of shares, these processes may still not be on a par with those in more mature markets. Problems of settlement in India may impact on the Net Asset Value and the liquidity of the SENSEX India ETF.

Fraudulent Practices Risk. The Securities and Exchange Board was created under the resolution of the Government of India in the Department of Economic Affairs on 12 April 1988. In 1992 all the assets, rights and liabilities of the existing Securities and Exchange Board were transferred to SEBI. SEBI performs the function of "promoting the development of and regulation of the Indian Securities market, the protection of the interest of shareholders as well as matters connected therewith and incidental thereto". The Securities and Exchange Board of India Act of 1992 has entrusted SEBI with much wider powers and duties, which inter alia, include prohibition of fraudulent and unfair trade practices relating to the stock markets including insider trading and regulation of substantial acquisitions of shares and takeovers of companies. The Indian stock exchanges have been subject to broker defaults, failed trades and settlement delays in the past and such events may have adverse impact on the Net Asset Value of the SENSEX India ETF. In addition, in the event of occurrence of any of the above events, or in the event of SEBI having reasonable ground to believe that the transactions in Securities are being dealt with in a manner detrimental to the investors or the Securities market, SEBI can impose restrictions on trading in certain Securities, limitations on price movements and margin requirements, which could adversely impact the liquidity of the SENSEX India ETF.

Limited Liquidity Risk. A disproportionately large percentage of market capitalisation and trading value in the Indian stock exchanges is represented by a relatively small number of issues. There is a lower level of regulation and monitoring of the Indian Securities market and the activities of investors, brokers and other participants as compared to certain OECD markets. It may, therefore, be difficult to invest the SENSEX India ETF's assets so as to obtain a representative portfolio or to realise the SENSEX India ETF's investments at the places and times that it would wish to do so.

Risk Factors Relating to Mauritius

Mauritius Exchange Control Risk. All exchange control regulations have been suspended in Mauritius. In the event such regulations are re-introduced, it is expected that they will not apply to the Mauritius subsidiary since the Mauritius subsidiary qualifies as a Category 1 Global Business Company in Mauritius for the purposes of the Financial Services Act 2007. However, there can be no assurance that controls will not affect the Mauritius subsidiary.

Insurance Risk. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or not economically insurable. Inflation, environmental considerations, and other factors, including terrorism or acts of war may result in the insurance proceeds being insufficient to repair or replace damaged or destroyed property. Under such circumstances, the insurance proceeds received might not be adequate to restore the Mauritius subsidiary's or an investee's economic position. Should an uninsured loss or a loss in excess of insured limits occur, the Mauritius subsidiary may lose capital invested in the affected investee as well as anticipated future revenue from that investee.

Other Risks. Changes in laws, politics and government policies in Mauritius might also affect the environment where the Mauritius subsidiary is set up such that the advantages which it is enjoying right now could no longer be present.

MANAGEMENT OF THE TRUST

Manager

The Manager is BlackRock Asset Management North Asia Limited. The Manager is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services internationally for institutional, retail and private clients. The Manager was incorporated in Hong Kong with limited liability on 10 August 1998 and is licensed by the SFC to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance. The Manager is registered with SEBI as a Category II FPI.

Under the Trust Deed, the monies forming part of each Index Fund are invested, at the direction of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of each Index Fund. The Manager is also the Listing Agent for each of the Index Funds.

Without limiting the other powers mentioned in this Prospectus, the Manager may purchase and sell investments for the account of the SENSEX India ETF subject to the provisions of the Trust Deed and enter into such contracts including sale and purchase agreements, loans and broker and trading agreements in accordance with the Trust Deed, as it deems appropriate in the performance of its role as Manager.

The Manager has sufficient human and technical resources and capability plus adequate infrastructure systems, operating processes, controls and procedures in place for the management of the SENSEX India ETF, including cross border money flow, creation and redemptions, general operations, cash management, procedures for handling corporate/other special events, portfolio composition file generation and checking, reference underlying portfolio value or indicative NAV checking and monitoring and tracking error management.

The Directors of the Manager

Belinda Boa, CFA, Managing Director, is Head of Active Investments for Asia Pacific & CIO of Emerging Markets, Fundamental Active Equity, where she is responsible for delivering investment excellence and investment success in the region both internally and externally. The role will encompass all areas of the Active Investment business including Fundamental Equity, Fixed Income, Scientific Active Equity and Multi-Asset. In addition, Ms Boa will oversee regionally regulated activities of investors. Ms. Boa is a member of the Asia Pacific Executive Committee. Prior to assuming her current role in 2015, Ms. Boa was head of Risk and Quantitative Analysis for APAC where she was responsible for all areas of risk across the region, including investment risk, credit and counterparty risk and corporate and operational risk. Ms. Boa has worked in quantitative finance for over 15 years in London and South Africa. Prior to moving to Asia, she was a senior risk manager, leading the Risk and Quantitative Research team in London, where she was focused on the equity business. She started her career in equity research working for RMB Asset Management. Ms. Boa is a qualified Chartered Financial Analyst and a member of the London Quant Group. Ms Boa earned her degree with honours in Finance and Statistics from the University of the Witwatersrand, South Africa in 1995.

Geraldine Buckingham, Senior Managing Director, is BlackRock's Chair for the Asia Pacific region and a member of the firm's Global Executive Committee. She is responsible for all business activities in the region, which includes Greater China, Japan, Australia, Singapore, India and Korea. Dr. Buckingham previously served as Global Head of Corporate Strategy at BlackRock and was responsible for helping BlackRock develop and implement long-term goals and respond to the competitive financial services landscape. She was named to Fortune Magazine and Crain's New York Business' "40 Under 40" lists for 2017. Prior to joining BlackRock in 2014, Dr. Buckingham was a partner with McKinsey & Company's financial services practice based in New York. She worked primarily with large global asset managers with additional experience in wealth management and private equity, as well as functional expertise in strategy and organization. Dr. Buckingham received the Rhodes scholarship to study at Oxford University, where she earned a Master of Philosophy degree in Comparative Social Policy. She earned her Bachelor of Medicine and Bachelor of Surgery (MBBS) degrees from Monash University.

Susan Wai-lan Chan, Managing Director, is the Head of ETF and Index Investment (EII) and Trading and Liquidity Strategies (TLS) Asia Pacific at BlackRock. She also leads BlackRock's Asia Pacific product innovation and strategy efforts to deepen connectivity with counterparties and clients. Ms. Chan is a member of the BlackRock Asia-Pacific Executive Committee, EII Global Management Committee, TLS Global Executive Committee, Global Human Capital Committee and Global Operating Committee. Ms. Chan joined BlackRock in July 2013 as head of Asia Pacific iShares Capital Markets and Products. Prior to joining BlackRock, she was a Managing Director at Deutsche Bank AG, Hong Kong where she was Head of Equity Structuring, Strategic Equity Transactions and DBx Asia Pacific. Before Deutsche Bank, she was Managing Director at Barclays Capital Asia Limited where she held various positions in equity derivatives with the most recent as Head of Equity and Funds Structured, Asia Pacific. She was also a member of the Global EFS Executive Committee, the Asia Pacific Structuring Executive Committee, Founder and Executive Sponsor for the Women's Internal Network, Asia Pacific and a Board Member of Barclays Capital Hong Kong Limited. Ms. Chan is a graduate of Boston University, Boston, MA.

Andrew Hambleton, Managing Director, is the Chief Operating Officer (COO) of the APAC region for BlackRock and is a member of the C-20 and APAC Executive Committee. In his role as APAC COO, Andrew is responsible for the effective operation of the region. This includes partnering with functional management to support growth and client service across channels, to manage risk, to promote operational efficiency, and to respond to market and regulatory change. Mr. Hambleton was formerly the COO and Global Head of Platform & Operations for HR. This included management of HR's technology infrastructure and HR operations functions supporting the employee life-cycle, recruitment and administration of core HR Processes, HR risk & compliance, Employee Relations and business management for the HR function. Andrew joined BlackRock in late 2010 as Head of Human Resources, Asia Pacific for BlackRock, based in Hong Kong. Following his work in Asia Pacific, Andrew moved to New York and was the Global Head of Talent where he played a central role in leading the Human Capital Committee and Firm Talent agenda. In this role he led Talent Development, Talent Management Practices, Talent Acquisition, and Inclusion & Diversity. Prior to BlackRock, Andrew worked for The Australia and New Zealand Banking Group for 9 years. During this time he worked in a number of senior executive level HR roles as a business partner, and in rewards and talent in New Zealand, Australia and Asia.

Andrew Landman, Managing Director, is Head of Client Business for Asia Pacific Region, responsible for both distribution and management of the Retail and Institutional relationships in Asia. Prior to assuming his current role, Mr Landman was Head of Institutional and BlackRock Alternative Specialists Group for APAC following a period of being Head of Client Businesses in Australia, responsible for both distribution and management of the Retail, iShares and Institutional relationships in Australia. Prior to joining BlackRock, Mr. Landman was Chief Executive Officer of Ascalon Capital Managers, a subsidiary of BT Financial Group. Ascalon takes equity stakes in, and is an active business partner of, some of Asia Pacific's leading boutique asset managers. Under Mr. Landman's leadership, Ascalon successfully built a portfolio of nine single strategy hedge and high conviction funds across Australia and Asia Pacific with USD4.2 billion in assets under management. In addition to the role at Ascalon, Mr Landman was Head of Investment Strategy at BT Financial Group. Prior to Ascalon, Mr. Landman was the Chief Financial Officer of Challenger Funds Management. He started his career at Bankers Trust where he worked extensively across the operations side of funds management. Mr. Landman earned a Bachelor of Commerce degree from the University of Newcastle. He studied leadership at the University of Chicago in 2003.

Graham Douglas Turl, Managing Director, is the General Counsel, Asia-Pacific region. He is a member of BlackRock's Asia Pacific Executive Committee. Prior to joining BlackRock in April 2007, Mr. Turl was head of the Hong Kong investment management group at international law firm Linklaters, where he was responsible for advising clients on the corporate, regulatory and tax aspects of structuring, creating, organising and marketing investment funds of all types, onshore and offshore, domestic and international, public and private, retail and institutional. Mr. Turl is qualified to practice law in England and Hong Kong. Mr. Turl serves on a number of finance industry bodies in the Asia Pacific region, including the Investment Funds Association of Hong Kong and the Asset Management Group of the Asia Securities Industry & Financial Markets Association. Mr. Turl earned a BA degree in history from the University of Nottingham and postgraduate legal qualifications from the Guildford College of Law, England..

Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited. The Trustee was incorporated with limited liability in Hong Kong in 1974 and is registered as a trust company under the Trustee Ordinance (Cap.29 of the Laws of Hong Kong) and approved by the Mandatory Provident Fund Schemes Authority as trustee of registered mandatory provident fund schemes under the Mandatory Provident Fund Schemes Ordinance (Cap.485 of the Laws of Hong Kong). The Trustee is an indirectly wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust. The Trustee may, however, appoint any person or persons (including a Connected Person) or have such person(s) appointed, to hold, as agent, nominee, delegate, custodian, joint custodian, co-custodian or sub-custodian, all of any investments, cash, assets or other property comprised in a fund and may empower any such person to appoint, with the prior consent in writing of the Trustee, additional co-custodians and/or sub-custodians (each such agent, nominee, delegate, custodian, joint custodian, co-custodian or sub-custodian, a "Correspondent"). The Trustee is required to exercise reasonable skill, care and diligence in the selection, appointment and ongoing monitoring of such Correspondents and, during the term of their appointment, must satisfy itself that such Correspondents remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Trust or any Index Fund, having regard to the market or markets for which such Correspondents are appointed to act as custodian. The Trustee will remain responsible for the acts or omissions of such Correspondents in the same manner as if such acts or omissions were those of the Trustee, except where such Correspondents are appointed in respect of a market or markets which the Trustee has determined by notice to the Manager to be emerging markets. Notwithstanding the above, the Trustee will remain responsible for the acts or omissions of any Connected Person appointed in respect of an emerging market. In the event any appointment of emerging market custodian is proposed, the Trustee will notify the Manager and the SFC will be notified by the Manager accordingly. Prior approval of the SFC has to be obtained in the event such emerging market custodian proposed to be appointed is not a Connected Person of the Trustee. As at the date of this Prospectus, the emerging market sub-custodians appointed for the assets of the SENSEX India ETF are the Trustee's Connected Persons.

The Trustee also acts as the Registrar of the SENSEX India ETF. In addition to the amount paid by the Manager out of the Management Fee, the Trustee is entitled to other fees described in the section headed "Fees and Expenses".

