

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

Investors should note that this Prospectus relates to a Sub-Fund which offers both exchange-traded class of Units and unlisted (not exchange-traded) class(es) of Units.

# **CHINAAMC GLOBAL ETF SERIES II**

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

## **ChinaAMC Asia USD Investment Grade Bond ETF**

*HKD Counter Stock Code: 3141  
USD Counter Stock Code: 9141*

## **ChinaAMC Asia High Dividend ETF**

*Stock Code: 3145*

## **ChinaAMC MSCI Japan Hedged to USD ETF**

*Stock Code: 3160*

## **ChinaAMC MSCI Europe Quality Hedged to USD ETF**

*Stock Code: 3165*

## **ChinaAMC NASDAQ 100 ETF**

*HKD Counter Stock Code: 3086  
USD Counter Stock Code: 9086*

# **PROSPECTUS**

*Manager*

**China Asset Management (Hong Kong) Limited**

*Investment Delegate*

**Mackenzie Financial Corporation**

**22 June 2026**

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

## IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the “Units”) in the ChinaAMC Global ETF Series II (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 17 October 2014, as amended, supplemented and restated from time to time (the “Trust Deed”). The Trust Deed was entered into between BMO Global Asset Management (Asia) Limited and Cititrust Limited on 17 October 2014. Pursuant to a Deed of Retirement and Appointment dated 3 June 2019, State Street Trust (HK) Limited was formerly appointed as the trustee in place of Cititrust Limited with effect from 25 November 2019. Subsequently, pursuant to a Deed of Retirement and Appointment dated 8 April 2026, Cititrust Limited (the “Trustee”) is appointed as the trustee in place of State Street Trust (HK) Limited with effect from 22 June 2026. Pursuant to a Deed of Retirement and Appointment dated 7 April 2021, China Asset Management (Hong Kong) Limited (the “Manager”) is appointed as the manager in place of BMO Global Asset Management (Asia) Limited with effect from 28 May 2021. The Trust currently has a number of sub-funds (the “Sub-Funds” or individually a “Sub-Fund”).

The Trust may establish sub-funds in respect of which a separate class or classes of Units will be issued. The Sub-Fund issues both exchange-traded classes of Units (“Listed Class of Units”) and/or unlisted (not exchange-traded) classes of Units (“Unlisted Class(es) of Units”).

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Funds. It contains important facts about the Sub-Funds whose Units are offered in accordance with this Prospectus. As the Sub-Fund issues both Listed Class of Units and Unlisted Class(es) of Units, a separate set of product key facts statement which contains the key features and risks of each of the Sub-Funds is also issued for the Listed Class of Units and Unlisted Class(es) of Units respectively by the Manager and such product key facts statements shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus.

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

Each Sub-Fund is a fund falling within Chapter 8.6 of the Code. The Trust and each Sub-Fund are authorized by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, the Sub-Funds or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

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

The Listing Committee of The Stock Exchange of Hong Kong Limited (the “SEHK”) has accepted the application for the listing of, and permission to deal in the Units of the Sub-Funds. Dealings in the Units of the Sub-Funds on the SEHK have already commenced. The Units of the Sub-Funds have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited (“HKSCC”) for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”). Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

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

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

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

### **Questions and Complaints**

Investors may raise any questions on or make any complaints about the Trust (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on 3406 8686 during normal office hours.

## DIRECTORY

### *Manager*

#### **China Asset Management (Hong Kong) Limited**

37/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

### *Trustee*

#### **Cititrust Limited**

50/F, Champion Tower  
3 Garden Road  
Central  
Hong Kong

### *Administrator and Custodian*

#### **Citibank, N.A., Hong Kong Branch**

50/F, Champion Tower  
3 Garden Road  
Central  
Hong Kong

### *Investment Delegate*

#### **Mackenzie Financial Corporation**

180 Queen Street West  
Toronto, Ontario  
M5V-3K1  
Canada

### *Registrar (in respect of Listed Class of Units only)*

#### **Tricor Investor Services Limited**

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### *Transfer Agent (in respect of Unlisted Class(es) of Units only)*

#### **Citicorp Financial Services Limited**

9/F, Citi Tower  
One Bay East, 83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

### *Participating Dealers and PD Agents\*\**

Please refer to the relevant Appendix of each  
Sub-Fund

### *Market Makers\*\**

Please refer to the relevant Appendix of each  
Sub-Fund

### *Legal Counsel to the Manager*

#### **Simmons & Simmons**

30/F, One Taikoo Place  
979 King's Road  
Hong Kong

### *Auditor*

#### **KPMG**

8/F Prince's Building  
10 Chater Road  
Central  
Hong Kong

### *Service Agent#*

#### **HK Conversion Agency Services Limited**

1/F, One & Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

\* Please refer to the Manager's website for the latest lists of Market Makers, Participating Dealers and PD Agents. Please also refer to the Hong Kong Exchanges and Clearing Limited's website at [www.hkex.com.hk](http://www.hkex.com.hk) for the latest list of Market Makers.

# Applicable in respect of Listed Class of Units only.

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

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

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

## DEFINITIONS

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

“After Listing” means, in respect of Listed Class of Units, the period which commences on the Listing Date and continues until the Sub-Funds are terminated.

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

“Application” means, in respect of Listed Class of Units, an application by a Participating Dealer or PD Agent (as the case may be) for the creation or redemption of Units in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Trust Deed.

“Application Unit” means, in respect of Listed Class of Units, such number of Units of such class or whole multiples thereof as specified in this Prospectus or such other whole multiple of Units determined by the Manager, approved by the Trustee and notified to the Participating Dealers.

“Base Currency” means the currency of account of a Sub-Fund as specified in Part 2 of this Prospectus.

“Business Day” in respect of the Sub-Funds, means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which Securities comprised in the Index are traded is open for normal trading or if there are more than one such securities market, the securities market designated by the Manager is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time provided that if on any such day, the period during which the relevant securities market is open for normal trading is reduced, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

“Cancellation Compensation” means, in respect of Listed Class of Units, an amount payable by a Participating Dealer for the account of the relevant Sub-Fund in respect of a Default, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

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

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

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

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

“Connected Person” has the meaning as set out in the Code which at the date of this Prospectus means in relation to a company:

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or

- (c) any member of the group of which that company forms part; or
- (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

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

“Creation Application” means, in respect of Listed Class of Units, an application by a Participating Dealer or PD Agent (as the case may be) for the creation and issue of Units in an Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

“Dealing Day” means each Business Day during the continuance of the Sub-Funds, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee.

“Dealing Deadline” means, in relation to the Listed Class of Units and any particular place and any particular Dealing Day, the time on each Dealing Day specified in the “The Offering Phases” section of Schedule 2 to this Prospectus, or such other time or day as the Manager may from time to time with the written approval of the Trustee determine.

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

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

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

“Dual Counter” means the facility by which the Listed Class of Units of a Sub-Fund traded in HKD and traded in USD are each assigned separate stock codes on the SEHK.

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

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

“Extension Fee” means, in respect of Listed Class of Units, the fee payable to the Trustee on each occasion the Manager, upon a Participating Dealer’s request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

“Government and other public securities” means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

“HKD” means Hong Kong dollars, the lawful currency of Hong Kong.

“HKEX” means Hong Kong Exchanges and Clearing Limited or its successors.

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

“IFRS” means International Financial Reporting Standards.

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

“Index” means, in respect of a Sub-Fund, the index or benchmark against which the relevant Sub-Fund tracks, replicates or corresponds as set out in the relevant Appendix.

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

“Initial Issue Date” means, in respect of Listed Class of Units, the date of the first issue of Units, which shall be 3 Business Days before the Listing Date.

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

“Insolvency Event” occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person’s assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or

threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

“Investment Delegate” means Mackenzie Financial Corporation, or such other person or persons for the time being duly appointed as investment delegate or investment delegates of one or more Sub-Funds and has been delegated the investment management function of all or part of the assets of a Sub-Fund.

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

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

“JPY” means Japanese Yen, the lawful currency of Japan.

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

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

“Manager” means China Asset Management (Hong Kong) Limited or such other person or persons for the time being duly appointed pursuant to the Trust Deed as manager of the Trust in succession thereto being approved by the SFC under the Code.

“Market” means in any part of the world:

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

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

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

“MPFA” means the Mandatory Provident Fund Schemes Authority of Hong Kong or its successors.

“Multi-Counter” means, in respect of Listed Class of Units, the facility by which the Listed Class of Units traded in HKD, USD and RMB are each assigned separate stock codes on the SEHK.

“Net Asset Value” means the net asset value of a Sub-Fund or, as the context may require, the net asset value of a class of Units or a Unit calculated under the Trust Deed.

“Operating Guidelines” means in respect of Listed Class of Units of a Sub-Fund the guidelines for the creation and redemption of Units of that class as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being notified in writing by the Manager in advance to the relevant Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Sub-Funds applicable at the time of the relevant Application.

"Partial Delivery Request Fee" means, in respect of Listed Class of Units, the fees payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer a partial settlement in respect of a Creation Application or Redemption Application.

"Participating Dealer" means, in respect of Listed Class of Units of each Sub-Fund, any licensed broker or dealer who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee, and any reference in this Prospectus to "Participating Dealer" shall, where the context requires, include a reference to any PD Agent so appointed by the Participating Dealer.

"Participation Agreement" means, in respect of Listed Class of Units, an agreement (as amended, supplemented or novated from time to time) either (1) entered into between the Trustee, the Manager and a Participating Dealer (and if applicable, supplemented with a supplemental participation agreement entered into between the same parties and the PD Agent), or (2) entered into between the Trustee, the Manager, the Participating Dealer, HKSCC and the Conversion Agent (if any), each setting out, amongst other things, the arrangements in respect of Applications by such Participating Dealer or PD Agent (as the case may be), as may be amended from time to time. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

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

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

"Qualified Exchange Traded Funds" means exchange traded funds that are:

- (a) authorised by the SFC under 8.6 or 8.10 of the Code; or
- (b) 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 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 8.10 of the Code.

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

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

"Redemption Application" means, in respect of Listed Class of Units, an application by a Participating Dealer or PD Agent (as the case may be) for the redemption of Units in Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

"Redemption Deadline" means, in respect of the Unlisted Class(es) of Units, such time on the relevant Dealing Day or an earlier Business Day as the Manager may from time to time determine in relation to the redemption of Units.

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

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

"Registrar" means, in respect of Listed Class of Units, Tricor Investor Services Limited or such

person as may from time to time be appointed by the Trustee (and acceptable to the Manager) as registrar in respect of Listed Class of Units of each Sub-Fund to keep the register of the Unitholders of Listed Class of Units of the Sub-Fund.

“Registrar Agreement” means, in respect of a Sub-Fund where applicable, the agreement entered into between the Trustee, the Manager and the Registrar in respect of Listed Class of Units, as amended or novated from time to time.

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

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

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

“Securities” means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

- (a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust (as defined in the Trust Deed);
- (b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;
- (c) any instrument commonly known or recognised as a security;
- (d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and
- (e) any bill of exchange and any promissory note.

“securities financing transactions” means collectively securities lending transactions, sale and repurchase transactions and reverse repurchase transactions.

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

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

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

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

“Service Agreement” means each agreement by which the Service Agent provides its services in respect of Listed Class of Units of a Sub-Fund entered into amongst the Trustee, the Registrar, the Manager, the Participating Dealer (and where applicable, the PD Agent), the Service Agent and the HKSCC.

“Settlement Day” means, in respect of Listed Class of Units, the Business Day which is 2 Business Days after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers or as otherwise described in the relevant Appendix.

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

“SFO” means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

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

“Subscription Deadline” means, in respect of the Unlisted Class(es) of Units, such time on the relevant Dealing Day or an earlier Business Day as the Manager may from time to time determine in relation to the issue of Units.