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 SENSEX India ETF or the Trust generally, in respect of any liabilities, costs, claims or demands arising directly or indirectly from the proper performance of the Trust. Nothing in any of the provisions of the Trust Deed shall exempt either the Trustee or the Manager (as the case may be) from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, fraud, default, breach of duty or trust of which they may be guilty in relation to their duties.

The indemnities summarised above will not be available to the Trustee or Manager in respect of any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty or trust.

Service Agent

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreements entered into among the Manager, the Trustee (also acting in its capacity as the Registrar), the Participating Dealers, (where relevant) the Participating Dealers' agents, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in the SENSEX India ETF by Participating Dealers.

Auditor

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

Conflicts of Interest

The Manager and other BlackRock Group companies undertake business for other clients. BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Manager and its clients. BlackRock maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The types of conflict scenario giving rise to risks which BlackRock considers it cannot with reasonable confidence mitigate are disclosed below. This document, and the disclosable conflict scenarios, may be updated from time to time.

Conflicts of interest from relationships within the BlackRock Group and with the PNC Group

Personal Accounts Dealing

BlackRock Group employees may be exposed to clients' investment information while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would affect the value of a client's transaction. BlackRock Group has implemented a Personal Trading Policy designed to ensure that employee trading is pre-approved.

Employee Relationships

BlackRock Group employees may have relationships with the employees of BlackRock's clients or with other individuals whose interests conflict with those of a client. Such an employee's relationship could influence the employee's decision-making at the expense of clients' interests. BlackRock Group has a Conflicts of Interest Policy under which employees must declare all potential conflicts.

Significant Shareholder – PNC

The PNC Financial Services Group, Inc. ("**PNC**") holds 20.9% ownership stake of the voting common stock of BlackRock, Inc. A stockholder agreement is in place permitting PNC to designate two directors to the BlackRock Inc. Board. There is the potential that BlackRock Group companies could be unduly influenced by PNC to the disadvantage of clients. Both BlackRock Inc. and PNC are managed independently and in isolation of one another and all transactions and revenue between the two are disclosed within BlackRock Inc's proxy statement. Additionally, when voting, PNC must vote its shares in accordance with the recommendation of the BlackRock Inc. Board to prevent undue influence.

Conflicts of interest of the Manager

Provider Aladdin

BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Provider Aladdin, a form of Aladdin software, to access data used by the BlackRock Group. Each service provider remunerates BlackRock Group for the use of Provider Aladdin. A potential conflict arises whereby an agreement by a service provider to use Provider Aladdin incentivises the BlackRock Group to appoint or renew appointment of such service provider. To mitigate the risk, such contracts are entered on an 'arm's length' basis.

Distribution Relationships

The Manager may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Trust and the Index Funds to investors against that client's best interests. BlackRock Group companies comply with all legal and regulatory requirements in the jurisdictions in which such payments are made.

Commissions & Research

The Manager (as well as any of its Connected Persons) will not receive or enter into any soft dollar commissions or arrangements in respect of the management of the Index Funds. The Manager (as well any of its Connected Persons) will not retain any cash rebates from any broker or dealer. Notwithstanding this, where permitted by applicable regulation, certain BlackRock Group companies acting as investment manager to certain funds may use commissions generated when trading equities with certain brokers in certain jurisdictions to pay for external research. Such arrangements may benefit one fund over another because research can be used for a broader range of clients than just those whose trading funded it. BlackRock Group has a Use of Commissions Policy designed to ensure compliance with applicable regulation and market practice in each region.

Timing of Competing Orders

When handling multiple orders for the same security in the same direction raised at or about the same time, the Manager seeks to achieve the best overall result for each order equitably on a consistent basis taking into account the characteristics of the orders, regulatory constraints or prevailing market conditions. Typically, this is achieved through the aggregation of competing orders. Conflicts of interest may appear if a trader does not aggregate competing orders that meet eligibility requirements, or does aggregate orders that do not meet eligibility requirements; it may appear as if one order received preferential execution over another. For a specific trade instruction of the Index Fund, there may be a risk that better execution terms will be achieved for a different client. For example, if the order was not included in an aggregation. BlackRock Group has Order Handling Procedures and an Investment and Trading Allocation Policy which govern sequencing and the aggregation of orders.

Concurrent Long and Short Positions

The Manager may establish, hold or unwind opposite positions (i.e. long and short) in the same security at the same time for different clients. This may prejudice the interests of the Manager's clients on one side or the other. Additionally, investment management teams across the BlackRock Group may have long only mandates and long-short mandates; they may short a security in some portfolios that are held long in other portfolios. Investment decisions to take short positions in one account may also impact the price, liquidity or valuation of long positions in another client account, or vice versa. BlackRock Group operates a Long Short (side by side) Policy with a view to treating accounts fairly.

MNPI

BlackRock Group companies receive Material Non-Public Information (MNPI) in relation to listed securities in which BlackRock Group companies invest on behalf of clients. To prevent wrongful trading, BlackRock Group erects information barriers and restricts trading by one or more investment team(s) concerned in the security concerned. Such restrictions may negatively impact the investment performance of client accounts. BlackRock has implemented a Material Non-Public Information Barrier Policy.

BlackRock's Investment Constraints or Limitations and its Related Parties

The Trust may be restricted in its investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the accounts of clients of the BlackRock Group. Such restrictions may adversely impact clients through missed investment opportunities. BlackRock Group manages the conflict by following an Investment and Trading Allocation Policy, designed to allocate limited investment opportunities among affected accounts fairly and equitably over time.

Investment in Related Party Products

While providing investment management services for a client, the Manager may invest in products serviced by BlackRock Group companies on behalf of other clients. BlackRock may also recommend services provided by BlackRock or its affiliates. Such activities could increase BlackRock's revenue. In managing this conflict, BlackRock seeks to follow investment guidelines and has a Code of Business Conduct and Ethics. In addition, where an Index Fund invests in any ETF managed by the Manager or its affiliates, neither such Index Fund nor its Unitholders will suffer any increase in the overall total of initial charges, management fee, or any other costs and charges payable to the Manager and/or its affiliate as a result of the investment in such ETF.

Investment Allocation and Order Priority

When executing a transaction in a security on behalf of a client, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades executed with other client orders result in the need to allocate those trades. The ease with which the Manager can allocate trades to a certain client's account can be limited by the sizes and prices of those trades relative to the sizes of the clients' instructed transactions. A process of allocation can result in a client not receiving the whole benefit of the best priced trade. The Manager manages this conflict by following an Investment and Trading Allocation Policy, which is designed to ensure the fair treatment of all clients' accounts over time.

Side-by-Side Management: Performance fee

The Manager manages multiple client accounts with differing fee structures. There is a risk that such differences lead to inconsistent performances levels across client accounts with similar mandates by incentivising employees to favour accounts delivering performance fees over flat or non-fee accounts. BlackRock Group companies manage this risk through a commitment to a Code of Business Conduct and Ethics Policy.

General

The Manager and the Trustee may from time to time act as trustee, administrator, registrar, secretary, manager, custodian, investment manager or investment adviser or perform other functions in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Trust or any Index Fund.

In addition:

- the Manager, its delegate or any Connected Persons may enter into investments for the Trust and may, with the consent of the Trustee, deal with the Trust as principal provided that such transactions are executed at arm's length and in the best interests of the Unitholders, are executed on the best available terms, and shall not account for more than 50% by value of commissions paid in respect of the Trust's investment transactions over the course of any one accounting period;

- the Trustee, the Manager or the Registrar or any of their Connected Persons may have banking or other financial relationships with any company or party which is the issuer of Securities, financial instruments or investment products held by the Trust;

- the Trustee, the Manager or the Registrar or any of their Connected Persons may hold and deal in Units or in investments held by the Trust either for their own account or for the account of their customers; and

- the monies of the Trust may be deposited with the Manager, the Trustee or any of their Connected Persons or invested in certificates of deposit or banking instruments issued by any of them.

The Trustee, the Manager or the Registrar or their Connected Persons may, in the course of business, and in providing services to the Trust, have potential conflicts of interest with the Trust or any Index Fund. Each will, at all times, have regard to its obligations to the Trust and to Unitholders and will endeavour to ensure that any such conflicts are resolved fairly.

Conflicts of interest may arise due to the widespread business operations of the Trustee, 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 Trust (or any Index Fund) will be on arm's length terms. No more than 50% in aggregate of the SENSEX India ETF's transactions in any one financial period shall be carried out with or through a broker or dealer connected to the Manager or any Connected Person of the Manager.

Soft Dollars

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

STATUTORY AND GENERAL INFORMATION

Reports and Accounts

The financial year-end of the Trust and the SENSEX India ETF is 31 December every year. Audited financial reports are to be prepared according to International Financial Reporting Standards and half-yearly unaudited financial reports are also to be prepared up to the last Dealing Day in June of each year.

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

Audited financial reports in English and Chinese will be available from the Manager's website at www.blackrock.com/hk within four months of the end of each financial year-end and unaudited financial reports will be available from the same website within two months of the end of the semi-financial year-end. Hard copies of these financial reports may also be obtained from the Manager free of charge. Unitholders will be notified of the means of getting access to the financial reports as and when the financial reports are issued and available.

Unitholders will be given at least one month's prior notice of any change to the mode of delivery of these financial reports.

Trust Deed

The Trust was established under Hong Kong law by a 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 and their relief from liability in certain circumstances (summarised above in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Modification of Trust Deed

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee such modification (i) does not materially prejudice to the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of any Index 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 any material changes require the sanction of an extraordinary resolution of the Unitholders affected.

Except in respect of amendments sanctioned by extraordinary resolution or necessary for the Trust to comply with relevant legal requirements, the Manager will notify affected Unitholders of amendments as soon as practicable after they are made. No such notice will be given if the Trustee is of the opinion that the amendment is not of material significance or is made to correct a manifest error.

Provision of Information

The Manager or the Trustee may, if requested by a regulatory body or department of any government or administration in any jurisdiction, provide such regulatory body or department in any jurisdiction with any information regarding the Trust Fund, the Unitholders and/or beneficial owners of Units, the investments and income of the Trust Fund and/or the provisions of the Trust Deed. The Manager or the Trustee may comply with such request in compliance with all applicable laws and regulations, whether or not it was in fact enforceable. Neither the Trustee nor the Manager shall incur any liability to the Unitholders and/or beneficial owners of Units or any of them or to any other person as a result of or in connection with such compliance.

Voting Rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing one-tenth or more of the current Units in issue. 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 Trustee or terminating the Trust 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. Unitholders will be given not less than 21 days' notice of such meeting.

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 60 days; (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily; (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders; (iv) a law is passed that renders it illegal, or in the opinion of the Trustee, impracticable or inadvisable to continue the Trust; (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by Extraordinary Resolution; or (vi) 30 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 (or in the case of (iii) any Index Fund) if: (i) after 3 years from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Index Fund is less than HK$150 million; (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 Trust; (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects an Index Fund and which renders such Index Fund illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue such Index Fund; or (iv) 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 any Index Fund if: (i) after 1 year from the date of the creation of such Index Fund, the Net Asset Value of such Index Fund is less than HK$150 million; (ii) at any time the Net Asset Value of such Index Fund is less than the Hong Kong dollar equivalent of US$10 million; (iii) its Underlying Index is no longer available for benchmarking or if the Units of the relevant Index Fund are no longer listed on the SEHK or any other Recognised Stock Exchange; (iv) at any time, the Index Fund ceases to have any Participating Dealer; or (v) if, the Manager is unable to implement its investment strategy. In such circumstances, unless the Manager and the Trustee agree that another strategy is: (a) possible, feasible as well as practicable; and (b) in the best interests of the Unitholders, the Units then in issue shall be compulsorily redeemed at the Net Asset Value of the Index Fund. The Manager shall, in such event, notify the SFC in advance in such circumstance and agree with the SFC appropriate methods of notification of Unitholders in the Index Fund prior to such redemption and termination. Further, the Unitholders may at any time authorise termination of the Trust or any Index Fund by extraordinary resolution.

Upon the Manager giving notice to the Trustee to terminate the Trust or an Index Fund pursuant to the Trust Deed, where the assets of the relevant Index Fund include Securities that cannot be traded on exchange or otherwise be disposed of, the Manager may, upon consultation with the Trustee, compulsorily redeem at NAV of all the Units then in issue of the relevant Index Fund, following which the relevant Index Fund may be terminated in accordance with the provisions of the Trust Deed.

Unless previously terminated as described above or under another provision in the Trust Deed, the Trust shall in any event terminate at the expiry of 80 years from the date of the Trust Deed.

Notice of any termination of an Index Fund will be given to the Unitholders after the SFC has approved release of the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Index Fund and the alternatives available to them, and any other information required by the Code.

Upon the termination of an Index Fund, the termination proceeds may be distributed and paid in a currency other than the Base Currency of the Index Fund. The currency of distribution of termination proceeds will be notified to investors in the termination notice. Unless otherwise specified in the termination notice, any fees and charges associated with the conversion of such termination proceeds from the applicable Base Currency to such other currency shall be borne by Unitholders. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor “Other Currencies Distributions Risk”.

Any unclaimed proceeds or other monies held by the Trustee under the provisions of the Trust Deed may at the expiration of twelve Months from the date upon which the same became payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

Unless previously terminated, the Trust will terminate on 16 November 2081.

Inspection of Documents

Copies of the constitutive documents are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager at a cost of HK$150 per set.

Part XV of the Securities and Futures Ordinance

Part XV of the Securities and Futures Ordinance 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 SENSEX India ETF. Consequently, Unitholders are not obliged to disclose their interest in the SENSEX India ETF. Further, pursuant to section 323(1)(c)(i) of the Securities and Futures Ordinance, Unitholders are not considered to hold an interest in the underlying shares of a Hong Kong listed company held by the SENSEX India ETF.

Anti-Money Laundering Regulations

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

- the investor makes the payment from an account held in the investor’s name at a recognised financial institution; or

- the application is made through a recognised intermediary.

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

Liquidity Risk Management

At the level of the SENSEX India ETF and primary market trading in the relevant Units, liquidity risk is the risk that (i) a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or (ii) the SENSEX India ETF’s financial obligations arising from investment activity (such as margin calls) or investor redemptions will not be able to be met. An inability to sell a particular underlying security or portion of the SENSEX India ETF’s assets may have a negative impact to the value of the SENSEX India ETF and may have negative implications for investors being able to redeem, on the primary market, in a timely fashion. Additionally, investors who remain invested in an Index Fund may also be adversely affected.

The Manager has established a Liquidity Risk Management Policy (the “**LRM Policy**”) which enables it to identify, monitor and manage certain liquidity risks associated with the SENSEX India ETF. The LRM Policy, combined with the liquidity management tools available and an oversight committee comprising senior representatives of the Manager, seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders against the redemption behaviour of other investors from a liquidity perspective.

Tools to Manage Liquidity Risk

Under the LRM Policy, tools available to the SENSEX India ETF to manage liquidity risk include some or all of the following:

- In respect of any Redemption Application, the Manager may deduct from and set off against any amount payable to a Participating Dealer on the Redemption Value such sum (if any) as the Manager may consider represents an appropriate provision for Duties and Charges.

- The SENSEX India ETF may borrow up to 10% of its total Net Asset Value.

- The Manager, with the approval of the Trustee, may at its discretion extend the settlement period beyond the Settlement Day, such extension to be on such terms and conditions as the Manager may determine but, in any event, not later than one month from the receipt of an effective Redemption Application unless the Market(s) in which a substantial portion of investments of the SENSEX India ETF 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.

- The Manager may, at its discretion, at any time after consultation with the Trustee (and where practicable, after consultation with Participating Dealers) suspend the right of Unitholders to redeem Units of the SENSEX India ETF and/or delay the payment of any moneys and transfer of any Securities in respect of any Redemption Application in certain circumstances. Please refer to the section "Suspension of Creations and Redemptions" under "Creations and Redemptions (Primary Market)" for further details.

- The Manager may, after consultation with the Trustee, declare a suspension of the determination of Net Asset Value of the SENSEX India ETF in certain circumstances. No Units will be issued or redeemed during any period of suspension of the Net Asset Value. Please refer to the section "Suspension of Net Asset Value" under "Determination of Net Asset Value" for further details.

- The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate the SENSEX India ETF in certain circumstances, including where after 1 year from the date of creation of the SENSEX India ETF, the Net Asset Value of the SENSEX India ETF is less than HK$150 million.

- The Manager 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 (following consultation with the Trustee) considers that such adjustment is required to fairly reflect the value of the investment.

Investors should note that there is a risk that the tools available may be ineffective to manage liquidity and redemption risk.

Change of Underlying Index

The Manager reserves the right with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index with another Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

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

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

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

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

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

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

The Manager may change the name of the SENSEX India ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to the Underlying Index and or the name of the SENSEX India ETF will be notified to investors.

Information Available on the Internet

The Manager will publish important news and information with respect to the SENSEX India ETF, both in the English and in the Chinese languages, on the Manager's website at www.blackrock.com/hk including:

- This Prospectus and the product key facts statement (as revised from time to time);
- Latest annual audited financial report and interim half yearly unaudited financial report;
- Last Net Asset Value (in the SENSEX India ETF's Base Currency only) and last NAV per Unit (in each of the SENSEX India ETF's trading currencies i.e. USD, HKD and RMB);
- Near real time indicative NAV per Unit throughout each dealing day (in each of the SENSEX India ETF's trading currencies i.e. USD, HKD and RMB);
- Exposure to the IAP Issuers;
- The SENSEX India ETF's holdings (updated on a daily basis);
- Public notices and announcements made by the SENSEX India ETF;
- Latest list of Participating Dealers and market makers;
- The past performance of the SENSEX India ETF;
- The tracking difference and tracking error of the SENSEX India ETF; and
- Composition of any distributions paid by the SENSEX India ETF (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months.

Please note that the near real time indicative NAV per Unit (in each of the trading currencies i.e. USD, HKD and RMB) and the last NAV per Unit in HKD and RMB are for reference only. The near real time indicative NAV per Unit in HKD and RMB uses a real time exchange rate between the Base Currency (i.e. USD) and each of the trading currencies (i.e. HKD and RMB). It is calculated using the indicative NAV per Unit in USD multiplied by the real time exchange rate provided by ICE Data Services for the indicative NAV for HKD and RMB (CNH) respectively. The last NAV per Unit in HKD and RMB is calculated using the last NAV per Unit in the Base Currency (i.e. USD) multiplied by the WM Reuters 4:00p.m (London time)* rate for HKD and RMB (CNH) respectively for that Dealing Day.

* *Please note 4:00p.m (London time) (i) during British Summer Time is equivalent to 11:00p.m Hong Kong Time and (ii) otherwise is equivalent to 12:00a.m. Hong Kong Time*

All of the information outlined above can be found on the product webpage of the SENSEX India ETF. The product webpage of the SENSEX India ETF can be located by using the search function and inserting the stock code of the SENSEX India ETF (i.e. 02836, 09836 or 82836) at www.blackrock.com/hk. This website has not been reviewed by the SFC. The product webpage also provides a link to the announcements and notices section of the website where public announcements and notices can be found.

Notices

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

Manager

BlackRock Asset Management North Asia Limited
16/F Champion Tower
3 Garden Road Central
Hong Kong

Trustee

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

Queries and Complaints

Investors may contact the Manager at its address as set out above, or by phone at its telephone number: (852) 3903 2823 or by email: iSharesAsiaEnquiry@blackrock.com to seek any clarification regarding the Trust or the SENSEX India ETF or to file a complaint. If a query or complaint is received by phone, the Manager will respond orally. If a query or complaint is received in writing, the Manager will respond in writing. Under normal circumstances the Manager will respond to any query or complaint as soon as practicable and in any event within 21 days.

TAXES

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

Hong Kong

SENSEX India ETF

Profits Tax: As the SENSEX India ETF has been authorised as a collective investment scheme by the SFC pursuant to section 104 of the Securities and Futures Ordinance, profits of the SENSEX India ETF arising from the sale or disposal of securities, net investment income received by or accruing to the SENSEX India ETF and other profits of the SENSEX India ETF are exempt from Hong Kong profits tax.

Stamp Duty: Pursuant to a remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty on the transfer of Securities to the SENSEX India ETF by an investor pursuant to an application in specie will be remitted or refunded. Similarly, Hong Kong stamp duty on the transfer of Securities by the SENSEX India ETF to an investor upon redemption of Units will also be remitted or refunded.

No Hong Kong stamp duty is payable by the SENSEX India ETF on an issue or redemption of Units.

Hong Kong stamp duty is ordinarily payable on the transfer of Hong Kong stock. As at the date of this Prospectus, the SENSEX India ETF does not buy or sell Hong Kong stock and it is not the Manager's intention to do so.

Mauritius subsidiary

Under the general Hong Kong tax law and practice, exposure to Hong Kong profits tax will only arise if the Mauritius subsidiary is regarded as carrying on a trade, profession or business in Hong Kong either on its own or through an agent in Hong Kong; and profits from that trade, profession or business arise in or are derived from Hong Kong.

The Mauritius subsidiary may be considered to be carrying on a trade, profession or business in Hong Kong through the activities of an agent in Hong Kong, such as the Investment Manager. As such, no assurance can be given that the Mauritius subsidiary notwithstanding being incorporated outside of Hong Kong will not be considered by the Hong Kong Inland Revenue Department to be subject to Hong Kong profits tax. An "agent" generally refers to someone who has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of his principal.

If the Mauritius subsidiary is regarded as carrying on business in Hong Kong, a liability to profits tax, the rate of which is currently 16.5%, will only exist in respect of any profits which arise in or are derived from Hong Kong, excluding capital profits. Such amounts may include profits arising from the disposal of securities and FDIs (except those acquired and held as capital assets) where the purchase or sale contracts are effected in Hong Kong. The term "effected" in this context does not just refer to the execution of the contracts but also includes the negotiation and all steps leading to the final conclusion of the contracts. Interest income arising from certain debt instruments where the loan funds were first made available to the issuer in Hong Kong is Hong Kong sourced and subject to profits tax.

Note that whilst profits in the nature of capital gains are excluded from taxation in Hong Kong, gains which are considered to be derived from trading activity as opposed to mere investment activity carried on in Hong Kong may potentially be subject to Hong Kong profits tax.

The Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006 ("Ordinance") was gazetted on 10 March 2006. Under the Ordinance, funds resident outside Hong Kong are exempted from Hong Kong profits tax provided specific conditions under the Ordinance are met.

The Directors of the Mauritius subsidiary will conduct the affairs of the Mauritius subsidiary as far as possible in such a manner as to minimize the risk of the Mauritius subsidiary being considered to carry on a trade or business in Hong Kong and/or to comply with all the exemption conditions under the Ordinance but no assurance can be given that profits from the holding and disposal of certain investment in Hong Kong will not give rise to a liability for profits tax in Hong Kong.

Dividends distributed by the Mauritius subsidiary to the SENSEX India ETF will not be subject to any withholding tax in Hong Kong.

Unitholders

Profits Tax: Hong Kong profits tax will not be payable by the Unitholder (other than Unitholders carrying on a trade, profession or business of investing in securities in Hong Kong) on any gains or profits made on the sale, redemption or other disposal of the Units and on any distributions made by the SENSEX India ETF. In accordance with the practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus) tax should not be payable in Hong Kong in respect of dividends payable to Unitholders.

Stamp Duty: Pursuant to the Stamp Duty (Amendment) Ordinance 2015, with effect from 13 February 2015, no stamp duty is payable on the transfer (purchase or sale) of units of all exchange traded funds on the SEHK. No stamp duty is therefore payable on the transfer of Units of the SENSEX India ETF.

Mauritius

Mauritius subsidiary

The taxation of income and capital gains of the Mauritius subsidiary is subject to the fiscal law and practice of Mauritius and the countries in which the Mauritius subsidiary invests. The Mauritius subsidiary is centrally managed and controlled from Mauritius and is therefore a tax resident in Mauritius. Capital gains from the sales of units and securities are exempted from Mauritius tax and any dividend paid by the Mauritius subsidiary to its shareholder are exempt in Mauritius from any withholding tax.

Under the current Mauritian tax regime, the Mauritius subsidiary will be charged income tax at the rate of 15% on its net income. However, the Mauritius subsidiary should be entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or a deemed tax credit of 80% of the Mauritius tax on its foreign source income. This would reduce the Mauritius rate of tax effectively to 3%. If the local tax in the foreign country has been charged at a rate greater than 15%, the effective rate of tax may be reduced further in certain circumstances. As per the DTA, the Mauritius subsidiary would be entitled to claim underlying tax credit in respect of Dividend Distribution Tax ("DDT") paid by the Indian company if the shareholding exceeds a certain threshold. If the Mauritius subsidiary holds more than a 5% stake in a company, it should not be liable to pay any tax in Mauritius in respect of its dividend income from such company.

Mauritius introduced new tax measures in the Finance Act 2018. Effective 1 January 2019, an 80% partial exemption will be available on certain income including foreign sourced dividend, subject to certain conditions. The above deemed foreign tax credit of 80% will continue to apply until 30 June 2021 for the Mauritius subsidiary under the grandfathering provisions.