“Subscription Price” means, in respect of Unlisted Class(es) of Units, the price per Unit at which the Unit of a particular class will be issued, determined in accordance with the Trust Deed.

“substantial financial institution” means an authorized institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of Laws of Hong Kong) or a financial institution which is on an ongoing basis subject to prudential regulation and supervision, with a minimum net asset value of HKD 2 billion or its equivalent in foreign currency.

“Transaction Fee” means the fee, in respect of Listed Class of Units, which may be charged for the benefit of the Service Agent, the Conversion Agent (if any), the Registrar and/or the Trustee to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer or PD Agent (as the case may be).

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

“Transfer Agent” means, in respect of Unlisted Class(es) of Units of a Sub-Fund, Citicorp Financial Services Limited or such person as may from time to time be appointed by the Trustee and acceptable to the Manager as transfer agent in respect of Unlisted Class(es) of Units of the relevant Sub-Fund to keep the register of the Unitholders of Unlisted Class(es) of Units of the relevant Sub-Fund.

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

“Trust Deed” means the trust deed dated 17 October 2014, constituting the Trust (as amended, supplemented and restated from time to time).

“Trust Fund” means all the property held by the Trustee in respect of each Sub-Fund, including the Deposited Property and Income Property attributable to the relevant Sub-Fund, except for amounts standing to the credit of the distribution account attributable to the relevant Sub-Fund, in accordance with the Trust Deed.

“Trustee” means Cititrust Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto in accordance with the Trust Deed.

“Unit” means a unit representing an undivided share in a Sub-Fund.

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

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

“Valuation Point” means, in respect of a Sub-Fund (or class), the official close of trading on the Market on which the Securities constituting the Index are listed on each Dealing Day or if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager 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, issue, switching and redemption of Units.

## INTRODUCTION

### **The Trust**

The Trust is an umbrella unit trust created by the Trust Deed between BMO Global Asset Management (Asia) Limited and Cititrust Limited made under Hong Kong law. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 of the Code. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

With effect from 25 November 2019, Cititrust Limited retired from its role as the trustee and was replaced by State Street Trust (HK) Limited as the trustee. Subsequently, with effect from 22 June 2026, State Street Trust (HK) Limited retired from its role as the trustee and was replaced by Cititrust Limited as the new Trustee.

With effect from 28 May 2021, BMO Global Asset Management (Asia) Limited retired from its role as the manager and was replaced by China Asset Management (Hong Kong) Limited as the new Manager.

### **The Sub-Funds**

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a “Sub-Fund”) to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. All Sub-Funds will be exchange traded funds listed on the SEHK, but it may issue both Listed Class of Units (which will be listed on the SEHK and, where indicated in the relevant Appendix in Part 2 of this Prospectus, may be available for trading on the SEHK using a Dual Counter or Multi-Counter), and Unlisted Class of Units.

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

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

### **Investment Objective**

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

### **Investment Strategy**

Each Sub-Fund will adopt either a full replication or a representative sampling strategy. The investment strategy of each Sub-Fund is stated in the relevant Appendix.

#### *Replication Strategy*

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

#### *Representative Sampling Strategy*

Where a Sub-Fund adopts the representative sampling strategy as its investment strategy, it will invest, directly or indirectly, in a representative sample of the Securities in the relevant Index that collectively reflects the investment characteristics of such Index. A Sub-Fund adopting a representative sampling strategy, may or may not hold all of the Securities that are included in the relevant Index, and may hold Securities which are not included in the Index, provided that the sample closely reflects the overall characteristics of the Index.

#### *Switching between Strategies*

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

Investors should note that the Manager and the Investment Delegate may switch between the above investment strategies, without prior notice to investors, in its absolute discretion as it believes appropriate in order to achieve the investment objective of the relevant Sub-Fund by tracking the relevant Index as closely (or efficiently) as possible for the benefit of investors. The Manager will seek the prior approval of the SFC and provide at least one month's prior notice to Unitholders before adopting a strategy other than replication or representative sampling strategy.

### **Investment and Borrowing Restrictions**

If any of the restrictions or limitations set out in Schedule 1 is breached in respect of a Sub-Fund, the Manager and the Investment Delegate will take as a priority objective all necessary steps as are within a reasonable period to remedy the situation, taking into account the interests of the Unitholders of that Sub-Fund.

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

## **Securities Lending, Sale and Repurchase Transactions and Reverse Repurchase Transactions**

Unless otherwise disclosed in the Appendix of a relevant Sub-Fund, there is no current intention for any Sub-Fund to engage in securities lending, sale and repurchase transaction or reverse repurchase transactions, but this may change in light of market circumstances and where a Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than one month's prior notice will be given to the Unitholders.

## DETERMINATION OF NET ASSET VALUE

### Calculation of Net Asset Value

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

Where a Sub-Fund has more than one class of Units, to ascertain the Net Asset Value of a class, a separate class account will be established in the books of the Sub-Fund. An amount equal to the proceeds of issue of each Unit of the relevant class will be credited to the relevant class account. An amount equal to any redemption proceeds paid to a Unitholder and any other amounts payable in respect of any redemption of Units of a class will be debited to the relevant class account.

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

- (a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price or, if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager or, if the Trustee so requires, by the Manager after consultation with the Trustee if the prices on that Market are not available for more than such period of time as may be agreed between the Manager and 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 last traded prices as the case may be;
- (b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;
- (c) futures contracts will be valued based on the formulae set out in the Trust Deed;
- (d) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager shall (in consultation with the Trustee) cause a revaluation to be made on a regular basis by a professional person approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);
- (e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment (in consultation with the Trustee) should be made to reflect the value thereof; and
- (f) notwithstanding the foregoing, the Manager may adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment (in consultation with the Trustee) is required to fairly reflect the value of the investment.

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

## **Suspension of Determination of Net Asset Value**

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

- (a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund; or
- (b) 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 Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of Units of the relevant Sub-Fund;
- (c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities of the relevant Sub-Fund or the subscription or redemption of Units of the relevant Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or
- (f) the business operations of the Manager, the Trustee, or the agent of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

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

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at [www.chinaamc.com.hk](http://www.chinaamc.com.hk) (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as the Manager decides.

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

The Manager must review any prolonged suspension of determination of the Net Asset Value and take all necessary steps to resume normal operations as soon as practicable.

## FEES AND EXPENSES

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

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

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

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Units (applicable both during the Initial Offer Period and After Listing)	Amount
Transaction Fee <sup>1</sup>	
(i) Cash creation / redemption	0.05% of the creation/redemption amount for the benefit of the Trustee, subject to a cap of: (a) HKD3,500 per Application (for all Sub-Funds other than ChinaAMC Asia USD Investment Grade Bond ETF and ChinaAMC NASDAQ 100 ETF) or (b) USD450 per Application (for ChinaAMC Asia USD Investment Grade Bond ETF and ChinaAMC NASDAQ 100 ETF)  <u>Plus</u> Service Agent's Fee <sup>2</sup>
(ii) In-kind creation / redemption	0.05% of the creation/redemption amount for the benefit of the Trustee, subject to a cap of: (a) HKD3,500 per Application (for all Sub-Funds other than ChinaAMC NASDAQ 100 ETF) or (b) USD450 per Application (for ChinaAMC NASDAQ 100 ETF)  <u>Plus</u> Service Agent's Fee <sup>2</sup>
(iii) A combination of cash and in-kind creation / redemption	0.05% of the creation/redemption amount for the benefit of the Trustee, subject to a cap of: (a) HKD3,500 per Application (for all Sub-Funds other than ChinaAMC NASDAQ 100 ETF) or (b) USD450 per Application (for ChinaAMC NASDAQ 100 ETF)  <u>Plus</u> HKD250 per sale or purchase transaction of

<sup>1</sup> The Transaction Fee comprises two components: (a)(i) 0.05% of the creation/redemption amount for cash creation/redemption, subject to a cap of HKD12,000 or USD1,500 per Application; or (ii) 0.05% of the creation/redemption amount for in-kind creation/redemption, subject to a cap of HKD12,000 or USD1,500 per Application; or (iii) 0.05% of the creation/redemption amount for an Application that is a combination of cash and in-kind, subject to a cap of HKD12,000 or USD1,500 per Application and HKD250 per sale or purchase transaction of securities in the Basket for the cash portion, in each case payable for the benefit of the Trustee; and (b) a Service Agent's Fee (see Note 2). A Participating Dealer may pass on to the relevant investor such Transaction Fee.

<sup>2</sup> Participating Dealers will be subject to the Service Agent's Fee, being the fee for each book-entry deposit or withdrawal transaction, currently to the amount of HKD1,000 and payable to the Service Agent.

	securities in the basket for the cash portion for the benefit of the Trustee  <u>Plus</u> Service Agent's Fee <sup>2</sup>
Application cancellation fee <sup>3</sup>	HKD10,000 (for all Sub-Funds other than ChinaAMC Asia USD Investment Grade Bond ETF) or USD1,300 (for ChinaAMC Asia USD Investment Grade Bond ETF) per Application
Extension Fee <sup>4</sup>	HKD10,000 (for all Sub-Funds other than ChinaAMC Asia USD Investment Grade Bond ETF) or USD1,300 (for ChinaAMC Asia USD Investment Grade Bond ETF) per Application
Partial Delivery Request Fee	HKD10,000 <sup>5</sup> per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

Fees and expenses payable by investors of Listed Class of Units	Amount
<b><i>(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)</i></b>	
Fees and charges imposed by the Participating Dealer <sup>6</sup>	Such amounts as determined by the relevant Participating Dealer
<b><i>(ii) Fees payable by all investors in respect of dealings in the Units on SEHK (applicable After Listing)</i></b>	
Brokerage	Market rates
Transaction levy	0.0027% <sup>7</sup>
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% <sup>8</sup>
SEHK trading fee	0.00565% <sup>9</sup>
Stamp duty	Nil

<sup>3</sup> An application cancellation fee is usually payable to the Trustee in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).

<sup>4</sup> An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of a Creation Application or Redemption Application.

<sup>5</sup> A Partial Delivery Request Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participating Dealer a partial settlement.

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

<sup>7</sup> Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>8</sup> AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>9</sup> Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

**Fees and expenses payable in respect of the Unlisted Class(es) of Units only**

The following fees and charges are payable by investors of Unlisted Class(es) of Units:

*Subscription fee*

Under the Trust Deed, the Manager is entitled to impose a subscription fee on the subscription of Unlisted Class(es) of Units of up to 5% of the subscription monies for the application for the issue of the Units.

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

*Redemption fee*

Under the Trust Deed, the Manager is entitled to impose a redemption fee on the redemption of Unlisted Class(es) of Units of up to 5% of the redemption proceeds payable in respect of the Unlisted Class(es) of Units being redeemed.

*Switching fee*

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

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

**Fees and Expenses Payable by the Sub-Fund (applicable to both Listed Class of Units and Unlisted Class(es) of Units)***Management Fee*

The Manager is entitled to receive a management fee (the "Management Fee") in respect of each Sub-Fund (or any class thereof).

Unless otherwise specified in the relevant Appendix, each class of Units of a Sub-Fund employs a single management fee structure, with each class 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. Fees and expenses taken into account in determining the single Management Fee include, but are not limited to, the Manager's fee, the Investment Delegate's fee, Trustee's fee, Administrator's fees, Registrar's fees (in respect of Listed Class of Units) or the Transfer Agent's fee (in respect of Unlisted Class(es) of Units), the custodian's fees (if any), fees and expenses of the auditor, fees of service agents, ordinary legal and out-of-pocket expenses incurred by the Manager or the Trustee, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The single Management Fee does not include brokerage and transaction costs, fees and extraordinary items such as litigation expenses.