The foregoing is based on current interpretation and practice and is subject to any future changes in Indian and Mauritian tax laws and the tax treaty between India and Mauritius.

India

Mauritius subsidiary

General

The taxation of income and capital gains in India is subject to the fiscal law of India. The basis of charge of Indian income tax depends upon the residential status of the taxpayer during a tax year, as well as the nature of the income earned. A non-resident for Indian income tax purposes is generally subject to tax in India only on such non-resident's Indian-sourced income (or income deemed to be sourced in India), including income attributable to a permanent establishment ("PE") maintained by that non-resident in India. The Income Tax Act provides that the taxability of the income earned by a non-resident should be governed by the provisions of the Income Tax Act or the applicable double tax avoidance agreement, if any, whichever is more beneficial.

Taxation of Dividend Distributions

Currently, the shareholders (whether resident or non-resident) are neither taxable in respect of dividends paid to them by an Indian company on shares nor are their dividends subject to any withholding tax. However, the Indian company paying the dividend is subject to dividend distribution tax of 15% plus applicable surcharge and education cess.

Gains on sale of Shares of the Indian Companies

On 10 May 2016, India's Ministry of Finance issued a press release confirming that a new protocol to the DTA had been signed with an effective date of 1 April 2017. Changes in the protocol include reconstituting the taxing right on capital gains to India, effectively removing the tax exemption on capital gains arising from the transfer of shares in Indian resident companies. However, the protocol provides for the grandfathering of the tax exemption on shares purchased prior to 1 April 2017.

On 1 February 2018, the 2018 Union Budget introduced a tax of 10% on long term capital gains (if the gain exceeds INR 100,000) arising from transfer of Indian listed equities and equity oriented mutual funds on or after 1 April 2018. Where such assets are acquired prior to 1 February 2018, the cost of acquisition will be deemed to be the higher of the actual cost of acquisition, or the fair market value on 31 January 2018, subject to certain conditions. Essentially, capital gains up to 31 January 2018 will be grandfathered under the previous exemption.

Taxation of the Mauritius subsidiary on assets purchased prior to 1 April 2017

On the basis that the Mauritius subsidiary is a tax resident in Mauritius and holds a valid certificate of tax residence and will be effectively managed from Mauritius and will not have a PE in India:

– Pursuant to the provisions of the DTA, any capital gains earned by the Mauritius subsidiary on disposal of Indian securities should not be liable to tax in India.

Taxation of the Mauritius subsidiary on assets purchased from 1 April 2017

Given the new protocol amendment to the DTA, the Mauritius subsidiary would be subject to tax in India as per the provisions of the Indian Income Tax Act, as described below, prior to the consideration and/or utilization of tax loss carryforwards, if any.

The capital gains tax payable on the transfer or sale of shares or other securities of an Indian company held as capital assets, will vary depending on whether the gain recognised on the sale qualifies as a short-term capital gain or a long-term capital gain.

Gains arising from the sale of shares or other securities listed on a recognised Indian stock exchange which are held for a period of 12 months or less are regarded as short-term capital gains. If the shares or other securities listed on a recognised Indian stock exchange are held for a period of more than 12 months, the gains arising from the sale thereof are regarded as long-term capital gains.

Capital gains derived by a FPI from the transfer of listed equity shares on a recognised stock exchange in India or units of an equity oriented mutual fund which are chargeable to Securities Transaction Tax ("STT"), will be subject to tax as follows:

- Short-term capital gains will be taxed at the rate of 15%;
- Long-term capital gains on shares and units sold prior to 1 April 2018 will be exempt from tax; and
- Long-term capital gains (exceeding INR 100,000) on shares and units sold on and after 1 April 2018 will be taxed at the rate of 10%. For shares and units held on or before 31 January 2018, any notional long term capital gains up to that date are grandfathered and sheltered from tax via a cost base step up to fair market value as at 31 January 2018 (where applicable).

Taxation of gains from investments in IAPs

On the basis that the IAPs, if any, will not entitle the Mauritius subsidiary to any ownership (directly or indirectly) of the underlying Indian securities and such IAPs will be executed outside India, the gains derived by Mauritius subsidiary from transacting in such IAPs should not be regarded as Indian-sourced income and thus, should not be taxable in India.

Securities Transaction Tax

The Mauritius subsidiary at the time of purchase or sale of shares or units of equity oriented mutual funds would be liable to pay STT on the transaction value at prescribed rates in the manner prescribed as outlined below:

Nature of transaction	Rate of STT	Payable by	Value on which STT payable
Purchase of an equity share in a) a company or b) units of an equity oriented fund – delivery based	a) 0.1% b) Nil	a) Purchaser b) N/A	a) Price at which shares/units are purchased b) N/A
Sale of an equity share in a) a company or b) units of an equity oriented fund – delivery based	a) 0.1% b) 0.001%	a) Seller b) Seller	Price at which shares/units are sold
Sale of an equity share in a company to the mutual fund	0.1%	Seller	Price at which shares/units are sold
Sale of an equity share in units of an equity oriented fund to the mutual fund	0.001%		

Automatic Exchange of Financial Account Information

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

The SENSEX India ETF is required to comply with the requirements of the Ordinance, which means that the SENSEX India ETF and/or its agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors.

The Ordinance as implemented by Hong Kong requires the SENSEX India ETF to, amongst other things: (i) register the SENSEX India ETF as a "Reporting Financial Institution" with the IRD (when there are reportable accounts); (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the required information reported to it to the government authorities of the jurisdictions with which Hong Kong has a CAA in force. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a jurisdiction with which Hong Kong has a CAA in force; 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, address, tax residence, tax identification number (if any), account number, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions.

By investing in the SENSEX India ETF and/or continuing to invest in the SENSEX India ETF, Unitholders acknowledge that they may be required to provide additional information to the SENSEX India ETF, the Manager and/or the SENSEX India ETF's agents in order for the SENSEX India ETF to comply with the Ordinance. The Unitholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are passive non-financial entities), may be transmitted by the IRD to authorities in other jurisdictions.

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

FATCA

General Information

The Foreign Account Tax Compliance Act ("FATCA") is a US tax law enacted in March 2010 with the withholding requirements for new accounts scheduled to be effective on 1 July 2014 (1 January 2019 for gross proceeds). FATCA attempts to minimise tax avoidance by US persons investing in foreign assets both through their own accounts and through their investments in foreign entities. Unless an intergovernmental agreement (an "IGA") is in place, FATCA requires foreign financial institutions ("FFIs") to provide information to the US tax authority, the Internal Revenue Service (the "IRS"), regarding their US account holders including substantial US owners of certain non-financial foreign entities ("NFFEs"). FFIs who fail to commit to meeting certain due diligence, withholding and reporting requirements and certain NFFEs who fail to provide required information on their substantial US owners will be subject to 30% FATCA withholding on most types of income from US investments (as further described below).

Payments of U.S. source fixed, determinable, annual, or periodic income ("FDAP"), such as dividends and interest, are subject to withholding beginning on 1 July 2014 when paid to nonparticipating FFIs ("NPFFIs"), non-compliant NFFEs, recalcitrant account holders at participating FFIs ("PFFIs"), and electing PFFIs. Payments made in the ordinary course of business for nonfinancial services are excluded from withholding.

U.S. tax law has detailed rules for determining the source of income. Different rules apply for each type of income. Interest and dividends, two of the most important types of income for investors, are generally sourced by reference to the residence of the obligor. Specifically, dividends are generally treated as U.S. source income when paid by a U.S. corporation with respect to its stock, and interest is generally treated as U.S. source income when paid by a U.S. borrower of money.

If an IGA is in place between the US and the country where the FFI is domiciled, then the terms of the IGA replace FATCA, meaning that all FFIs in the IGA country will generally be able to apply simpler, less burdensome due diligence and tax information sharing requirements, with generally no FATCA tax withholding. The United States Department of Treasury and Hong Kong has on 13 November 2014 entered into an intergovernmental agreement based on the Model 2 format ("Model 2 IGA"). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS.

FATCA Registration Status

The Trust and/or the SENSEX India ETF are classified as "Qualifying Institutions" under the Model 2 IGA. As such they are a non-reporting Hong Kong Financial Institutions and are certified deemed compliant. No registration is required with the IRS.

Impact to the SENSEX India ETF and Unitholders

In the event that the SENSEX India ETF holds US securities and is not FATCA compliant, the SENSEX India ETF may become subject to a 30% FATCA withholding as a result of the FATCA regime, and the value of the Units held by Unitholders may suffer material losses.

The Manager does not support US tax evasion or any request to help investors avoid detection under FATCA. The Manager is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or an applicable IGA for investors' business activities. The Manager strongly encourages Unitholders to seek the advice of an experienced tax adviser to determine what actions Unitholders may need to take.

Certification for Compliance with FATCA or Other Applicable Laws

Each investor (i) shall be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the SENSEX India ETF (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the SENSEX India ETF receives payments and/or (b) to satisfy reporting or other obligations under the IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction, (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including any law, rule and requirement relating to AEOI) and reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Authorities	Subject to applicable laws and regulations in Hong Kong, the Manager, the Trustee or any of their authorised person (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS and the IRD), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, jurisdiction of birth, tax residence, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the SENSEX India ETF to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any law, rule, requirement, regulation or agreement relating to AEOI and FATCA).

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.

"Application" means, in respect of the SENSEX India ETF, 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 and the terms of the Trust Deed.

"Application Cancellation Fee" means the fee payable by a Participating Dealer in respect of a default, as set out in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

"Application Unit" means, in relation to the SENSEX India ETF, such number of Units of a class or whole multiples thereof as specified in this Prospectus or such other multiple of Units of a class from time to time determined by the Manager, approved by the Trustee and notified to Participating Dealers, either generally or for a particular class or classes of Units.

"Appropriately Regulated Entity" as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 22 of the FPI Regulations means regulated or supervised by the securities market regulator or the banking regulator of the concerned foreign jurisdiction, in the same capacity in which it proposes to make investments in India.

"BlackRock Group" means the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc.

"BSE" means BSE Limited (formerly known as Bombay Stock Exchange Limited).

"Business Day" means a day (other than a Saturday) on which (a) the SEHK is open for normal trading, (b) the Bombay Stock Exchange is open for normal trading, and (c) banks in Hong Kong and Mauritius are open for general business provided that, where as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager and the Trustee otherwise determine.

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

"Category II unregulated broad based funds" as such term is defined in Regulation (5)(b)(iii) of the FPI Regulations means foreign portfolio investors which are broad based funds that are not appropriately regulated and whose investment manager is appropriately regulated, provided that the investment manager of such broad based fund is itself registered as Category II foreign portfolio investor, and that the investment manager undertakes that it shall be responsible and liable for all acts of commission and omission of all its underlying broad based funds and other deeds and things done by such broad based funds under these regulations.

"Category III foreign portfolio investors" as such term defined in Regulation (5)(c) of the FPI Regulations means foreign portfolio investors which shall include all others not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.

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

"CCASS Operational Procedures" means the CCASS Operational Procedures as amended from time to time.

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

"collective investment scheme" has the same meaning as in the Securities and Futures Ordinance of Hong Kong or the Securities Act of Mauritius as the context requires.

"Connected Person" has the meaning as set out in the Code which at the date of the 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 the SENSEX India ETF, an application by a Participating Dealer for the creation and issue of Units of the SENSEX India ETF in an Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and terms of the Trust Deed.

"Dealing Day" means each Business Day during the continuance of the Trust, 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 place and any particular Dealing Day, means the time on each Dealing Day specified in the Operating Guidelines.

"Duties and Charges" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the deposited property (as defined in the Trust Deed) or the increase or decrease of the deposited property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, any 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 to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities of the Trust for the purpose of such issue or redemption of Units; and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust upon such redemption of Units.

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

"Extension Fee" means any fee payable by a Participating Dealer in accordance with the Operating Guidelines because of the extension of any settlement period.

"FDI" means financial derivative instrument.

"FEMA" means the Foreign Exchange and Management Act, 1999.

“FEMA Regulations” means and includes any regulations issued by the RBI, the FEMA and the circulars issued thereunder from time to time.

“FII” means an institution established or incorporated outside India and registered with SEBI as a foreign institutional investor under the FII Regulations to invest onshore in India in Indian securities.

“FPI” means an institution established or incorporated outside India and registered with SEBI as a foreign portfolio investor under the FPI Regulations to invest onshore in India in Indian securities.

“FII Regulations” means the Securities and Exchange Board of India (Foreign Institutional Investors) Regulation, 1995 of India, as amended from time to time

“FPI Regulations” means the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulation, 2014 of India, as amended from time to time

“FSC” means the Financial Services Commission of Mauritius or its successors.

“Futures Exchange” means the Hong Kong Futures Exchange Limited or its successors.

“Government and other Public Securities” has the meaning as set out in the Code.

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

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

“Hong Kong dollar” or “HK$” means the lawful currency for the time being and from time to time of Hong Kong.

“Hong Kong stock” means a stock the transfer of which is required to be registered in Hong Kong.

“IAP” or “India Access Product” means a FDI (such as a warrant, note or participation certificate) linked to an Indian Security issued by a third party.

“IAP Issuer” means a financial institution which has agreed to issue and repurchase IAPs to and from the Mauritius subsidiary.

“Index Committee” means the Index Committee of the BSE.

“Index Fund” means one segregated pool of assets and liabilities into which the Trust Fund is divided in accordance with the Trust Deed and where the context requires, only the SENSEX India ETF.

“Index Provider” means, in respect of the SENSEX India ETF, the person responsible for compiling the Underlying Index against which the SENSEX India ETF benchmarks its investments and who holds the right to licence the use of such Underlying Index to the SENSEX India ETF.

“India” means the Republic of India.

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

“Investment Manager” means the investment manager of the Mauritius subsidiary being BlackRock Asset Management North Asia Limited or its successors.

"Market" means the following, in any part of the world:

(a) in relation to any Security: the SEHK or a Recognised Stock Exchange; and

(b) in relation to any futures contract: the Hong Kong Futures Exchange Limited or a Recognised Futures Exchange.

"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.

"Mauritius subsidiary" means the iShares BSE SENSEX Mauritius Company, a wholly owned subsidiary of the SENSEX India ETF.

"Multi-Counter" means the facility by which the Units traded in USD, RMB and HKD are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in CCASS in more than one eligible currency (USD or RMB or HKD) as described in this Prospectus.

"National Stock Exchange" means The National Stock Exchange of India Limited.

"Net Asset Value" or "NAV" means the net asset value of the SENSEX India ETF or, as the context may require, of a Unit calculated pursuant to the Trust Deed.

"Non-Regulated Entity" has the meaning set forth in Schedule 3.

"Non-Resident Indian" has the meaning set forth in Schedule 3.

"Operating Guidelines" means in relation to the SENSEX India ETF, the guidelines for the creation and redemption of Units of the relevant class 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 to the Participating Dealers (for the avoidance of doubt, different Operating Guidelines may be established for different Index Funds). Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the SENSEX India ETF applicable at the time of the relevant Application.

"Participating Dealer" means, in respect of the SENSEX India ETF, any licensed broker or dealer who is (or who has appointed an agent who is) admitted by HKSCC as either a Direct Clearing Participant or a General Clearing Participant (as defined in the General Rules of CCASS) in CCASS and who has entered into a Participation Agreement, and any reference in this Prospectus to "Participating Dealer" shall, where the context requires, include a reference to any agent so appointed by the Participating Dealer.

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

"Person of Indian Origin" has the meaning set forth in Schedule 3.

"Person Resident in India" has the meaning set forth in Schedule 3.

"RBI" means the Reserve Bank of India.

"Recognised Futures Exchange" means an international futures exchange which is recognised by the SFC or which is approved by the Trustee and the Manager.

"Recognised Stock Exchange" means an international stock exchange which is recognised by the SFC or which is approved by the Trustee and the Manager.

"Redemption Application" means, in respect of the SENSEX India ETF, an application by a Participating Dealer for the redemption of Units of the SENSEX India ETF in Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and terms of the Trust Deed.

"Redemption Value" means, in respect of a Unit of the SENSEX India ETF, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

"Registrar" means, in respect of the SENSEX India, HSBC Institutional Trust Services (Asia) Limited or such other person as may from time to time be appointed by the manager to keep the register of Unitholders of an Index Fund.

"reverse repurchase transactions" has the meaning as set out in the Code.

"Rupees", "Rs." or "INR" means Indian Rupees, the lawful currency for the time being and from time to time of India.

"S&P DJI" means S&P Dow Jones Indices, LLC, USA.

"sale and repurchase transactions" has the meaning as set out in the Code.

"SEBI" means the Securities and Exchange Board of India.

"securities financing transactions" has the meaning as set out in the Code.

"securities lending transactions" has the meaning as set out in the Code.

"Security" means any share, stock, debenture, loan stock, bond, security, commercial paper, acceptance, trade bill, treasury bill, instrument or note of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, 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 and Futures Ordinance" means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

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

"SENSEX India ETF" means iShares Core S&P BSE SENSEX India Index ETF, an Index Fund of the Trust.

“Settlement Day” means the Business Day which is two Business Days after the relevant Dealing Day (or such later 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 as the Manager and the Trustee may from time to time agree and notify to the relevant Participating Dealers, either generally or for the SENSEX India ETF.

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

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

“Transaction Fee” means the fee in respect of an Index Fund which may at the discretion of the Manager be charged for the benefit of the Service Agent, Registrar and/or the Trustee to each Participating Dealer on each Dealing Day upon which a Creation Application or Redemption Application has been, or Creation Applications or Redemption Applications have been made by the relevant Participating Dealer, the maximum level of which shall be as determined by the Manager from time to time and, in respect of the SENSEX India ETF, set out in this Prospectus.

“Trust” means the umbrella unit trust constituted by the Trust Deed and called iShares Asia Trust or such other name as the Trustee and the Manager may from time to time determine.

“Trust Deed” means the trust deed dated 16 November 2001 between the Manager and the Trustee, as amended.

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

“Underlying Index” means the S&P BSE SENSEX Index which is commonly known as SENSEX.

“Unit” means one undivided share in the SENSEX India ETF.

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

“US dollar” or “US$” means the lawful currency for the time being and from time to time of the United States of America.

“Valuation Point” means, in respect of the SENSEX India ETF, the official close of trading on the Market on which the Securities comprised in the Underlying Index are listed on each Dealing Day or such other time or times as determined by the Manager and 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.

SCHEDULE 1

Investment Restrictions

If any of the restrictions or limitations set out in this Schedule 1 is breached, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy such breach, taking due account of the interests of the Unitholders.

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 scheme was authorised.

The investment restrictions applicable to the SENSEX India ETF that are included in the Trust Deed are summarised below (as may be modified by any applicable waivers or exemptions granted by the SFC):

(a) the aggregate value of the SENSEX India ETF'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 Net Asset Value of the SENSEX India ETF, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code:

(1) investments in Securities issued by such entity;

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

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

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

(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 the SENSEX India ETF's cash deposits made with the same entity or entities within the same group may not exceed 20% of the Net Asset Value of the SENSEX India ETF, unless:

(1) the cash is held before the launch of the SENSEX India ETF and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or

(2) the cash is proceeds from liquidation of investments prior to the merger or termination of the SENSEX India ETF, 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 purposes of this paragraph(c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by the SENSEX India ETF 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 the SENSEX India ETF, when aggregated with other ordinary shares of the same entity held for the account of all other Index Funds under the Trust collectively may not exceed 10% of the nominal amount of the ordinary shares issued by a single entity;

(e) not more than 15% of the Net Asset Value of the SENSEX India ETF 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 the SENSEX India ETF in a market is not in the best interests of investors, the SENSEX India ETF may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case, the underlying investments of the subsidiary, together with the direct investments made by the SENSEX India ETF, must in aggregate comply with the requirements of Chapter 7 of the Code;

(g) notwithstanding (a), (b) and (d), not more than 30% of the Net Asset Value of the SENSEX India ETF may be invested in Government and other Public Securities of the same issue;

(h) subject to (g), the SENSEX India ETF may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, an Index 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. Government and other Public Securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise;

(i) unless otherwise approved by the SFC, the SENSEX India ETF may not invest in physical commodities;

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

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

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

  may either be considered and treated as (x) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (y) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and the relevant investment limits in exchange traded funds by the SENSEX India ETF should be consistently applied and clearly disclosed in this Prospectus. The Manager intends to treat such underlying exchange traded funds as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code;

(k) where the SENSEX India ETF invests in shares or units of other collective investment schemes ("underlying schemes"),

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

(2) the SENSEX India ETF 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 SENSEX India ETF's investment in units or shares in each such underlying scheme may not exceed 30% of the Net Asset Value of the SENSEX India ETF, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in this Prospectus.

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

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, the SENSEX India ETF 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 (i) 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 SENSEX India ETF 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; and

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

The Manager shall not on behalf of the SENSEX India ETF:–

(i) 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;

(ii) 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 limits set out in paragraphs (a), (b) and (d), (e) and (k)(1) above where applicable. For the avoidance of doubt, where investments are made in listed REITS, paragraphs (a), (b) and (d) apply and where investments are made in unlisted REITS, which are either companies or collective investment schemes, then paragraphs (e) and (k)(1) apply respectively;

(iii) make short sales if as a result the SENSEX India ETF would be required to deliver Securities exceeding 10% of the Net Asset Value of the SENSEX India ETF (and for this purpose Securities sold short must be actively traded on a market where short selling activity is permitted) For the avoidance of doubt, the SENSEX India ETF 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.

(iv) subject to paragraph (e) above, lend or make a loan out of the assets of the SENSEX India ETF, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(v) subject to Chapter 7.3 of the Code, 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;

(vi) enter into any obligation in respect of the SENSEX India ETF or acquire any asset or engage in any transaction for the account of the SENSEX India ETF which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Unitholders is limited to their investment in the SENSEX India ETF; or

(vii) include in the portfolio of the SENSEX India ETF any Security where a call is to be made for any sum unpaid on that Security unless the call could be met in full out of cash or near cash forming part of the SENSEX India ETF's portfolio 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 the section "Cover" below.

Note: The investment restrictions set out above apply to the SENSEX India ETF, subject to the following:

A collective investment scheme authorised by the SFC under the Code is usually restricted under Chapter 7.1 of the Code from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single entity exceeding 10% of the collective investment scheme's net asset value. For an Index Fund authorised under Chapter 8.6 of the Code as an index tracking ETF, given the investment objective of the Index Fund and nature of the index, the relevant Index 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 Index Fund's Net Asset Value if such constituent Securities account for more than 10% of the weighting of the index and the relevant Index 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) of the Code (as described in the preceding paragraph) do not apply if:

- an Index Fund adopts a representative sampling strategy which does not involve full replication of the constituent securities of the underlying index in the exact weightings of such index;
- the strategy is clearly disclosed in the Prospectus;
- the excess of the weightings of the constituent securities held by the Index Fund over the weightings in the index is caused by the implementation of the representative sampling strategy;
- any excess weightings of the Index Fund's holdings over the weightings in the index must be subject to a maximum limit reasonably determined by the Index Fund after consultation with the SFC. In determining this limit, the Index Fund must consider the characteristics of the underlying constituent securities, their weightings and the investment objectives of the index and any other suitable factors;

- limits laid down by the Index Fund pursuant to the point above must be disclosed in the Prospectus. Please refer to the section "Description of the SENSEX India ETF" – "Investment Strategy" for the limit applicable to the SENSEX India ETF;

- disclosure must be made in the Index Fund's interim and annual reports as to whether the limits imposed by the Index Fund itself pursuant to the above point 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

The SENSEX India ETF currently does not intend to engage in any securities lending transactions, sale and repurchase transactions and reverse repurchase transactions ("securities financing transactions") or other similar over-the-counter transactions. Prior approval from the SFC will be sought in the event the Manager intends to engage in such transactions and at least one month's prior notice will be given to Unitholders, and details of such transactions will be disclosed in this Prospectus in accordance with the Code.

Financial Derivative Instruments

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

Hedging purposes

The SENSEX India ETF 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 of 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 SENSEX India ETF to meet its hedging objective in stressed or extreme market conditions.

Investment purposes

The SENSEX India ETF may also acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the SENSEX India ETF'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 8.7 and 8.8 of the Code). For the avoidance of doubt:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by the SENSEX India ETF 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.

Requirments on FDIs

The FDIs invested by the SENSEX India ETF should 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 SENSEX India ETF may invest according to its investment objectives and policies. Where the SENSEX India ETF 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 paragraphs (a), (b), (c) or (g) under "Investment Restrictions" above provided that the index is in compliance with 8.6(e) of the Code;

(b) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions, , except that the SFC may consider to accept other entity falling outside the definition of "substantial financial institution" on a case-by-case basis;

(c) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the SENSEX India ETF's net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the SENSEX India ETF. Exposure to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) and should 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;

(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 established by the Managersuch 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 SENSEX India ETF. 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.

Subject to the sub-sections "Investment purposes" and "Requirements on FDIs above", the SENSEX India ETF may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the SENSEX India ETF, may not in aggregate exceed the correponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the Code.