For a Sub-Fund which does not employ a single management fee structure, unless otherwise specified in the relevant Appendix, the following fees and expenses may be payable out of and borne by the Sub-Fund: the Trustee's fee, Administrator's fees, Registrar's fees (in respect of Listed Class of Units) or the Transfer Agent's fee (in respect of Unlisted Class(es) of Units), the custodian's fees (if any), fees

and expenses of the auditor, fees of service agents, ordinary legal and out-of-pocket expenses incurred by the Manager or the Trustee, and the costs and expenses of licensing indices used in connection with the Sub-Fund.

The current Management Fee percentage in respect of each Sub-Fund is set out in the relevant Appendix and is accrued daily, paid quarterly in arrears. The Management Fee will be paid monthly in arrears and the maximum Management Fee is 2% per annum of the Net Asset Value of each class of Units of each Sub-Fund.

The Manager may, at its sole discretion, pay a fee to any institutional investor, distributor or intermediaries of the Trust and the relevant class out of the Management Fee it receives from the Trust and the relevant class, to the extent permitted by applicable laws and regulations. A distributor may re-allocate an amount of the fee to the sub-distributors. The fees of the Investment Delegate, if any, will be paid by the Manager and not out of the assets of the relevant Sub-Fund or class.

#### *Promotional Expenses*

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

#### *Other Expenses*

Unless otherwise stated in this Prospectus in respect of a Sub-Fund employing a single management fee structure, a Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, custodian, co-custodian, sub-custodian, administrator, and proxy fees and expenses, collection fees and expenses, insurance and security costs, and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, extraordinary charges and expenses of its legal counsel and auditors, fees and expenses of each of the Auditors, the Registrar, the Conversion Agent and/or the Service Agent, fees in connection with the establishment of a Sub-Fund or class and the fees in connection with calculating the Net Asset Value, the Issue Price and Redemption Value, or the Subscription Price and Redemption Price, of Units, charges and expenses of other professionals, the costs in connection with maintaining a listing of Units of any Listed Class of Units on the SEHK or other exchange and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Funds by the Trustee, the Manager, the Investment Delegate, the Registrar or the Transfer Agent or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual accounts and interim unaudited reports and other circulars relating to the Sub-Funds and the expenses of publishing Unit prices.

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

#### **Establishment Costs**

The cost of establishing the Trust and the initial Sub-Funds (namely ChinaAMC Asia USD Investment Grade Bond ETF, ChinaAMC Hong Kong Banks ETF (this sub-fund has been terminated) and ChinaAMC Asia High Dividend ETF) including the preparation of the first Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs was approximately HKD2.5 million and was borne by the then manager, BMO Global Asset Management (Asia) Limited.

The cost of establishing the ChinaAMC MSCI Japan Hedged to USD ETF, ChinaAMC MSCI Europe Quality Hedged to USD ETF, ChinaAMC MSCI Asia Pacific Real Estate ETF (this sub-fund has been

terminated) and ChinaAMC NASDAQ 100 ETF including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs was approximately HKD1.5 million and was borne by the then manager, BMO Global Asset Management (Asia) Limited.

### **Increase in Fees**

The current fees in respect of each Sub-Fund payable to the Manager and the Trustee as described in this Prospectus may be increased on one month's notice to Unitholders (or such shorter period as approved by the SFC), subject to the maximum rates set out in the Trust Deed.

## RISK FACTORS

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

### **Risks Associated with Investment in Any Sub-Fund**

#### *Investment Objective Risk*

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager and the Investment Delegate to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that you as an investor may lose a substantial proportion or all of its investment in a Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

#### *Market Risk*

The Net Asset Value of each Sub-Fund will change with changes in the market value of the Securities it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of the Sub-Funds are based on the capital appreciation and income on the Securities it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in the Sub-Funds are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Index).

#### *Asset Class Risk*

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

#### *Passive Investment Risk*

The Sub-Funds are not actively managed. Accordingly, the Sub-Funds may be affected by a decline in the market segments relating to the relevant Index or Indices. The Manager and the Investment Delegate will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Sub-Fund invests in the Securities included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager and the Investment Delegate do 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 and the Investment Delegate to adapt to market changes due to the inherent investment nature of the Sub-Funds will mean that falls in the Index or Indices are expected to result in corresponding falls in the value of the Sub-Funds, and investors may lose substantially all of their investment.

### *Representative Sampling Risk*

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

### *Possible Business Failure Risk*

Global markets may experience very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of the Index may have an adverse effect on the Index's and therefore the relevant Sub-Fund's performance. You may lose money by investing in the Sub-Funds.

### *Management Risk*

Because there is no guarantee or assurance of exact or identical replication of the performance of the relevant Index by a Sub-Fund at any time, a Sub-Fund subject to management risk. This is the risk that the Manager's and the Investment Delegate's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager and the Investment Delegate have absolute discretion to exercise Unitholders' rights with respect to Securities comprising the Sub-Funds. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Sub-Funds being achieved.

### *Securities Risk*

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

### *Equity Risk*

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

### *Borrowing Risks*

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

### *Tracking Error Risk*

A Sub-Fund may only hold a representative sample of Securities that represents the profile of the Index and may invest in Securities not included in its Index. The Net Asset Value of a Sub-Fund

may not have exactly the same net asset value of the Index. Factors such as the fees and expenses of the Sub-Fund, the investments of the Sub-Fund not matching exactly the Securities which make up the Index (e.g. where it uses representative sampling), an inability to rebalance the Sub-Fund's holdings of Securities in response to changes to the Securities which make up the Index, rounding of Security prices, changes to the Index and regulatory policies that may affect the Manager and the Investment Delegate's ability to achieve close correlation with the Index. This may cause the Sub-Fund's returns to deviate from the Index. Further, the fact that the Manager and the Investment Delegate are adopting a representative sampling strategy may lead to a greater risk of tracking error.

Although the Manager and the Investment Delegate regularly monitor the tracking error of each Sub-Fund, there can be no assurance that any Sub-Fund will achieve any particular level of tracking error relative to the performance of its Index.

#### *Concentration Risk*

A Sub-Fund may be subject to concentration risk as a result of tracking the performance of a single geographical region. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

#### *Trading Risk*

While the creation/redemption feature of each Sub-Fund is designed to make it likely that Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value). The secondary market prices of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Units are listed. In addition, when buying or selling Units on the SEHK additional charges (such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Unit when buying Units on the SEHK and may receive less than the Net Asset Value per Unit when selling Units on the SEHK. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units and the Net Asset Value.

#### *Loss of Capital Risk*

There is no guarantee that a Sub-Fund's investments will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

#### *No Trading Market in the Units Risk*

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

#### *Indemnity Risk*

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except as a result of their own negligence, fraud, default,

breach of duty or trust of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the Sub-Funds and the value of the Units.

*Dividends May Not be Paid Risk (applicable to Listed Class of Units and distribution Unlisted Class(es) of Units only)*

Whether a Sub-Fund or a class of Units will pay distributions on Units is subject to the Manager's distribution policy (as described in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the Securities of the Index. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. 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.

*Distributions out of or effectively out of capital risk (applicable to Listed Class of Units and distribution Unlisted Class(es) of Units only)*

The Manager may, at its discretion make distributions out of capital in respect of Listed Class of Units and distribution Unlisted Classes of Units. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of Listed Class of Units or distribution Unlisted Classes of Units are charged to/paid out of the capital in respect of Listed Class of Units and distribution Unlisted Classes of Units of the Sub-Fund (as the case may be), resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Listed Class of Units or distribution Unlisted Class of Unit. Please refer to the sub-section "Distribution Policy" under "Statutory and General Information" for further details.

In respect of distribution Unlisted Classes of Units only, the distribution amount and Net Asset Value of the hedged unit classes may be adversely affected by differences in the interest rates of the reference currency of the relevant hedged unit class and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged unit classes.

*No Right to Control the Sub-Fund's Operation Risk*

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

*Early Termination Risk*

A Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than HKD100 million, or (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund, or (iii) the relevant Index is no longer available for benchmarking or, if the relevant Sub-Fund only has Listed Class of Units and such Units are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager, or (iv) if the relevant Sub-Fund only has Listed Class of Units and if, at any time, the relevant Sub-Fund ceases to have any Participating Dealer, or (v) if the Manager is unable to implement its investment strategy in respect of the relevant Sub-Fund. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the

realisation of the investments comprised in the relevant Sub-Fund to the Unitholders in accordance with the Trust Deed. Investors may suffer a loss when a Sub-Fund is terminated because any such amount distributed may be more or less than the capital invested by the Unitholder.

#### *Effect of Redemptions Risk*

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

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

#### *Foreign Exchange Risk*

If a Sub-Fund's assets are generally invested in non-Hong Kong Securities, and if a substantial portion of the revenue and income of a Sub-Fund is received in a currency other than Hong Kong dollars, any fluctuation in the exchange rate of the Hong Kong dollar relative to the relevant foreign currency will affect the Net Asset Value of a Sub-Fund denominated in the Hong Kong dollar regardless of the performance of its underlying portfolio. If the relevant Sub-Fund's Net Asset Value is determined on the basis of the Hong Kong dollar, you may lose money if you invest in any investment fund if the local currency of a foreign market depreciates against the Hong Kong dollar, even if the local currency value of an investment fund's holdings goes up.

#### *Liquidity Risk*

Liquidity risk exists when a particular investment is difficult to purchase or sell. If a Sub-Fund invests in illiquid Securities or the current market become illiquid, it may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid Securities at an advantageous time or price. The cost of dealing may be high in such illiquid markets. Illiquid Securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Sub-Fund to value illiquid Securities accurately. A disruption in the asset allocation in a Sub-Fund is also possible if underlying Securities cannot be purchased or sold. In these circumstances, a Sub-Fund may not be able to realise sufficient assets to meet all redemption requests received. As such, there can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they would wish to.

The Manager (and the Investment Delegate as a delegate of the Manager) employs a liquidity risk management policy which seeks to facilitate compliance with each Sub-Fund's obligation to meet redemption requests and to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions. There can be no assurance that such policy will be effective.

#### *Reliance on the Investment Delegate Risk*

The Manager has delegated the exercise of investment discretion for the Sub-Funds to the Investment Delegate, as specified in the relevant Appendices. Unitholders must rely on the Investment Delegate in implementing the investment strategies and the performance of the Sub-Funds is largely

dependent on the services and skills of its officers and employees. In the case of loss of service of the Investment Delegate or any of its key personnel, as well as any significant interruption of the Investment Delegate's business operations or in the extreme case of the insolvency of the Investment Delegate, the Manager may not find successor investment delegates with the requisite skills, qualifications and the new appointment may not be on equivalent terms or of similar quality. The occurrence of any of these events may have an adverse impact on the Sub-Funds' performance and thus the value of your investment.

#### *Custodial Risk*

Custodians or sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation, fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by a Sub-Fund in investing and holding investments in such markets will be generally higher than in more developed securities markets.

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

#### *Absence of Active Market and Liquidity Risks*

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

#### *Suspension of Trading Risk*

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

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

Listed Class of Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Listed Class of Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Listed Class of Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Listed Class of Units of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Listed Class of Units can be created and redeemed in Application Units at Net Asset Value, the Manager and the Investment Delegate believe that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Listed Class of Units will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in

trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Listed Class of Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

#### *Cost of Trading Listed Class of Units Risk*

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

#### *Secondary Market Trading Risk*

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

#### *Reliance on Market Makers Risk*

Although it is a requirement that the Manager ensures that at least one Market Maker will maintain a market for the Listed Class of Units of each Sub-Fund (or each counter where a Dual Counter or Multi-Counter has been adopted in respect of the relevant Sub-Fund), it should be noted that liquidity in the market for the Listed Class of Units may be adversely affected if there is no Market Maker for the Listed Class of Units of the relevant Sub-Fund or counter (as the case may be). The Manager will seek to mitigate this risk by ensuring at least one Market Maker for the Listed Class of Units of each Sub-Fund (or each counter where a Dual Counter or Multi-Counter has been adopted) gives not less than 3 months' notice prior to terminating market making under the relevant market making agreement(s). It is possible that there is only one SEHK Market Maker to the Listed Class of Units of a Sub-Fund or counter, or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

#### *Reliance on Participating Dealers Risk*

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

Where a Participating Dealer appoints a PD Agent to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative PD Agent, or if the PD Agent ceases to be a CCASS participant, the creation or redemption of Listed Class of Units by such Participating Dealer may also be affected.

#### *Listed Class of Units May be Delisted From the SEHK Risk*

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

### **Risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units**

#### *Different dealing arrangements*

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

#### *Different cost mechanism*

In addition, investors should note that different cost mechanisms apply to Listed Class of Units and Unlisted Class(es) of Units. For Listed Class of Units, the Transaction Fee and Duties and Charges in respect of Creation and Redemption Applications are paid by the Participating Dealer applying for or redeeming such Units and/or the Manager. Investors of Listed Class of Units in the secondary market will not bear such Transaction Fees and Duties and Charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees, as described under the section “Fees and Expenses”).

On the other hand, the subscription and redemption of Unlisted Class(es) of Units may be subject to a subscription fee and redemption fee respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, the Manager may, in its absolute discretion, in addition to the Subscription Price and/or Redemption Price, in certain circumstances, add or deduct an amount of Subscription Adjustment Allowance or Redemption Adjustment Allowance (as the case may be) it considers represents an appropriate provision for transactional fees or expenses which are customarily incurred by the relevant Sub-Fund, and such additional amount will be paid to the Trustee and will form part of the assets of the relevant Sub-Fund. Please refer to Schedule 2 for further information on Subscription Adjustment Allowance and Redemption Adjustment Allowance. Further, the Manager may (if in its opinion in good faith it is in the best interest of Unitholders to do so), through swing pricing mechanism, adjust the Net Asset Value of such Units so as to ensure that investors of the Unlisted Class of Units will not be prejudiced in the event of substantial net subscriptions or net redemptions. Please refer to the section “Anti-Dilution Pricing Adjustment” in Schedule 3 for further information.

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

#### *Trading arrangements in respect of Unlisted Class(es) of Units*

Unlike investors of Listed Class of Units who may buy and sell Units in the secondary market during SEHK trading hours, investors of Unlisted Class(es) of Units are only able to subscribe and redeem at the relevant Subscription Price and Redemption Price (as the case may be) based on the latest available Net Asset Value as at the end of each Dealing Day. As such, Unitholders of Listed Class of

Units would have intra-day trading opportunities which will not be available to Unitholders of Unlisted Class(es) of Units. In a stressed market scenario, Unitholders of Listed Class of Units can sell their Units on the secondary market during SEHK trading hours if the market continues to deteriorate, while Unitholders of Unlisted Class(es) of Units will not be able to do.

#### *Trading arrangements in respect of Listed Class of Units*

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

#### *Difference in distribution policy*

The Manager will pay distributions to Unitholders of the Listed Class of Units and may pay distributions to Unitholders of distribution Unlisted Classes of Units but not to Unitholders of the accumulation Unlisted Class of Units. Distributions made in respect of the Listed Class of Units and distribution Unlisted Classes of Units may result in an immediate reduction in their respective Net Asset Value per Unit. All income and capital gain received in the accumulation Unlisted Class of Units will be reinvested and reflected in the Net Asset Value per Unit. The difference in the distribution policies of the classes will lead to difference in the Net Asset Value between the classes.

#### **Swing pricing adjustments (applicable to Unlisted Class of Units only)**

In the event of substantial net subscriptions or net redemptions in respect of all Unlisted Class(es) of Units of the Sub-Fund, the Manager may (if in its opinion in good faith it is in the best interest of Unitholders to do so), through swing pricing mechanism, adjust the Net Asset Value of a Unit of the Unlisted Class of Units of the Sub-Fund. Consequently, investors may subscribe/redeem at a higher subscription price/lower redemption price. Investors should note that the occurrence of events which may trigger swing pricing adjustment is not predictable. It is not possible to accurately predict how frequent such swing pricing adjustments will need to be made. Swing pricing adjustments may be greater than or less than the actual charges incurred. Investors should also be aware that swing pricing adjustment may not always, or fully, prevent the dilution of the Sub-Fund's assets.

#### **Risks Associated with the Indices**

##### *Fluctuations Risk*

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

##### *Licence to Use Index may be Terminated Risk*

The Manager is granted a licence by the Index Provider to use each Index to create the relevant Sub-Fund based on the Index and to use certain trademarks and any copyright in the Index. A Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index Licence Agreement" in the relevant Appendix. Although the Manager will seek to find a replacement Index, a Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the

same or substantially similar formula for the method of calculation as used in calculating the Index.

#### *Compilation of Index Risk*

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

#### *Composition of an Index May Change Risk*

The Securities constituting an Index will change as the Securities of the Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Index. When this happens the weightings or composition of the Securities owned by the Sub-Funds will change as considered appropriate by the Manager or the Investment Delegate to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that the Sub-Funds will, at any given time accurately reflect the composition of the Index (refer to the section on "Tracking error risk").

### **Risks Associated with Regulation**

#### *Withdrawal of SFC Authorisation Risk*

The Trust and each Sub-Fund have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Trust or the Sub-Funds if the Index is no longer considered acceptable or impose such conditions as it considers appropriate. If the Manager does not wish the Trust or the Sub-Funds to continue to be authorised by the SFC, the Manager will give Unitholders at least three months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions, it becomes illegal, impractical or inadvisable to continue the Trust or the Sub-Funds, the Trust or the Sub-Funds (as applicable) will be terminated.

#### *Government Intervention, Legal and Regulatory Risks*

The Sub-Funds must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Sub-Funds. Governments and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions. Furthermore, such change in the laws or market intervention may have an impact on the market sentiment which may in turn affect the performance of the Index and as a result, the performance of the Sub-Funds. It is impossible to predict whether such an impact caused by any change of law or market intervention will be positive or negative for the Sub-Funds. In the worst case scenario, a Unitholder may lose a material part of its

investments in the Sub-Funds.

### *Taxation Risk*

Investing in the Sub-Funds 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.

### *FATCA Related Risks*

The US Foreign Account Tax Compliance Act (“FATCA”) provides that a 30% withholding tax will be imposed on certain payments to a foreign financial institution (“FFI”), such as the Trust and each Sub-Fund, including interest and dividends from securities of US issuers unless the FFI complies with the FATCA provisions and the relevant regulations, notices and announcements issued thereunder. Under FATCA, a participating FFI is required to identify all account holders (including investors in a Trust) that are US persons and report certain information concerning such persons to the IRS. The FFI is also required to deduct and impose FATCA withholding tax at 30% on certain payments made by the FFI to account holders who do not provide required information to the FFI or do not consent to FATCA reporting and disclosure to the US Internal Revenue Service (the “IRS”) (referred to as “recalcitrant account holders”) and may be required to close accounts of such account holders. Furthermore, the FFI is required to withhold 30% US tax from certain payments made to FFIs that are not compliant with FATCA.

Hong Kong and the US have entered into a Model 2 Inter-governmental Agreement (“IGA”) that will facilitate compliance with FATCA by financial institutions in Hong Kong. An FFI (including the Trust and Sub-Funds) will generally not be required to impose FATCA withholding tax at 30% on certain payments made to recalcitrant account holders or close the accounts of such account holders (provided that information regarding such account holders is reported to the IRS).

The Trust has been registered with the IRS as a Single Reporting Model 2 Foreign Financial Institution with Global Intermediary Identification Number IM0U2M.99999.SL.344. The Sub-Funds have been registered with the IRS as Single Reporting Model 2 Foreign Financial Institutions with Global Intermediary Identification Numbers 4FL0RW.99999.SL.344 (ChinaAMC Asia USD Investment Grade Bond ETF), 3TXNP1.99999.SL.344 (ChinaAMC Asia High Dividend ETF), K1ZQSL.99999.SL.344 (ChinaAMC MSCI Japan Hedged to USD ETF), CSFA40.99999.SL.344 (ChinaAMC MSCI Europe Quality Hedged to USD ETF) and VQAH4E.99999.SL.344 (ChinaAMC NASDAQ 100 ETF). Although the Trust and the Sub-Funds intend on satisfying any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Trust and the Sub-Funds will be able to satisfy these obligations. If any Sub-Fund, or distribution received by a Sub-Fund, becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The Trust and the Sub-Funds’ ability to comply with FATCA will depend on each Unitholder providing the Trust with information that the Trust requests concerning the Unitholder. In case there are US withholdable payments made by the Trust and the Sub-Funds to the Unitholder, the Unitholder might also be required to provide the Trust with information with respect to the underlying beneficial owners for whom the Unitholder is acting as an intermediary. As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has been registered as a Reporting Model 2 FFI for FATCA purposes.

Please also refer to the sub-section entitled “FATCA and Compliance with US Withholding Requirements” under the section headed “Hong Kong Taxation” in this Prospectus for further details on FATCA and related risks.

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

compliance status of those intermediaries.

#### *Valuation and Accounting Risk*

The Manager intends to adopt IFRS in drawing up the annual financial accounts of the Sub-Funds. However, the calculation of the Net Asset Value in the manner described under the section on "Determination of Net Asset Value" will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. To the extent that the basis adopted by a Sub-Fund for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial accounts for the financial accounts to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial accounts, including a reconciliation.

#### *Contagion Risk*

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

#### *Cross Liability Risk*

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

## MANAGEMENT AND ADMINISTRATION OF THE TRUST

### The Manager

The Manager of the Trust and each Sub-Fund is China Asset Management (Hong Kong) Limited.

The Manager is a wholly-owned subsidiary of China Asset Management Co., Ltd., and is licensed by the SFC to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance with CE Number ARS988. The Manager was incorporated in Hong Kong in September 2008.

The Manager is one of the first mainland Chinese fund management companies licensed to conduct asset management business in Hong Kong and one of the first Renminbi Qualified Foreign Institutional Investor fund managers in Hong Kong. China Asset Management Co., Ltd. is one of the first nation-wide fund management firms in the PRC and is currently one of the largest fund management companies in the PRC in terms of mutual fund assets under management (RMB 3 trillion as of 31 December 2025).

The Manager has delegated to the Investment Delegate the discretionary power in the management of the Sub-Funds as specified in the relevant Appendices. The Manager will conduct on-going supervision and regular monitoring of the competence of the Investment Delegate to ensure that the Manager's accountability to investors is not diminished, and although the investment management function of the Manager is delegated to the Investment Delegate, the responsibilities and obligations of the Manager may not be delegated. The remuneration of the Investment Delegate will be borne by the Manager.

The Directors of the Manager are as follows:

**Ms. LI Yimei** is currently the Vice Chairwoman of the Board of Directors, the General Manager and the Deputy Secretary of the Party Committee of China Asset Management Co., Ltd., also the Chairwoman of the Board of Directors of the Manager and the Director of China Equity Fund Management (Beijing) Co., Ltd. Ms. Li previously worked as the Deputy General Manager, Director of Sales, Director of Marketing, General Manager of Fund Marketing Department, and concurrent administrative person in charge of the Data Center of China Asset Management Co., Ltd., Executive Director and General Manager of Shanghai China Wealth Management Company Limited, Director of E-Capital Transfer Co., Ltd. etc. Ms. Li holds a Bachelor of Economics from Renmin University of China, a Master of Economics from Renmin University of China and a Master in Public Policy from Harvard University.

**Mr. YANG Kun** is currently a Deputy General Manager, Director of Investment and a member of the Party Committee of China Asset Management Co., Ltd., and the Vice Chairman of the Board of Directors of the Manager. Mr. Yang previously worked as the Finance Manager of China Foreign Economy and Trade Trust Co., Ltd, the Portfolio Manager Assistant of Baoying Fund Management Co., Ltd, the Manager of Investment Department of Yimin Asset Management Co., Ltd, the Deputy General Manager of Equity Investment Department of China Asset Management Co., Ltd, etc. Mr. Yang holds a Master of Business Administration from Guanghua School of Management, Peking University.