Cover

The SENSEX India ETF 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 of this paragraph, assets that are used to cover the SENSEX India ETF'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 the SENSEX India ETF should also be covered as follows:

- in the case of FDI transactions which will, or may at the SENSEX India ETF's discretion, be cash settled, the SENSEX India ETF 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 SENSEX India ETF 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 SENSEX India ETF 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 SENSEX India ETF should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligation.

The above policies relating to FDIs apply to financial instruments which embeds a financial derivative as well. For the purposes of this Prospectus, an "Embedded FDI" is a FDI that is embedded in another security, namely the host contract.

Collateral

The SENSEX India ETF currently does not intend to receive any collateral. In the event the Manager intends to change this practice, collateral requirements under the Code and the Manager's collateral policy and criteria will be disclosed in this Prospectus in accordance with the Code.

Borrowing Policy

Borrowing against the assets of the SENSEX India ETF is allowed up to a maximum of 10% of its total Net Asset Value except that back-to-back loans will not be taken into account when determining whether or not such limit has been breached by the SENSEX India ETF. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements in Chapters 7.32 to 7.35 of the Code are not subject to the limitations in this paragraph.

The Trustee may at the request of the Manager borrow for the account of the SENSEX India ETF any currency, and charge or pledge assets of the SENSEX India ETF, for the following purposes:

- facilitating the creation or redemption of Units or defraying operating expenses;

- enabling the Manager to acquire Securities for the account of the SENSEX India ETF; or

- for any other proper purpose as may be agreed by the Manager and the Trustee.

The assets of the SENSEX India ETF may be charged or pledged to secure such borrowing for the account of the SENSEX India ETF.

SCHEDULE 2

Information about the Mauritius Subsidiary

The Mauritius subsidiary is an open-ended company with variable share capital incorporated in Mauritius under the provisions of the Companies Act 2001 on 20 March 2009 as a private company with limited liability. The Mauritius subsidiary holds a Category 1 Global Business Licence issued by the FSC of Mauritius for the purpose of the Financial Services Act 2007 and has been authorised, pursuant to the Securities Act 2005 to operate as a collective investment scheme classified as an expert fund ("Expert Fund") pursuant to Regulation 79 of the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

The Mauritius subsidiary shall not have any investors other than the SENSEX India ETF which holds non-voting redeemable participating shares of the Mauritius subsidiary. BlackRock Asset Management North Asia Limited which acts as the investment manager of the Mauritius subsidiary, holds voting non-redeemable non-participating management shares.

The Mauritius subsidiary is registered as an FPI allowing it to invest directly in Indian Securities. Though the FSC has issued a Category 1 Global Business Licence to the Mauritius subsidiary, it must be distinctly understood that in issuing this licence, the FSC does not vouch for the financial soundness of the Mauritius subsidiary, the correctness of any statement made or opinion expressed with regard to the Mauritius subsidiary in this Prospectus. Unitholders of the SENSEX India ETF are not protected by any statutory compensation arrangements in Mauritius in the event of the Mauritius subsidiary's failure.

The Mauritius subsidiary is not authorised under Section 104 of the Securities and Futures Ordinance in Hong Kong and is not available for direct investment by Hong Kong residents.

The Mauritius subsidiary is only available to "Expert Investors". An expert investor is defined under the Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008 of Mauritius as:

1. an investor who makes an initial investment, for his own account, of no less than US$100,000;

2. a sophisticated investor as defined in the Securities Act 2005, or any similarly defined investor in any other securities legislation.

Sophisticated investors for the purposes of the Securities Act 2005 includes the Government of Mauritius, statutory corporations, companies wholly owned by them, the government of a foreign country or agency of such government, banks, fund managers, insurance companies, investment dealers and adviser and any other person declared by the FSC to be a sophisticated investor.

The SENSEX India ETF, as an investor in the Mauritius subsidiary, is not protected by any statutory compensation arrangements in Mauritius in the event of the failure.

Directors of the Mauritius subsidiary

Dilshaad Banu Rajabalee

Ms Dilshaad is a Fellow of the Association of Chartered Certified Accountants (FCCA) of UK. She majored in Human Resource Management at the University of Mauritius and also holds a Diploma in Public Relations. She has further completed an LLB Hons programme with the University of London. Ms Dilshaad is a Senior Manager at SANNE Mauritius ("SM"), and is leading a team of some 20+ staff with the responsibility of a portfolio of several companies which include collective investments schemes, closed-end funds, investment holding companies and trusts. She is also involved in fund structuring and set-ups. As part of her scope of work, she sits on the Board of global business licence companies. Prior to joining SM SANNE Mauritius in April 2003, Ms Dilshaad was in the Audit and Assurance Team of PricewaterhouseCoopers Mauritius. Audits handled were mainly in the fields of telecommunications, health, tourism, manufacturing, services and financial services sector.

Graham Charles Lannoy

Mr. Lannoy is Chief Operating Officer for the APAC ETF & Index Investments business. Mr. Lannoy is a member of the APAC EII Executive Committee, and APAC risk & controls committee.

Prior to his current role Mr Lannoy was head of EII Global Product Operating Platform in EMEA & subsequently APAC. In these roles, Mr Lannoy was responsible for overseeing the EII operating platform and leading associated projects and initiatives. Programmes of work have included the acquisition and integration of the Credit Suisse ETF business.

Prior to joining EII Mr Lannoy headed the EMEA Business & Quality Management group within Business Operations. The team was responsible for strategic planning, process management, metrics and technology governance across product operations which included trade operations, derivative operations, corporate actions, securities finance, and product services.

Mr Lannoy's service with the firm dates back to 2005. At BGI he was head of the Trade Operations Group which included securities operations, exchange traded derivatives operations and treasury operations. Mr. Lannoy also spent 7 years working for JPMorgan in a variety of project and production management roles including FX operations, custody operations, transfer agency and treasury services. He has participated in several industry groups including membership of the Swift securities advisory group and the EMEA DTCC/Omgeo Advisory Board.

Mr Lannoy earned a BSc degree in Biochemistry from Imperial College London.

Peter Nagle

Peter Nagle, Managing Director, Country Head of SANNE Mauritius holds a Bachelor of Finance (Hons) from University College Dublin and an MBA from the Smurfit School of Business, Dublin.

Prior to joining SANNE Mauritius in August 2018, he was Managing Director of Equiom Group, Hong Kong and Global Head of Trust & Fiduciary Services for Standard Chartered Bank Plc. Previous to this he was Regional Head of Trust and Fiduciary, EMEA for JP Morgan.

Peter has over 30 years' experience working in Banking, Custody, Trust and Fiduciary services and Compliance Reporting.

Investment Manager of the Mauritius subsidiary

BlackRock Asset Management North Asia Limited has been authorised by the FSC to act as investment manager of the Mauritius subsidiary and has been appointed the investment manager pursuant to an investment management agreement dated 27 April 2009. Subject to the overall control and supervision of the Board of directors of the Mauritius subsidiary, the Investment Manager will perform such duties as are customarily performed by an investment manager of a collective investment scheme or as may be agreed from time to time between the Mauritius subsidiary and the Investment Manager. The Investment Manager shall not be liable for any loss to the Mauritius subsidiary howsoever arising except to the extent that such loss is due to the Investment Manager's negligence, wilful default or fraud. The Investment Manager will be paid by the Mauritius subsidiary at rates to be agreed under the Investment Management Agreement.

Custodian of the Mauritius subsidiary

HSBC Institutional Trust Services (Asia) Limited (the "Custodian") has been appointed custodian of the Mauritius subsidiary pursuant to a custody agreement dated 12 June 2009. The Custodian agrees to use its best efforts and judgement and due care in performing its duties and obligations provided that, in the absence of negligence or breach of duty, neither the Custodian nor any of its directors, officers or agents shall be under any liability for any loss, expenses or consequence on account of anything done or suffered by them in good faith in the proper performance of its duties or as the result of instructions given or purported to be given by the Mauritius subsidiary/Investment Manager. The Custodian will be paid by the Mauritius subsidiary at rates to be agreed under the Custodian Agreement.

Administrator of the Mauritius subsidiary

SANNE Mauritius (formerly known as International Financial Services Limited) (“SM”), a company based in Mauritius has been appointed as the Administrator of the Mauritius subsidiary. SM provides administration and other services to global business companies incorporated in Mauritius including international funds, like the Mauritius subsidiary. Established in 1994, SM is a management company incorporated in Mauritius and licensed and regulated by the FSC.

SM will provide secretarial, administrative and registrar services to the Mauritius subsidiary. These services include acting as corporate secretary and agent for service of process, keeping of books and records, managing corporate correspondence, attending to regulatory filings in Mauritius, maintaining lists of shareholders and attending to the general administration of the companies that have engaged the Administrator. The Mauritius subsidiary will compensate SM pursuant to the terms of the administration agreement between the Mauritius subsidiary and SM. The Mauritius subsidiary will also require SM to monitor the anti-money laundering and other regulatory compliance programs of the Mauritius subsidiary and to that effect, SM may carry out certain identification and source of funding verification from any investor submitting a completed subscription agreement. Pursuant to the terms of that subscription agreement, pending the provision of evidence satisfactory to SM as to the identity of such prospective investor, the evidence of title in respect of shares may be retained by the Board at its sole and absolute discretion. If within a reasonable period of time following a request for verification of identity, SM has not received evidence satisfactory to it as aforesaid, the Board may, in its sole and absolute discretion, refuse to allot the shares applied for.

SM has delegated to HSBC Institutional Trust Services (Asia) Limited (“Administrator’s Delegate”) functional responsibility for the accounting and valuation of the Mauritius subsidiary. All valuations will be performed by the Administrator’s Delegate and signed off by SM for the benefit of the FSC. Except in respect of negligence, fraud or wilful default, the Administrator shall not be liable for the acts or omissions of the Administrator’s Delegate.

SM has no responsibility with respect to the Mauritius subsidiary’s investment activities (or the monitoring thereof), the management of the Mauritius subsidiary or the accuracy or adequacy of this Prospectus, other than this section. SM do not act as guarantor or offeror of the interests in the Mauritius subsidiary.

Administrator’s Delegate

HSBC Institutional Trust Services (Asia) Limited has been appointed Administrator’s Delegate pursuant to a delegation agreement between SM, the Administrator’s Delegate and the Mauritius subsidiary dated 12 June 2009. The Administrator’s Delegate will undertake the accounting and valuation of the Mauritius subsidiary on behalf of SM. The Administrator’s Delegate accepts liability for any loss the Mauritius subsidiary may sustain as a result of its fraud, negligence, wilful default or breach of contract. The Administrator’s Delegate is paid out of the assets of the Mauritius subsidiary.

Auditor of the Mauritius subsidiary

The Mauritius subsidiary has appointed PricewaterhouseCoopers, Mauritius to act as its auditor.

SCHEDULE 3

Foreign Portfolio Investor

FPI Regime

The FPI invests under the FPI Regulations which have replaced the FII regulations and have become effective from 1 June 2014 in India. In September 1992, the Government of India issued guidelines which enabled the erstwhile FIIs, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers, to make portfolio investments in all the securities traded on the primary and secondary markets in India. These guidelines were substituted by the FII Regulations in 1995.

An entity wishing to invest in India was required to register with the SEBI and comply with the provisions of the FII Regulations. The FPI Regulations which replace the FII Regulations also require a FPI to register with SEBI. Under the FPI Regulations an application is required to be made to a designated depository participant (as defined under the FPI Regulations) for registration as a FPI. The registration may be granted by the designated depository participant upon fulfilling the eligibility criteria listed in the FPI Regulations. Under the FPI Regulations, Non-Resident Indians, Persons Resident in India, an entity which is not an Appropriately Regulated Entity ("Non-Regulated Entities"), Category II unregulated broad based funds and Category II foreign portfolio investors are not permitted to invest through a FPI in offshore FDIs (as such term is defined under the FPI Regulations).

A FPI's registration is permanent unless the registration is suspended or cancelled by SEBI or surrendered by the FPI. Under the erstwhile FII Regulations, FIIs were also permitted to invest on behalf of their sub-accounts. In such cases, the sub-account would be required to be registered with the SEBI. The FPI Regulations which replace the FII Regulations provide that existing sub-accounts of FIIs who hold a valid certificate of registration shall be deemed to be a FPI till the expiry of the block of three years for which fees have been paid as per the FII Regulations. After the validity period, they can continue to deal as FPIs subject to payment of conversion and registration fees. As per the FPI Regulations, a FII or sub-account may, subject to payment of conversion fees, continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as FPI, whichever is earlier. The Mauritius subsidiary was registered as a sub-account of BlackRock Asset Management North Asia Limited which was an FII under the FII Regulations and is now deemed an FPI under the FPI Regulations subject to payment of conversion fees before the expiry of the registration of the FII.