**Mr. SUN Liqiang** is currently the Chief Financial Officer and administrative person in charge of Finance Department of China Asset Management Co., Ltd., a Supervisor of China Capital Management Co., Limited, a Supervisor of Shanghai China Wealth Management Co., Ltd, and a Director of the Manager. Mr. Sun previously worked at Planning and Finance Department of Shenzhen Airlines Company Limited. He previously worked as the Deputy Head of Fund Operations Department and Deputy Head of Finance Department of China Asset Management Co., Ltd. etc. Mr. Sun holds a Bachelor of Accounting Management from Central University of Finance and Economics.

**Mr. GAN Tian** is currently the Chief Executive Officer and the Chief Investment Officer of the Manager. Mr. Gan joined China Asset Management Co., Ltd. in 2008 as a portfolio manager. Before joining China Asset Management Co., Ltd., Mr Gan has worked in Guotai Junan Securities and Guotai Junan Assets (Asia) Ltd. Mr. Gan holds Master degrees from University of Reading and University of Leicester in the United Kingdom. He also holds a Bachelor's degree from Sichuan University in the PRC.

**Mr. LI Fung Ming** is currently a Managing Director and the Chairman of Investment Committee of the Manager. Before joining the Manager in 2012, Mr. Li worked as a Managing Director, Head of China Research, Chief China Strategist and Head of Asian Autos and Auto Parts Research of JP Morgan Securities (Asia Pacific) Limited. Prior to that, he has also worked in Indosuez W. I. Carr Securities and China Guotai Securities. Mr. Li holds a Master of Arts degree from Shanghai University of International Business and Economics, and a Bachelor degree in Economics from Jiangsu University of Technology.

### **The Investment Delegate**

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Funds as specified in the relevant Appendices, whereby the Manager has delegated its investment management functions to the Investment Delegate and pays the Investment Delegate's fees out of the Manager's management fee. The Investment Delegate has been appointed pursuant to a sub-investment management agreement entered into between the Manager and the Investment Delegate. Under such agreement, the Investment Delegate exercises investment discretion in respect of the investments of the Sub-Funds and is responsible for the selection and ongoing monitoring of the Sub-Funds' investments in pursuit of the investment objective and in accordance with the investment restrictions disclosed in this Prospectus, subject to the oversight of the Manager.

Mackenzie Financial Corporation is a wholly-owned subsidiary of IGM Financial Inc. (TSX:IGM), a leading wealth and asset management company which is listed on the Toronto Stock Exchange. The Investment Delegate maintains a number of registrations including registrations as (i) a Portfolio Manager in all provinces and territories of Canada; and (ii) an Investment Adviser with the U.S. Securities and Exchange Commission. In January 2017, Power Corporation of Canada and the Investment Delegate acquired a combined 27.8% interest in China Asset Management Co., Ltd, a market-leading asset manager in China. In January 2022, the Investment Delegate entered into an agreement to acquire Power Corporation of Canada's 13.9% interest in China Asset Management Co., Ltd, doubling the Investment Delegate's interest in China Asset Management Co., Ltd to 27.8%.

### **The Trustee**

The Trustee of the Trust is Cititrust Limited, which is a registered trust company in Hong Kong. Cititrust Limited is a wholly-owned subsidiary of Citigroup Inc. ("Citigroup"). As a global financial services group, Citigroup and its subsidiaries provide a broad range of financial products and services, including consumer banking, corporate and investment banking, securities brokerage and wealth management to consumers, corporations, governments and institutions. The Trustee is licensed by the SFC to carry on Type 13 (providing depositary services for relevant CISs) regulated activity in Hong Kong under the Securities and Futures Ordinance with CE number AAY132.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Funds, and shall take into custody or under its control all the investments, assets and other properties forming part of the Trust Fund of each Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions and subject to the terms of the Trust Deed. All monies and other property which form part of the Trust Fund shall be paid or transferred to or to the order of the Trustee forthwith on receipt by the Manager. All such monies and other property and all investments from time to time comprised of the Trust Fund (and whether in bearer or registered form) shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof. Subject to the Trust Deed, cash and investments forming part of the Trust Fund and capable of registration shall, as soon as reasonably practicable after receipt of the necessary documents by the Trustee be registered in the name of or to the order of the

Trustee. The Trustee shall in respect of any investments or other assets of a Sub-Fund, which by nature cannot be held in custody, maintain a proper record of such investments or assets in its books under the name of that Sub-Fund.

The Trustee may from time to time, solely or jointly with the Manager, appoint such person or persons as it thinks fit (including, without limitation any of its Connected Persons) to hold, as custodian, nominee or agent, all or any of the investments, assets or other property comprised in the Trust Fund or any of the Sub-Funds and may empower any such person to appoint, with no objection in writing from the Trustee, co-custodians and/or sub-custodians provided that no such co-custodians or sub-custodians shall be appointed in respect of a market or markets which the Trustee has determined by notice to the Manager to be emerging markets (which shall not include Hong Kong or the PRC).

The Trustee is required to: (a) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of custodians, nominees, agents, co-custodians and sub-custodians which are appointed for the custody and/or safekeeping of the investments or other property comprised in the Trust Fund (each "a Correspondent"); and (b) be satisfied that each Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Trust. The Trustee shall be liable for the acts and omissions of its Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee.

The Trustee shall not be responsible for any act or omission of or be liable for any loss or damage caused by: (i) any depository or clearing and settlement system (including, but not limited to, Euro-clear Clearing System Limited or Clearstream Banking S.A.) in relation to any Security deposited with such depository or clearing and settlement system in the absence of any fraud, negligence, bad faith or wilful default on the part of the Trustee; (ii) the Registrar (other than where the Trustee is the Registrar), Participating Dealers, counterparties, third party service providers and advisers; or (iii) any agents of or persons appointed by the Manager.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or any Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those resulting from the fraud, negligence or wilful default on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or the Sub-Funds. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of fraud, negligence or wilful default by it or any agent, sub-custodian or delegate appointed by the Trustee, be liable for any losses, costs or damage to the Trust, any Sub-Fund or any Unitholder. Any indemnity expressly given to the Trustee in the Trust Deed is in addition to and without prejudice to any indemnity allowed by law.

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

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed. In addition to the amount paid by the Manager out of the Management Fee, the Trustee will also be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager (and the Investment Delegate subject to the Manager's oversight) has sole responsibility for making investment decisions in relation to the Trust and/or any Sub-Fund and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager and the Investment Delegate. Except as expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or

agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or any Sub-Fund, and they are not responsible for the preparation or issue of this Prospectus.

### **The Custodian**

The Trustee has appointed Citibank, N.A. (“Citibank”), Hong Kong Branch, as Custodian of the assets of the Trust and each Sub-Fund. Citibank is a wholly-owned subsidiary of Citigroup.

Citibank has been a provider of custodial and settlement services to Hong Kong and international clients since its establishment in the United States of America in 1814. Citibank’s global custodial network covers all mature and major emerging markets. Citibank began offering securities services in Hong Kong in the mid-1970’s and developed a full-blown capability by the mid-1980’s. Today, Citibank’s Securities and Funds Services business has a global client base of premier banks, fund managers, broker dealers, insurance companies and government entities.

Citibank is licensed by the SFC for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

### **The Administrator**

Citibank, N.A., Hong Kong Branch has been appointed as Administrator of the Trust and each Sub-Fund. In its capacity as Administrator, Citibank is responsible for certain financial, administrative and other services in relation to the Trust and each Sub-Fund, including:

- (a) determining the Net Asset Value and the Net Asset Value per Unit;
- (b) preparing and maintaining the Trust and the Sub-Funds’ financial and accounting records and statements; and
- (c) assisting in preparing the financial statements of the Trust and the Sub-Funds.

In respect of the Listed Class of Units, the Administrator will process Creation Applications and Redemption Applications from Participating Dealers.

### **The Registrar (applicable in respect of Listed Class of Units only)**

Tricor Investor Services Limited acts as the registrar of the Sub-Funds. The registrar provides services in respect of the establishment and maintenance of the register of the Unitholders of the Sub-Funds.

### **The Transfer Agent (applicable in respect of Unlisted Class(es) of Units only)**

Citicorp Financial Services Limited has been appointed as the Transfer Agent in respect of Unlisted Class(es) of Units of each Sub-Fund, in which capacity it is responsible for maintaining the register of Unitholders and for processing subscriptions and redemptions of Units.

### **The Auditor**

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

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

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealer, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its

services in connection with the creation and redemption of Listed Class of Units in a Sub-Fund by Participating Dealers or PD Agent (as the case may be).

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

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Sub-Funds may have different Participating Dealers in respect of the Listed Class of Units.

If the Participating Dealer has appointed a PD Agent, the PD Agent will act as an agent of the Participating Dealer to create and redeem Listed Class of Units in a Sub-Fund.

The Manager has the right to appoint the Participating Dealers for the Listed Class of Units of a Sub-Fund. The criteria for the eligibility and selection of Participating Dealers is as follows: (i) the Participating Dealer and (where applicable) PD Agent must be licensed for at least Type 1 regulated activity pursuant to the SFO with a business presence in Hong Kong; (ii) the Participating Dealer and (where applicable) PD Agent must have entered into a Participating Agreement with the Manager and the Trustee; (iii) the Participating Dealer (and where applicable, the appointment of the PD Agent by the Participating Dealer) must be acceptable to the Manager; and (iv) the Participating Dealer (and where applicable, the PD Agent appointed by the Participating Dealer) must be a participant in CCASS.

The latest list of the Participating Dealers and PD Agents (if any) in respect of each Sub-Fund is available at [www.chinaamc.com.hk](http://www.chinaamc.com.hk) (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

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

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

Subject to applicable regulatory requirements, the Manager will ensure that there is at all times at least one Market Maker for Listed Class of Units. Where a Dual Counter or Multi-Counter has been adopted, it is a requirement that the Manager ensures that there is at all times at least one Market Maker for Listed Class of Units traded in each counter although the same entity can act as the Market Maker for more than one counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will endeavour to ensure that there is at least one other Market Maker for the Listed Class of Units of each Sub-Fund (or each counter where a Dual Counter or Multi-Counter has been adopted) to facilitate the efficient trading of Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker of the Listed Class of Units of each Sub-Fund (or each counter where a Dual Counter or Multi-Counter has been adopted) gives not less than 3 months' notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers in respect of each available counter for the Listed Class of Units of each Sub-Fund is available at [www.hkex.com.hk](http://www.hkex.com.hk) and [www.chinaamc.com.hk](http://www.chinaamc.com.hk) (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

Further details relating to market making arrangement (including market making arrangement where Dual Counter or Multi-Counter is adopted) are described in Part 2 of this Prospectus.

### **Conflicts of Interest and Soft Dollars**

The Manager, the Investment Delegate and the Trustee may, from time to time, act as manager, sub-investment manager, investment delegate, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and the Sub-Funds and retain any profit or benefit made in connection therewith. It is therefore possible, that any of them or any of their Connected Persons may, in the course of business, have potential conflicts of interest with the relevant Sub-Fund. Each will, at all times, have regard in such event to its obligations to the Sub-Funds and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly. None of the Manager, the Investment Delegate and the Trustee shall be deemed to be affected with notice of or to be under any duty to disclose to the Sub-Funds any fact or thing which comes to the notice of the Manager, the Investment Delegate or the Trustee in the course of the Manager, the Investment Delegate or the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

In addition:

- (a) The Manager or the Investment Delegate or any of their Connected Persons may purchase and sell investments for the account of the Sub-Funds as agent for the Sub-Fund.
- (b) The Trustee, the Manager, the Investment Delegate and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets or may be interested in any such contract or transaction.
- (c) The Trustee, the Manager or the Investment Delegate or any of their Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee, the Manager or the Investment Delegate or any of their Connected Persons.
- (d) The Trustee, the Manager, the Investment Delegate and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the Sub-Funds.
- (e) Where any monies forming part of any Sub-Fund are transferred to a deposit account with the Trustee, the Manager, the Investment Delegate or any of their respective Connected Persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the Unitholders of the relevant Sub-Fund, having regard to the prevailing commercial rate for a deposit of similar type, size and duration negotiated at arm's length in accordance with ordinary and normal course of business.
- (f) Any arrangements for the borrowing of any monies for the account of the Sub-Funds may be made with any of the Trustee, the Manager, any Investment Delegate or any of their Connected Persons being a banker or other financial institution provided that such person shall charge interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with its normal banking practice, the commercial rates for loan of a similar size, nature and duration, in circumstances similar to those then prevailing in relation to the relevant Sub-Fund negotiated at arm's length.
- (g) Subject to applicable rules and regulations, the Manager, its delegate (including the Investment Delegate) or any of its Connected Persons may enter into transactions for or with the Sub-Funds as agent in accordance with normal market practice, provided that commissions charged to the Sub-Funds in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates
- (h) The Manager or the Investment Delegate may enter into trades for the account of a Sub-

Fund with the accounts of other clients of the Manager or the Investment Delegate or their affiliates (“cross trades”). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution. Cross trades may also be entered into between house accounts (i.e. account owned by the Manager or the Investment Delegate or any of their Connected Persons over which they can exercise control and influence) and client accounts in accordance with applicable laws and regulations.

Neither the Trustee nor the Manager nor the Investment Delegate nor any of their Connected Persons shall be liable to account to each other or to the Sub-Funds or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

If the Manager or the Investment Delegate decide to execute foreign exchange, spot, forward or swap transactions (collectively, “foreign exchange transactions”) with a Connected Person of the Trustee then:

- (a) such Connected Person will enter into such foreign exchange transaction with or for the account of the relevant Sub-Fund as a principal counterparty (and not as agent or fiduciary for the Trust or the relevant Sub-Fund or class of Units or the Manager or the Investment Delegate and on a basis determined by the Manager or the Investment Delegate to represent a transaction on an arm's length basis);
- (b) the Manager or the Investment Delegate will at its discretion determine the method of execution to be used, either generally or in any particular case, from the methods of execution made available to it by such Connected Person from time to time and shall be responsible for determining which method of execution is suitable for the relevant Sub-Fund or class of Units;
- (c) any such transaction shall be effected at rates quoted or as determined by such Connected Person from time to time which are consistent with the applicable method of execution chosen by the Manager or the Investment Delegate from the methods made available to it by such Connected Person in light of such factors as the Manager or the Investment Delegate determines to be relevant, including price, services transaction size and execution quality; and
- (d) such Connected Person with whom a Manager or the Investment Delegate determines to execute foreign exchange transactions for the account of a Sub-Fund of class of Units shall be entitled to retain for its own use and benefit any profit, benefit and/or advantage which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions.

For the avoidance of doubt, the Manager and the Investment Delegate may elect to enter into foreign exchange transactions with counterparties other than Connected Persons of the Trustee.

Where the Manager or the Investment Delegate invests the Sub-Funds in shares or units of a collective investment scheme (“underlying scheme”) managed by the Manager, its delegates (including the Investment Delegate) or any of its Connected Persons, the manager of the underlying scheme must waive any management fee, preliminary or initial charge or redemption charge which it is entitled to charge for its own account in relation to the acquisition or redemption of shares or units, as the case may be, and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or the Investment Delegate or any of their Connected Persons) borne by the Sub-Funds. Notwithstanding, such investment will present indirect benefits to the Manager, its delegates (including the Investment Delegate) or its Connected Persons (as the case may be) including but not limited to the increase in assets under management and/or seed money in the underlying scheme and resulting economics of scale. The Manager manages these conflicts of interest by having robust procedures around the selection of underlying schemes.

None of the Manager, its delegates (including the Investment Delegate) or any of their Connected Persons shall, retain any cash commission or rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either

directly or indirectly) arising out of the sale or purchase or loan of investments for the Sub-Funds, and any such rebates or payments or benefits which are received shall be credited to the account of the Sub-Funds.

The Manager, its delegates (including the Investment Delegate) or any of their Connected Persons may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Sub-Funds (as may be permitted under the Code, applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates, periodic disclosure in the form of a statement describing the soft dollar policies and practices of the Manager or the Investment Delegate, including a description of the goods and services received by them, will be made in the relevant Sub-Fund's annual report. Further, the availability of the soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar, the Transfer Agent, the Investment Delegate, the custodian and the Service Agent and their respective Connected Persons.

The foregoing parties may effect transactions with or on behalf of the Sub-Funds where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Sub-Funds will be on arm's length terms. For so long as the Sub-Funds is/are authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager, the Investment Delegate, the Trustee or any of their respective Connected Persons, must ensure it complies with the following obligations:

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

## **STATUTORY AND GENERAL INFORMATION**

### **Reports and Accounts**

The financial year-end of the Trust (and each Sub-Fund) is 31 December every year. Audited annual accounts are to be prepared (in accordance with IFRS) and published on the Manager's website within 4 months of each financial year-end. Half-yearly unaudited reports (applying the same accounting policies and method of computation as are applied in the audited annual accounts) are also to be prepared up to 30 June of each year and published on the Manager's website within 2 months of such date. Once these accounts and reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

The first audited annual accounts and the first half-yearly unaudited reports were for the period ending 31 December 2015 and half year ending 30 June 2015 respectively. Only an English version of the audited annual accounts and the half-yearly unaudited reports of the Sub-Funds will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The accounts and reports provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review. The accounts and reports shall also provide a comparison of each Sub-Fund's performance and the actual relevant Index performance over the relevant period, and such other information as is required under the Code.

### **Trust Deed**

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

### **Indemnities of the Trustee and Manager**

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of the Sub-Fund. Nothing in any of the provisions of the Trust Deed may provide that the Trustee or the Manager (as the case may be) can be exempted from any liability to Unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may they be indemnified either against such liability by Unitholders or at Unitholders' expense.

### **Modification of the Trust Deed**

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

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

## **Name of the Trust and Sub-Funds**

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

## **Meetings of Unitholders**

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

## **Voting Rights**

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the value of the Units in issue, on not less than 21 days' notice.

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers (including the Manager and the Trustee), removing the Manager or terminating the Sub-Funds 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% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Unitholders of at least 10% of the Units in issue and passed by a simple majority of more than 50% of the votes cast.

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

## **Termination**

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within 60 days or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal or in the opinion of the Trustee and the Manager, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by Extraordinary Resolution or (vi) if the Trustee notifies the Manager in writing of its intention to retire and no suitable person willing to act as trustee has been identified by the Manager within 60 days of the Trustee's notice.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund is less than HKD100 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund if: (i) after one year from the date of establishment of the Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund is less than HKD100 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund; (iii) its Index is no longer available for benchmarking or if the relevant Sub-Fund only has Listed Class of Units, and such Units of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) if the relevant Sub-Fund only has Listed Class of Units and if, at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or (v) the Manager is unable to implement its investment strategy in respect of the relevant Sub-Fund. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Funds by extraordinary resolution.

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

Notice of the termination of the Trust or the Sub-Funds will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the Sub-Funds and the alternatives available to them, and any other information required by the Code.

Any unclaimed proceeds or other cash held by the Trustee upon termination of the Trust or a Sub-Fund, as the case may be, may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

## **Distribution Policy**

### *Listed Class of Units*

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

### *Unlisted Class of Units*

In relation to accumulation Unlisted Classes of Units, there will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the relevant Sub-Fund on behalf of the Unitholders of the accumulation Classes.

In relation to distribution Unlisted Classes of Units, the Manager may make dividend distributions as set out in the relevant Appendix, subject to its discretion. The Manager intends to distribute

income to Unitholders having regard to the relevant Sub-Fund's net income after fees and costs. Distributions (if any) will be paid from net income after deduction of all fees and costs and may be paid out of or effectively out of the capital of the Sub-Fund. All Units of the distribution classes will receive distributions (if any) in the currency of the relevant distribution Unlisted Classes of Units.

The distribution policy of each Class may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

For Listed Class of Units and distribution Unlisted Classes of Units, the composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website [www.chinaamc.com.hk](http://www.chinaamc.com.hk).

### **Inspection of Documents**

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

- (a) Trust Deed;
- (b) Registrar Agreement;
- (c) Service Agreement;
- (d) Participation Agreement(s); and
- (e) The most recent annual financial statements of the Trust and the Sub-Funds (if any) and the most recent interim financial statements of the Trust and the Sub-Funds (if any).

### **Part XV of the SFO**

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

### **Anti-money Laundering Regulations**

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

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

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

### **Liquidity Risk Management**

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

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

The liquidity risk management policy involves monitoring the profile of investments held by each Sub-Fund on an ongoing basis to ensure that such investments are appropriate to the redemption policy as set out in Schedule 2 and Schedule 3 respectively, and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity risk management policy requires periodic stress testing to be carried out by the Manager to manage the liquidity risk of the Sub-Funds under normal and exceptional market conditions.

As a liquidity risk management tool:

- the Manager may limit the number of Units of a Sub-Fund redeemed on any Dealing Day to Units representing 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total number of Units in such a Sub-Fund then in issue, subject to the conditions as set out under "Deferred Redemption" in Schedule 2 and Schedule 3 respectively;
- in respect to the Unlisted Class of Units only, the Manager may (if in its opinion in good faith it is in the best interest of Unitholders to do so), through swing pricing mechanism, adjust the Net Asset Value of such Units of the Unlisted Class of Units so as to ensure that investors of the Unlisted Class of Units will not be prejudiced in the event of substantial net subscriptions or net redemptions as further detailed in the section on "Anti-Dilution Pricing Adjustment" in Schedule 3.

### **Material Changes to an Index**

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

### **Replacement of an Index**

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

- (a) the relevant Index ceasing to exist;
- (b) the licence to use the Index being terminated;
- (c) a new index becoming available that supersedes the existing Index;
- (d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Unitholders than the existing Index;

- (e) investing in the Securities comprised within the Index becomes difficult;
- (f) the Index Provider increasing its licence fees to a level considered too high by the Manager;
- (g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;
- (h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and
- (i) the instruments and techniques used for efficient portfolio management not being available.

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

### **Information Available on the Internet**

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

- (a) this Prospectus and the product key facts statements in respect of the Sub-Funds (as revised from time to time). Investors should note that where a Sub-Fund offers both Listed Class of Units and Unlisted Class(es) of Units to Hong Kong investors, separate sets of product key facts statement will be available for the Listed Class of Units and the Unlisted Class(es) of Units of the same Sub-Fund respectively;
- (b) the latest annual audited accounts and interim half yearly unaudited report (in English only);
- (c) any notices for material alterations or additions to this Prospectus or the Sub-Fund's constitutive documents;
- (d) any public announcements and notices made by the Sub-Funds, including information with regard to the Sub-Funds and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and, in respect of Listed Class of Units, the suspension and resumption of trading;
- (e) (in respect of Listed Class of Units only) the real time or near-real time indicative Net Asset Value per Unit updated every 15 seconds during trading hours throughout each Dealing Day in HKD (where a Dual Counter has been adopted for a Sub-Fund, in HKD and USD, and where a Multi-Counter has been adopted for a Sub-Fund, in HKD, USD and RMB);
- (f) (in respect of Listed Class of Units only) the last Net Asset Value of each Sub-Fund in HKD and, the last Net Asset Value per Unit of each Sub-Fund (updated on a daily basis) in HKD (where a Dual Counter has been adopted for a Sub-Fund, in HKD and USD, and where a Multi-Counter has been adopted for a Sub-Fund, in HKD, USD and RMB);
- (g) the full holdings of the Sub-Funds (updated on a daily basis unless otherwise specified in the relevant Appendix);
- (h) (in respect of Listed Class of Units only) the latest list of the Participating Dealers and Market Makers;

- (i) if applicable to the Sub-Fund, the composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period; and
- (j) if a Sub-Fund's net derivative exposure exceeds 50% of its total Net Asset Value or if securities financing transactions undertaken by a Sub-Fund exceed 50% of its total Net Asset Value, information on financial derivative instruments acquired by or securities financing transactions undertaken by the Sub-Fund (such as counterparty exposure and collateral information).