Under the FPI Regulations, FPIs are permitted to invest only in the following:

- securities in the primary and secondary markets including shares, debentures and warrants of companies, unlisted, listed or to be listed on a recognised stock exchange in India;
- units of schemes floated by domestic mutual funds including Unit Trust of India, whether listed on a recognised stock exchange in India or not;
- units of a scheme floated by a collective investment scheme;
- dated government securities;
- derivatives traded on a recognised stock exchange in India;
- commercial paper;
- rupee denominated credit enhanced bonds;

- security receipts issued by asset reconstruction companies;
- perpetual debt instruments and debt capital instruments, as specified by the RBI;
- listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines;
- non-convertible debentures or bonds issued by non-banking financial companies categorized as 'Infrastructure Finance Companies'(IFCs) by the RBI;
- rupee denominated bonds or units issued by infrastructure debt funds;
- Indian depository receipts;
- such other instruments as may be specified by the SEBI; and
- rights or interests in securities.

While the FPI Regulations allow investments in unlisted shares and debentures, the Foreign Exchange Management (Transfer or Issue of Security By a Person Resident Outside India) Regulations 2000 issued under FEMA mandates purchase of shares/ convertible debentures by the FPI only through a registered broker on a recognised stock exchange in India. Further FPIs may purchase, on repatriation basis, dated government securities/treasury bills, listed non-convertible debentures/bonds issued by an Indian company, units of domestic mutual funds and security receipts issued by asset reconstruction companies either directly from the issuer of such securities or through a registered broker on a recognised stock exchange in India subject to quantitative restrictions if any. FPIs have now been permitted to invest in primary issues of non-convertible debentures/ bonds provided such non-convertible debentures/bonds are committed to be listed within 15 days of such investment.

Further, FPIs are allowed to engage only in delivery based trading and are not presently allowed to short sell except in case of trading on a recognised stock exchange or accordance with the framework specified by SEBI in this regard. FPIs are allowed to tender their shares in case of an open offer following the takeover bid by an acquirer as well as under an open offer by a company to buy-back its securities. FPIs are also permitted to take forward cover, currency futures and exchange traded currency options on their equity and debt exposure to hedge against currency fluctuations. FPIs are permitted to carry on transactions in securities on the secondary market only through the stock brokers who are registered with the SEBI.

Ownership Restrictions

The ownership restrictions applicable to FPIs' investments in Indian securities are as follows:

- The aggregate of all FPI holdings in any Indian company cannot exceed 24% of the entire paid-up equity share capital of that company which limit can be further extended to the applicable foreign investment limit in a specific sector if the board of directors of such Indian company pass a resolution followed by the passing of a special resolution to that effect by the shareholders of a company. The ceiling for overall foreign investment is 74% of the paid up capital in the case of private sector banks. Currently, barring a few sectors such as telecom services and banking, foreign investment up to 100% is permitted in most sectors.
- Any single FPI/investor group can hold less than 10% of the total issued capital of an Indian company.
- The FPI Regulations do not include any restrictions on allocation of investments across equity and debt. An FPI can invest in 100% equities. In August 2000, the RBI permitted all FIIs to trade in exchange traded index future contracts on the Derivative Segment of the BSE Limited and the Futures and Options Segment of the National Stock Exchange, provided the overall open interest of the FII would not exceed 100% of the market value of the concerned FII's total investment. In December 2001, the SEBI permitted FIIs to trade in all exchange traded derivative contracts and laid down the position limits for the trading of FIIs and their sub-accounts.

Subsequently FIIs have been permitted to trade in all the exchange traded derivative contracts subject to the position limits prescribed as follows:

- FII Position Limits in equity index derivative contracts:

  (i) FII position limits in index options contracts:

  The FII position limit in all index options contracts on a particular underlying index shall be Rs. 5,000 million or 15% of the total open interest in the market in index options, whichever is higher, per exchange.

  This limit would be applicable on open positions in all options contracts on a particular underlying index.

  (ii) FII position limits in index futures contracts:

  The FII position limit in all index futures contracts on a particular underlying index shall be Rs. 5000 million or 15% of the total open interest of the market in index futures, whichever is higher, per exchange.

  This limit would be applicable on open positions in all futures contracts on a particular underlying index.

  (iii) In addition to the above, FIIs shall take exposure in equity index derivatives subject to the following limits:

  (a) Short positions in index derivatives (short futures, long calls and short puts) not exceeding (in notional value) the FII's holding of stocks; and

  (b) Long positions in index derivatives (long futures, long calls and short puts) not exceeding (in notional value) the FII's holding of cash, government securities, T-Bills and similar instruments.

- For stocks:

  (i) in which the market wide position limit ("MWPL") is:

  (a) Less than or equal to Rs. 2,500 million, the FII position limit in such stock shall be 20% of the MWPL.

  (b) Greater than Rs. 2,500 million, the FII position limit in such stock shall be Rs. 500 million.

  (ii) having applicable a MWPL of:

  (a) Greater than or equal to Rs. 5,000 million, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 3,000 million, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 1,500 million, whichever is lower.

  (b) Less than Rs. 5,000 million, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 500 million whichever is lower.

The position limits would be applicable on the combined position in all derivative contracts on an underlying stock at an exchange. FPIs are under an obligation to adhere to the position limits prescribed for FPIs, which may change from time to time. Any such change will obligate the FPI to adhere to the new position limits, as opposed to the position limits set out above. The FPIs are also required to comply with the procedure for trading, settlement and reporting as prescribed by the relevant derivative exchange, clearing house or clearing corporation, from time to time.

Participatory notes and derivative instruments

SEBI has issued disclosure norms regarding participatory notes or such other similar instruments issued in respect of underlying Indian securities. Accordingly, FPIs are required to disclose on a monthly basis details regarding, *inter alia*, names and the locations of persons to whom the offshore instruments are issued by the FPI and its affiliates/associates; nature and type of investors; and quantity and value of the offshore instruments and the underlying Indian securities. In light of the above, if the FPI and/or its affiliates/associates issue any participatory notes, the details of such investors will have to be disclosed to SEBI by the FPI. Further, FPIs are restricted from issuing participatory notes to entities/investors who are not regulated by an appropriate foreign regulatory authority in their home jurisdiction. In addition FPIs and their affiliates and associates are effectively restricted from issuing participatory notes to Resident Indians, NRIs, Non-Regulated Entities, Category II unregulated broad based funds and Category III foreign portfolio investors. As per Regulation 22 of the FPI Regulations only Appropriately Regulated Entities are eligible to hold participatory notes and offshore derivative instruments (as such term is defined under the FPI Regulations).

Any person shall be considered appropriately regulated if it is regulated or supervised by the securities market regulator or the banking regulator of the concerned foreign jurisdiction, in the same capacity in which it proposes to make investments in India.

Regulation 22 of the FPI Regulations also mandates that no further issue or transfer is made of any participatory notes and such other similar instruments to any person other than a person regulated by an appropriate foreign regulatory authority. Additionally, the details of any such further issue or transfer of the participatory notes or such other similar instruments are required to be disclosed by the FPI in the monthly reporting to SEBI. The FPIs are also required to do "Know Your Client" on the ultimate beneficial holder of the participatory note and ensure that such ultimate beneficial holder is also a person regulated by an appropriate regulatory authority.

Exchange Controls

The Mauritius subsidiary has been authorised by the RBI to open a foreign currency denominated account and a special non-resident Rupee account in India. This authorisation is valid while the registration of the FPI continues.

Income, net of withholding tax, if any, may be credited to the special non-resident Rupee account. Transfers from the special non-resident Rupee account to the foreign currency denominated account are permitted, subject to payment of taxes wherever applicable and obtaining of appropriate tax clearance certification. Transfers of sums between the foreign currency denominated account and the special non-resident Rupee account must be made at the market rates of exchange. Currency held in the foreign currency denominated account may be freely remitted outside India.

The FPI is also permitted to enter into INR-foreign currency forward contracts or options to the extent of its exposure in Indian securities to hedge its exposure in Rupees.

Please note that the above is based on the current provisions of the Indian laws, and the regulations thereunder, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such changes could have different tax implications.

Definitions Extracted from the Income Tax Act

The following terms used in this Prospectus shall have the following meanings, each as extracted from the relevant Indian legislation:

"Restricted Entity" means (i) any "Person Resident in India" as such term is defined in the Income Tax Act (as amended or supplemented from time to time), (ii) any person who is a "Non-Resident Indian" or a "Person of Indian Origin" as such terms are defined in the Income Tax Act (as amended or supplemented from time to time), (iii) any person in India or any entity incorporated or registered in India, (iv) Category II- unregulated broad based funds that are not appropriately regulated but whose investment manager is appropriately regulated (as such term is defined under Regulation (5)(b)(iii) of the FPI

Regulations), (v) Category III foreign portfolio investors (as such term is defined under Regulation (5)(c) of FPI Regulations), and/or (vi) any person who has the intention of purchasing Units in the SENSEX India ETF to circumvent or otherwise avoid any requirements applicable under the FPI Regulations (as amended or supplemented from time to time) and/or any other subsidiary regulations or circulars issued pursuant thereto.

"Non-Regulated Entity" means an entity not regulated by an appropriate foreign regulatory authority as defined in Regulation 22 of FPI Regulations.

"Non-Resident Indian" means as such term is defined in Sub-section 115C (e) of the Income Tax Act means an individual, being a citizen of India or a person of Indian origin who is not a Resident.

"Person" as the term is defined in Sub-section 2(31) of the Income Tax Act includes:

(i) an individual;

(ii) a Hindu Undivided Family;

(iii) a company;

(iv) a firm;

(v) an association of persons or a body of individuals, whether incorporated or not;

(vi) a local authority; and

(vii) every artificial juridical person, not falling within any of the preceding sub-clauses.

"Person of Indian Origin" as such term is defined in Explanation to Sub-section 115C (e) of the Income Tax Act is deemed to be a person if he, or either of his parents or any of his grand-parents, was born in undivided India.

"Person Resident in India" as the term is defined in Section 6 of the Income Tax Act, means:

An individual who in any previous year –

- is in India in that year for a period or periods amounting in all to one hundred and eighty-two days or more; or

- having within the four years preceding that year been in India for a period or periods amounting in all to three hundred and sixty-five days or more, is in India for a period or periods amounting in all to sixty days or more in that year.

In the case of an individual, if such an individual being a citizen of India, leaves India in any previous year (as a member of the crew of an "Indian ship" as defined in Sub-section 3(18) of the Merchant Shipping Act, 1958 (44 of 1958), or for the purposes of employment outside India, the provisions of sub-clause (b) shall apply in relation to that year as if for the words "sixty days", the words "one hundred and eighty-two days" had been substituted. Further, in the case of an individual, if such an individual being a citizen of India, or a person of Indian origin within the meaning of Explanation to Sub-section 115C (e), who, being outside India, comes on a visit to India in any previous year, the provisions of sub-clause (b) shall apply in relation to that year as if for the words "sixty days", the words "one hundred and eighty-two days" had been substituted.

If a person is resident in India in a previous year relevant to an assessment year in respect of any source of income, he shall be deemed to be resident in India in the previous year relevant to the assessment year in respect of each of his other sources of income.

“Person Resident outside India” as the term is defined under Explanation I to Regulation 5 b) of the FPI Regulations means any person that is regulated or supervised by the securities market regulator or the banking regulator of the concerned foreign jurisdiction, in the same capacity in which it proposes to make investments in India.

“Broad based fund” as the term is defined in the Explanation (2) to the Regulation 5 of the FPI Regulations as:

(i) a fund, established or incorporated outside India, which has at least twenty investors, with no investor holding more than forty-nine per cent of the shares or units of the fund. Provided that if the broad based fund has an institutional investor who holds more than forty nine per cent of the shares or units in the fund, then such institutional investor must itself be a broad based fund.

(ii) For the purpose of (i) above, for ascertaining the number of investors in a fund, direct investors as well as underlying investors shall be considered.

(iii) For the purpose of (ii) above, only investors of entities which have been set up for the sole purpose of pooling funds and making investments, shall be considered for the purpose of determining underlying investors.

SCHEDULE 4

India Access Products

The following information is a general description of the IAPs.