In respect of Listed Class of Units of the Sub-Fund:

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

In respect of a Sub-Fund where a Dual Counter has been adopted for its Listed Class of Units:

- (a) the near-real time indicative Net Asset Value per Unit in USD is indicative and for reference purposes only. The near-real time indicative Net Asset Value per Unit in USD is calculated by ICE Data Indices, LLC using the near-real time indicative Net Asset Value per Unit in HKD multiplied by the real time USD:HKD foreign exchange rate. This is updated during SEHK trading hours when the SEHK is opened for trading.
- (b) the last Net Asset Value per Unit in USD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the USD:HKD exchange rate quoted by WM Reuters at 4:00 p.m. (London time)\* as of the same Dealing Day.

In respect of a Sub-Fund where a Multi-Counter has been adopted for its Listed Class of Units:

- (c) the near-real time indicative Net Asset Value per Unit in USD and RMB is indicative and for reference purposes only. The near-real time indicative Net Asset Value per Unit in USD and RMB is calculated by ICE Data Indices, LLC using the near-real time indicative Net Asset Value per Unit in HKD multiplied by the real time USD:HKD and RMB(CNH):HKD foreign exchange rates. This is updated during SEHK trading hours when the SEHK is opened for trading.
- (d) the last Net Asset Value per Unit in USD and RMB is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the USD:HKD or RMB(CNH):HKD exchange rate quoted by WM Reuters at 4:00 p.m. (London time)\* as of the same Dealing Day.

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

## **Notices**

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

**Manager**

**Trustee**

China Asset Management (Hong Kong) Limited  
37/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

Cititrust Limited  
50/F, Champion Tower  
3 Garden Road  
Central  
Hong Kong

### **Website information**

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

## HONG KONG TAXATION

*The following summary of Hong Kong taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below. Investors should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.*

### **Taxation of the Trust and Sub-Funds**

#### *Profits Tax*

As the Trust and the Sub-Funds have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and the Sub-Funds are exempt from Hong Kong profits tax under Section 26A(1A)(a)(i) of the Inland Revenue Ordinance.

#### *Stamp Duty*

Hong Kong stamp duty is ordinarily payable, *inter alia*, on the sale or purchase of Hong Kong stock. "Hong Kong stock" is defined in the Stamp Duty Ordinance ("SDO") as "stock" (as further defined in the SDO) the transfer of which is required to be registered in Hong Kong.

Under the remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty payable on the transfer of Securities to the Trust or the Sub-Funds by an investor (through a Participating Dealer) for creation of Units will be remitted or refunded. Similarly, Hong Kong stamp duty payable on the transfer of Securities by the Trust or the Sub-Funds to an investor (through a Participating Dealer) upon redemption of Units will also be remitted or refunded.

No Hong Kong stamp duty is generally payable by the Sub-Funds on an issue or redemption of Units, where the redemption is effected by extinguishing the Units.

The sale and purchase of Hong Kong stock (if any) by the Sub-Funds to reflect any changes in an Index is subject to Hong Kong stamp duty at 0.10% on the higher of the consideration amount or market value, payable by both the buyer and the seller.

### **Taxation of the Unitholders**

#### *Profits Tax*

Distributions by the Trust or the Sub-Funds should generally not be subject to Hong Kong profits tax in the hands of the Unitholders in accordance with the practice of the IRD (as at the date of this Prospectus). Hong Kong profits tax (which is currently charged at the rate of 16.5% for corporations, and 15% for individuals and unincorporated business) will arise on any gains or profits sourced in Hong Kong made on the sale, redemption or other disposal of the Units where such transactions form part of a trade, profession or business carried on by a Unitholder in Hong Kong and such Units are not capital assets to the Unitholders. A two-tiered profits tax rates regime was enacted on 29 March 2018 and is applicable to any year of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HKD 2 million of assessable profits will be subject to a reduced tax rate at 50% of the standard profits tax rate (i.e. 8.25% for

corporations and 7.5% for individuals and unincorporated business), with certain exceptions, and the remaining profits will be subject to the standard rate of 16.5% for corporations and 15% for individuals and unincorporated business. For a group of “connected entities” (as defined under Section 14AAB of Inland Revenue Ordinance (Cap. 112)), only one entity within the group can elect to apply the two-tiered profits tax rates. Unitholders should take advice from their own professional advisers as to their particular tax position.

There is no withholding tax on dividend distributions in Hong Kong.

### *Stamp Duty*

The Units fall within the definition of “Hong Kong stock” as defined in the SDO. No Hong Kong stamp duty is payable by a Unitholder on an issue or redemption of Units where the redemption is effected by extinguishing the Units.

Under the Stamp Duty (Amendment) Ordinance 2015, no stamp duty is payable on the transfer, sale or purchase of shares or units of exchange traded funds (as defined in Part 1 of Schedule 8 to the SDO) traded or listed on the SEHK. Accordingly, no stamp duty will be payable by Unitholders on any transfer, sales or purchase of Units in any Sub-Fund (which is an exchange traded fund as defined in Part 1 to Schedule 8 of the SDO).

### **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 (“FI”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement (“CAA”); however, the Trust, the Sub-Funds and/or their agents may further collect information relating to residents of other jurisdictions.

The AEOI rules as implemented by Hong Kong require the Trust and each Sub-Fund and/or its agents to, amongst other things: (i) register the Trust and each Sub-Fund status as a “Reporting Financial Institution” with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered “Reportable Accounts” for AEOI purposes; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Ordinance, details of Unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, 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 of tax residence.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Unitholders acknowledge that they may be required to provide additional information to the Trust, the Sub-Fund, the Manager and/or their agents in order for the Sub-Fund to comply with AEOI. The Unitholder’s information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions. The failure of a Unitholder to provide any requested information may result in the Trust, the Sub-Fund, the Manager and/or their agents taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Unitholder concerned.

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

## **FATCA and Compliance with US Withholding Requirements**

The US Hiring Incentives to Restore Employment Act (the "HIRE Act") was signed into US law in March 2010, which included provisions commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA". Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the "Revenue Code"), which impose rules on foreign financial institutions, such as the Trust and each Sub-Fund, with respect to certain payments, including interest and dividends from securities of US issuers. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify "US persons" (within the meaning of the Revenue Code) with interests in such payments. To avoid such withholding on payments made to it, an FFI (including banks, brokers, custodians and investment funds), such as the Trust and each Sub-Fund, located in jurisdictions that have not signed any Inter-governmental Agreement ("IGA") for the implementation of FATCA, will be required to enter into an agreement with the IRS (an "FFI Agreement") as part of the requirements to be a participating FFI for FATCA purposes. Participating FFIs are required to identify all account holders (including investors in a trust) that are US persons and report certain information concerning such US persons to the IRS. Subject to any applicable IGA, the FFI Agreement also generally requires that a participating FFI deduct 30% US withholding tax from certain payments made by the participating FFI to recalcitrant account holders (i.e. account holders that do not provide required information to the FFI or do not consent to FATCA reporting and disclosure to the IRS) and may be required to close accounts of such account holders. Moreover, participating FFIs are required to deduct and withhold on payments made to investors that are themselves FFIs but that have not entered into an FFI Agreement with the IRS or that are not otherwise deemed compliant with FATCA.

FATCA withholding applies to certain payments of US source income, including US source dividends and interest, made after 30 June 2014. Pending further regulatory guidance from the US Treasury/IRS the 30% withholding may also apply to payments otherwise attributable to non-US source income (also known as "foreign passthru payments") starting from the date that is two years after the publication of final regulations defining the term "foreign passthru payment".

The US has entered into IGAs with a number of jurisdictions to facilitate the implementation of FATCA. Hong Kong and the US have entered into a Model 2 IGA.

The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. An FFI will not be required to impose FATCA withholding tax at 30% on certain payments made to recalcitrant account holders or close accounts of such account holders (provided that information regarding such account holders is reported to the IRS). Withholding may apply to withholdable payments covered by FATCA if the Trust and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the IGA.

The Trust has been registered with the IRS as a Single Reporting Model 2 Foreign Financial Institution with Global Intermediary Identification Number IM0U2M.99999.SL.344. The Sub-Funds have been registered with the IRS as Single Reporting Model 2 Foreign Financial Institutions with Global Intermediary Identification Numbers 4FL0RW.99999.SL.344 (ChinaAMC Asia USD Investment Grade Bond ETF), and 3TXNP1.99999.SL.344 (ChinaAMC Asia High Dividend ETF), K1ZQSL.99999.SL.344 (ChinaAMC MSCI Japan Hedged to USD ETF), CSFA40.99999.SL.344 (ChinaAMC MSCI Europe Quality Hedged to USD ETF) and VQA4E.99999.SL.344 (ChinaAMC NASDAQ 100 ETF). In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's intention to satisfy the requirements imposed under FATCA and the Manager is responsible for the compliance of the Trust and the Sub-Funds with FATCA. Hence it is possible that this may require the Trust (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Unitholders that are identified as Specified US Persons to the IRS or the local authorities pursuant to the terms of an applicable IGA (as the case may be), including certain Unitholders who fail to provide relevant information and documents required to identify their FATCA status or fail to provide consent to the Trust to report. Reporting and FATCA withholding may also be required on Unitholders that are identified as non-FATCA compliant financial institutions (i.e. non-participating

FFIs). As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has been registered as a Reporting Model 2 FFI for FATCA purposes.

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

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

## SCHEDULE 1 - INVESTMENT RESTRICTIONS

Each Sub-Fund shall be subject to the investment restrictions set out in this Schedule 1 save to the extent that any approval, permission or waiver in respect of the below restrictions has been obtained from the SFC and disclosed in the Appendix of a Sub-Fund, or otherwise provided under the Code.

The investment restrictions set out herein shall also be applicable to the Investment Delegate in its investment management of the Sub-Funds subject to the supervision of the Manager.

### 1. Investment limitations applicable to each Sub-Fund

No holding of any security may be acquired for or added to a Sub-Fund which would be inconsistent with achieving the investment objective of the Sub-Fund or which would result in:

- (a) the aggregate value of the Sub-Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following exceeding 10% of the latest available Net Asset Value of the relevant Sub-Fund:
  - (i) investments in securities issued by that entity;
  - (ii) exposure to that entity through underlying assets of financial derivative instruments; and
  - (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

For the avoidance of doubt, restrictions and limitations on counterparty as set out in sub-paragraphs 1(a), 1(b) and 4.4(c) of this Schedule 1 will not apply to financial derivative instruments that are:

- (A) transacted on an exchange where the clearing house performs a central counterparty role; and
- (B) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

The requirements under this sub-paragraph 1(a) will also apply in the case of sub-paragraphs 6(e) and (j) of this Schedule 1;

- (b) subject to sub-paragraphs 1(a) and 4.4(c) of this Schedule 1, the aggregate value of the Sub-Fund's investments in, or exposure to, entities within the same group through the following exceeding 20% of the latest available Net Asset Value of the relevant Sub-Fund:
  - (i) investments in securities issued by those entities;
  - (ii) exposure to those entities through underlying assets of financial derivative instruments; and
  - (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

For the purposes of sub-paragraphs 1(b) and 1(c) of this Schedule 1, "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 recognized accounting standards.

The requirements under this sub-paragraph 1(b) will also apply in the case of sub-

paragraphs 6(e) and (j) of this Schedule 1.