So long as the IAP Issuers honour their obligations under the IAPs held by the Mauritius subsidiary, the commercial terms of the IAPs should deliver substantially the same economic performance to the SENSEX India ETF as holding the relevant underlying Indian Securities, before deduction of costs and expenses charged by the relevant IAP Issuer. Actual performance may vary, in practice, because the valuation of each IAP will be determined by a calculation agent appointed by the IAP Issuer. There can be no guarantee that one calculation agent, valuing an IAP issued by a particular IAP Issuer, will arrive at the same valuation as another calculation agent valuing an IAP issued by a different IAP Issuer notwithstanding that both IAPs are referenced against the same underlying Security.

IAP Issuer

The IAP Issuer must be a financial institution with a minimum net asset value of the equivalent of HK$2 billion and a credit rating in respect of senior debt of at least A- by Standard & Poor's (or equivalent rating given by Moody's or by Fitch) and a member company of a group including a bank prudentially regulated and supervised by a regulator in a jurisdiction reasonably acceptable to the Trustee and the Manager. In the event that the IAP Issuer's obligations to the Mauritius subsidiary is guaranteed by a guarantor (the "Guarantor"), then the Guarantor (but not the IAP Issuer) must fulfil these requirements.

The IAP Issuer will inform the Manager as soon as possible if, for whatever reason, it fails to fulfil any of the above conditions. In addition, the Manager shall monitor an IAP Issuer's ongoing compliance with the above minimum credit rating and should the IAP Issuer cease to comply the Manager shall immediately notify the SFC. In the event that the credit rating of the IAP Issuer or the Guarantor (as the case may be) in respect of senior debt falls below A- by Standard & Poor's (or an equivalent rating given by Moody's or by Fitch), then the Manager will notify Unitholders (and the SFC) and will no longer accept IAPs from that IAP Issuer, unless credit support is provided as the Manager considers appropriate, until such time as the credit rating returns to the minimum acceptable credit rating.

A list of IAP Issuers together with the relative exposure to each IAP Issuer is available at www.blackrock.com/hk. Please refer to the section "Information Available on the Internet" for details on where this information can be found.

Duration

The duration of each of the IAPs is agreed with the IAP Issuer. The IAP Issuers have agreed to use their best efforts to extend the duration of the IAPs for an additional term.

Notwithstanding the above, the obligations of an IAP Issuer to sell IAPs to the Mauritius subsidiary or to extend the duration of the IAPs or to issue further IAPs are subject to certain qualifications, including (a) the IAP maintaining its FPI, (b) normal market conditions, (c) any material changes to rules relating to investment in Indian securities such that the IAP Issuer is unable or unwilling to offer or issue further IAPs, (d) limits imposed on FPIs in relation to the holding of Indian Securities, (e) any limits imposed by the Manager on the holding of IAPs, (f) it ceases to be economically viable for the IAP Issuer to issue IAPs, or (g) the IAP Issuer will incur materially increased costs in order to perform its obligations.

Valuation

The IAPs will usually be valued by a calculation agent which is a Connected Person of the relevant IAP Issuer or the IAP Issuer itself. The calculation agent is appointed under the terms governing the IAPs. Under the terms of each IAP, the calculation agent determines the cash settlement amount of the IAP. The calculation agent will determine the value of the IAP in US dollars at the end of each Business Day provided normal market conditions exist.

Indicative prices for the IAPs are quoted continuously by the calculation agent during Indian market hours on a designated Bloomberg page provided normal market conditions exist. These prices allow a holder of an IAP to determine an indicative price in US dollars of that IAP.

The issue and settlement price of each IAP is calculated by reference to the Rupee price of the relevant underlying Indian Security (converted to US dollars) plus fees. The value of each IAP represents the US dollar equivalent of the official closing price of the relevant Indian Security, adjusted for transactions costs and the IAP Commission. A US dollar amount equal to any cash dividend paid on the underlying Security will be paid to the Mauritius subsidiary as the holder of the relevant IAPs. In the event of a stock dividend on the underlying Security, either additional IAPs will be distributed to the Mauritius subsidiary for zero consideration or a cash value will be paid. In the event of a rights issue on the underlying Security, the Mauritius subsidiary may be required to pay the equivalent of the subscription price and will receive additional IAPs or in certain circumstances a cash payment.

The Mauritius subsidiary is generally required to bear all taxes and expenses including depositary charges, transaction or exercise charges which may be or would be (i) incurred in connection with the exercise or redemption of the IAPs and/or any payment and/or delivery in respect thereof, (ii) incurred by the IAP Issuer or its affiliate had such entity established unwound or varied any underlying related hedging arrangements in respect of the IAP; (iii) withheld by India (or any political subdivision of taxing authority thereof or therein); or (iv) payable in India by or on behalf of a foreign investor or its agent. Any such amounts are ordinarily built into the price of the IAPs.

In order to ensure that the Net Asset Value of the Mauritius subsidiary reflects the proper value of the IAPs, the Trustee has agreed to conduct periodic independent valuations of selected IAPs following the methodology set out in the IAPs. In the event of any discrepancy as between the price of the IAP quoted by the calculation agent and the determination by the Trustee of the same, the Trustee will report such discrepancy to the Manager who will seek to reconcile the difference with the assistance of the relevant IAP Issuer.

Settlement

IAPs generally provide for automatic settlement upon expiry or redemption and exercise at any time before their expiry or redemption date. Settlement may presently only be made in cash although the IAPs provide for the possibility of physical settlement (in addition to cash settlement) in certain circumstances. The amount payable by the IAP Issuer at settlement is usually determined on the valuation date or in certain circumstances during the valuation period. In relation to certain IAPs, a notional exercise price per IAP is payable by the holder when exercised.

SCHEDULE 5

Index Provider Disclaimer

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SCHEDULE 6

S&P BSE SENSEX Index

All information under this Schedule 6 is subject to change from time to time and investors should refer to www.asiaindex.co.in or www.bseindia.com for up-to-date information.

Introduction and General Information

The S&P BSE SENSEX (the "Underlying Index") which is commonly known as SENSEX, is a diversified index consisting of 31 stocks, each listed on BSE, accounting for most of the sectors of the Indian economy. It is a float-adjusted market-capitalisation weighted index. The total market capitalization of S&P BSE SENSEX represented approximately 47.16% of total market capitalisation of BSE as of end of 20 November 2019. The Underlying Index is used for a variety of purposes such as benchmarking fund portfolios, index-based derivatives products, ETFs and index funds. It is owned and managed by Asia Index Private Limited, a joint venture company established by S&P Dow Jones Indices LLC and BSE Ltd.

Base Year and Value

The Underlying Index was launched in year 1986 with the base year of 1978-79 and the base index value of 100.

Constituents' Selection Criteria for the Underlying Index –

Eligible Universe

All common equities listed at BSE Ltd. (excluding companies classified in Z group, listed mutual funds, companies suspended on the last day of the month prior to review date, companies objected by the Surveillance Department of BSE Ltd. and those that are traded under a permitted category and SME category) are considered eligible.

Listing History

- Companies must have a listing history of at least six months at BSE, with the following exceptions:

- An exception may be granted if the average float market capitalization of a newly listed company ranks in the top 10 of all companies listed at BSE. In such cases, the minimum listing history required is at least one month.

Trading Days

- The company must have traded on every trading day at BSE during the six month reference period.

Revenue

- Eligible companies must have reported revenue in the last four quarters.

Index Construction

- Companies meeting the eligibility factors above are ranked based on their average six month float market capitalization. The top 75 are identified.

- All companies meeting the eligibility factors are then ranked again based on their average six month total market capitalization. The top 75 are identified.

- All companies identified based on both float and total market capitalizations are then combined and sorted based on their average six month value traded. Companies with a cumulative value traded greater than 98% are excluded.

- The remaining companies are then sorted by float market capitalization. Companies with a weight of less than 0.5% are excluded.

- All remaining companies are classified by sector and then sorted in descending order of rank by float market capitalization. These companies make up the replacement pool, to be included in the index if an existing constituent is removed.

- During periodic review, index constituents no longer meeting the float market capitalization, total market capitalization, cumulative value traded, and minimum weight criteria are removed and replaced with candidates from the replacement pool.

Constituents' Selection
Company selection generally attempts to maintain index sector weights that are broadly in-line with the overall market.

Constituent Weightings
Every company is weighted in the index based on its float adjusted market capitalization.

Underlying Index Calculation
The Underlying Index was initially calculated based on the total/full market capitalisation weighted methodology. Effective September 1, 2003, the index was shifted to the float adjusted market capitalization weighted methodology. The float adjusted market capitalization takes into consideration only the float adjusted market capitalisation of a constituent company for the purpose of index calculation.

Float Adjusted Market Capitalization
The float adjusted market capitalisation is defined as the proportion of the total market capitalization of a company that are readily available for trading in the market. Float adjusted market capitalization can be identified by multiplying companies investable weight factor (IWF) with its total market capitalization.

Float adjusted market capitalization$_i$ *= Total outstanding share*$_i$ *X Price*$_i$ *X IWF*$_i$

where

Total outstanding share$_i$ *= total shares issued by company i*

Price$_i$ *= last traded price or close price of company i*

IWF$_i$ *= investable weight factor of company i; IWF is defined in the Free float section*

The level of the Underlying Index at any point of time reflects sum of float adjusted market capitalization of 30 component stocks relative to a base period.

Free-float or Investable weight factor (IWF) methodology
Free-float (IWF) is defined as the proportion of the total shares issued by a company that are readily available for trading in the market. Asia Index Private Limited determines the IWF for each company based on latest available shareholding pattern of companies. Investable Weight Factors (IWFs) are reviewed annually based on the most recently available data filed with regulators and exchanges, and are effective with the rebalance after the close of trading on the third Friday of September. The IWF is rounded off to two decimal places.

The following categories of shareholding are generally excluded from the definition of "free-float" or "IWF"; rest of the shareholding falls under the free-float category:

- Holdings by founders/directors/acquirers which has control element
- Holdings by persons/bodies with "controlling interest"
- Government holding as promoter/acquirer
- Holdings through the foreign direct investment route

- Strategic stakes by private corporate bodies/individuals
- Equity held by associate/group companies (cross-holdings)
- Equity held by employee welfare trusts
- Locked-in shares and shares which would not be sold in the open market in normal course

Index Divisor

The calculation of the Underlying Index involves dividing the sum of float-adjusted market capitalisation of 30 companies in the Underlying Index by the Index Divisor. The Index Divisor is the only link to the original base period value of the Underlying Index. It keeps the Underlying Index comparable over time and is the adjustment point for all Underlying Index adjustments arising out of corporate actions, replacement of constituent etc.

Index Divisor Adjustment:

The formula for adjusting the Index Divisor is as follows:

Next Day open Index Divisor

$$= \frac{\textit{Next Day Open index float adjusted market capitalization}}{\textit{Close index float adjusted market capitalization}} \times \textit{Close Index Divisor}$$

Illustration - (issue of right shares)

Given information -

- Corporate Action = Constituent Company "A" issues right shares
- Close Index Divisor = INR 2450.00 million
- Change in index float adjusted market capitalization due to corporate action = INR100.00 million
- Close index float adjusted market capitalization = INR 4781.00 million

Hence,

Next Day Open index float adjusted market capitalization = INR 4781 million + INR 100 million =INR 4881 Million

$$2501.24 \textit{ in INR Million} = \frac{4881 \textit{ in INR Million}}{4781 \textit{ in INR Million}} \times 2450 \textit{ in INR Million}$$

Next Day open index divisor = INR 2501.24 million

The Next Day open index divisor will be used as the Index Divisor for calculating the Underlying Index from then onwards till the next Index Divisor change becomes necessary.

Index Closure Algorithm

The close index value is calculated using closing price of all constituents as calculated and published by BSE.

The closing price of a security on any trading day is computed by taking the weighted average of all the trades in respective security during the last 30 minutes of the trading session. If a security is not traded in the last 30 minutes, the last traded price is considered as close price. If a security is not traded at all during the day, then its previous day's closing price is considered as close price for the day.

The use of this algorithm prevents any intentional manipulation of the closing Underlying Index value.

Real-time Computation of the Underlying Index

The Underlying Index is calculated on real time basis by BSE. During the securities trading hours, prices of the Underlying Index constituents' at which latest trades are executed are used by the BSE to calculate the Underlying Index on real time basis and is disseminated on its website www.bseindia.com and also to major data vendors including Bloomberg.

Index Maintenance and Corporate action policy

The Underlying Index is reviewed semi-annually to ensure that the Underlying Index continues to reflect market reality and it is made effective in June and December, with advance notification given of any changes to constituents. Announcement on index review schedule and constituent changes is available on www.asiaindex.co.in or www.spdji.com.

The index methodology is subject to change from time to time. For latest index methodology, index maintenance and corporate action policy please log on to www.asiaindex.co.in or www.spdji.com.

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