- (c) the value of the Sub-Fund's cash deposits made with the same entity or entities within the same group exceeding 20% of the latest available Net Asset Value of the relevant Sub-Fund provided that the 20% limit may be exceeded in the following circumstances:
- (i) cash held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested;
  - (ii) cash proceeds from liquidation of investments prior to the merger or termination of the Sub-Fund, whereby the placing of cash deposits with various financial institutions would not be in the best interests of investors; or
  - (iii) cash proceeds received from subscriptions pending investments and cash held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions would be unduly burdensome and the cash deposits arrangement would not compromise investors' interests.

For the purposes of this sub-paragraph 1(c), "cash deposits" generally refer to those that are repayable on demand or have the right to be withdrawn by the Sub-Fund and not referable to provision of property or services;

- (d) the Sub-Fund's holding of any ordinary shares (when aggregated with all other Sub-Funds' holdings of such ordinary shares) exceeding 10% of any ordinary shares issued by any single entity;
- (e) the value of the Sub-Fund's investment in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a market (being 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), exceeding 15% of the latest available Net Asset Value of such Sub-Fund;
- (f) the value of the Sub-Fund's total holding of Government and other public securities of the same issue exceeding 30% of the latest available Net Asset Value of such Sub-Fund (save that the Sub-Fund may invest all of its assets in Government and other public securities in at least six different issues). For the avoidance of doubt, 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; and
- (g) (i) the value of the Sub-Fund's investment in units or shares in other collective investment schemes (namely "**underlying schemes**") which are non-eligible schemes (the list of "eligible schemes" is as specified by the SFC from time to time) and not authorized by the SFC in aggregate exceeding 10% of its latest available Net Asset Value; and
- (ii) the value of the Sub-Fund's investment in units or shares in each underlying scheme which is either an eligible scheme (the list of "eligible schemes" is as specified by the SFC from time to time) or a scheme authorized by the SFC exceeding 30% of its latest available Net Asset Value unless the underlying scheme is authorized by the SFC, and the name and key investment information of the underlying scheme are disclosed in the Appendix of that Sub-Fund,

provided that:

- (A) no investment may be made in any underlying scheme the investment objective of which is to invest primarily in any investment prohibited by Chapter 7 of the Code;

- (B) where an 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. For the avoidance of doubt, a Sub-Fund may invest in underlying scheme(s) authorized by the SFC under Chapter 8 of the Code (except for hedge funds under 8.7 of the Code), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total net asset value, and Qualified Exchange Traded Funds in compliance with sub-paragraphs 1(g)(i) and (ii) of this Schedule 1;
- (C) the underlying scheme's objective may not be to invest primarily in other collective investment scheme(s);
- (D) all initial charges and redemption charges on the underlying scheme(s) must be waived if the underlying scheme is managed by the Manager or its Connected Persons; and
- (E) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

For the avoidance of doubt:

- (aa) unless otherwise provided under the Code, the spread requirements under sub-paragraphs 1(a), (b), (d) and (e) of this Schedule 1 do not apply to investments in other collective investment schemes by a Sub-Fund;
- (bb) unless otherwise disclosed in the Appendix of a Sub-Fund, the investment by a Sub-Fund in a Qualified Exchange Traded Fund will be considered and treated as listed securities for the purposes of and subject to the requirements in sub-paragraphs 1(a), (b) and (d) of this Schedule 1. Notwithstanding the aforesaid, the investments by a Sub-Fund in Qualified Exchange Traded Funds shall be subject to sub-paragraph 1(e) of this Schedule 1 and the relevant investment limits in Qualified Exchange Traded Funds by a Sub-Fund shall be consistently applied;
- (cc) where investments are made in listed real estate investment trusts ("REITs"), the requirements under sub-paragraphs 1(a), (b) and (d) of this Schedule 1 apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then the requirements under sub-paragraphs 1(e) and (g)(i) of this Schedule 1 apply respectively; and
- (dd) where a Sub-Fund invests in index-based financial derivative instruments, the underlying assets of such financial derivative instruments are not required to be aggregated for the purposes of the investment restrictions or limitations set out in sub-paragraphs 1(a), (b), (c) and (f) of this Schedule 1 provided that the index is in compliance with the requirements under 8.6(e) of the Code.

## **2. Investment prohibitions applicable to each Sub-Fund**

The Manager shall not, unless otherwise specifically provided for in the Code, on behalf of any Sub-Fund:

- (a) invest in physical commodities unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary;

- (b) invest in any type of real estate (including buildings) or interests in real estate (including any options or rights but excluding shares in real estate companies and interests in REITs);
- (c) make short sales unless (i) the liability of the relevant Sub-Fund to deliver securities does not exceed 10% of its latest available Net Asset Value; (ii) the security which is to be sold short is actively traded on a market where short selling activity is permitted; and (iii) the short sales are carried out in accordance with all applicable laws and regulations;
- (d) carry out any naked or uncovered short sale of securities;
- (e) subject to sub-paragraph 1(e) of this Schedule 1, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements as set out in sub-paragraphs 5.1 to 5.4 of this Schedule 1 are not subject to the limitations in this sub-paragraph 2(e);
- (f) acquire any asset or engage in any transaction which involves the assumption of any liability by the relevant Sub-Fund which is unlimited. For the avoidance of doubt, the liability of Unitholders of a Sub-Fund is limited to their investments in that Sub-Fund;
- (g) invest in any security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5%, or collectively they own more than 5%, of the total nominal amount of all the issued securities of that class;
- (h) invest in 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 from the Sub-Fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purposes of sub-paragraphs 4.5 and 4.6 of this Schedule 1.

### 3. **Feeder Funds**

A Sub-Fund which is a feeder fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme ("**underlying scheme**") in accordance with the following provisions:

- (a) such underlying scheme ("**master fund**") must be authorized by the SFC;
- (b) no increase in the overall total of initial charges, redemption charges, management fees, or any other costs and charges payable to the Manager or any of its connected persons borne by the Unitholders or by the feeder fund may result, if the master fund in which the feeder fund invests is managed by the Manager or by a connected person of the Manager; and
- (c) notwithstanding proviso (C) to sub-paragraph 1(g) of this Schedule 1, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in sub-paragraphs 1(g)(i) and (ii) and proviso (A), (B) and (C) to sub-paragraph 1(g) of this Schedule 1.

### 4. **Use of Financial derivative instruments**

4.1 A Sub-Fund may acquire financial derivative instruments for hedging purposes. For the purposes of this sub-paragraph 4.1, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all the following criteria:

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

- (b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;
- (c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and
- (d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned, with due consideration on the fees, expenses and costs, to enable the relevant Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

- 4.2 A Sub-Fund may also acquire financial derivative instruments for non-hedging purposes (“**investment purposes**”) subject to the limit that such Sub-Fund’s net exposure relating to these financial derivative instruments (“**net derivative exposure**”) does not exceed 50% of its latest available Net Asset Value provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes under sub-paragraph 4.1 of this Schedule 1 will not be counted towards the 50% limit referred to in this sub-paragraph 4.2 so long as there is no residual derivative exposure arising from such hedging arrangement. Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time.
- 4.3 Subject to sub-paragraphs 4.2 and 4.4 of this Schedule 1, a Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in sub-paragraphs 1(a), (b), (c), (f), (g)(i) and (ii), proviso (A) to (C) to sub-paragraph 1(g) and sub-paragraph 2(b) of this Schedule 1.
- 4.4 The financial derivative instruments invested by a Sub-Fund shall be either listed/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, currencies, or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies;
  - (b) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;
  - (c) subject to sub-paragraphs 1(a) and (b) of this Schedule 1, a Sub-Fund’s net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of its latest available Net Asset Value provided that the exposure of the Sub-Fund to a counterparty of over-the-counter financial derivative instruments may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments with that counterparty, if applicable; and

- (d) the valuation of the financial derivative instruments 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) (as the case may be) independent of the issuer of the financial derivative instruments through measures such as the establishment of a valuation committee or engagement of third party services. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative. Further, any person appointed to perform valuation of the financial derivative instruments (including any calculation agent or the Administrator) should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.
- 4.5 A Sub-Fund should at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in financial derivative instruments in respect of a Sub-Fund are adequately covered on an ongoing basis. For the purposes of this sub-paragraph 4.5, assets that are used to cover the Sub-Fund's payment and delivery obligations incurred under transactions in financial derivative instruments shall 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.
- 4.6 Subject to sub-paragraph 4.5 of this Schedule 1, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a Sub-Fund shall be covered as follows:
- (a) in the case of financial derivative instruments transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund shall at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and
  - (b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund shall hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation provided further that the Sub-Fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.
- 4.7 The requirements under sub-paragraphs 4.1 to 4.6 of this Schedule 1 shall apply to embedded financial derivative. For the purposes of this Prospectus, an **"embedded financial derivative"** is a financial derivative instrument that is embedded in another security.

## **5. Securities financing transactions**

- 5.1 If so disclosed in the relevant Appendix, a Sub-Fund may engage in securities financing transactions, provided that they are in the best interests of Unitholders of such Sub-Fund to do so and the associated risks have been properly mitigated and addressed, and provided further that the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.
- 5.2 A Sub-Fund shall have at least 100% collateralization in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralized counterparty risk exposure arising from these transactions.

- 5.3 All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, shall be returned to the Sub-Fund.
- 5.4 A Sub-Fund shall only enter into a securities financing transaction if the terms of such securities financing transaction include the power for the Sub-Fund at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction or terminate the securities financing transaction(s) into which it has entered.

## 6. **Collateral**

In order to limit the exposure to each counterparty as set out in sub-paragraphs 4.4(c) and 5.2 of this Schedule 1, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements set out below:

- (a) Liquidity – the collateral is sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing;
- (b) Valuation – the collateral is marked-to-market daily by using independent pricing sources;
- (c) Credit quality – the collateral is of high credit quality provided that, in the event the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral, such collateral shall be replaced immediately;
- (d) Haircut – the collateral is subject to a prudent haircut policy;
- (e) Diversification – the collateral is appropriately diversified so as to avoid concentrated exposure to any single entity and/or entities within the same group. A Sub-Fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in sub-paragraphs 1(a), 1(b), 1(c), 1(f), 1(g)(i) and (ii) and provisos (A) to (C) of sub-paragraph 1(g) and sub-paragraph 2(b) of this Schedule 1;
- (f) Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions in such a way that would undermine the effectiveness of the collateral. For this purpose, securities issued by the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions or any of their related entities should not be used as collateral;
- (g) Management of operational and legal risks – the Manager has appropriate systems, operational capabilities and legal expertise for proper collateral management;
- (h) Independent custody – the collateral is held by the Trustee or by duly appointed nominee, agent or delegate;
- (i) Enforceability – the collateral is readily accessible or enforceable by the Trustee without further recourse to the issuer of the financial derivative instruments, or the counterparty of the securities financing transactions;
- (j) Re-investment of collateral – any re-investment of collateral received for the account of the relevant Sub-Fund shall be subject to the following requirements:
  - (i) cash collateral received may only be reinvested in short-term deposits, high quality

money market instruments and money market funds authorized under 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. For this purpose, money market instruments refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account;

- (ii) non-cash collateral received may not be sold, re-invested or pledged;
  - (iii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in sub-paragraphs 7(b) and 7(j) of this Schedule 1;
  - (iv) cash collateral received is not allowed to be further engaged in any securities financing transactions;
  - (v) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any securities financing transactions;
- (k) the collateral is free of prior encumbrances; and
- (l) the collateral generally does not include (i) structured products whose payouts rely on embedded financial derivatives or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitized products; or (iv) unlisted collective investment schemes.

## **7. Money Market Funds**

In the exercise of its investment powers in relation to a Sub-Fund which is a money market fund ("Money Market Fund") authorised by the SFC under 8.2 of the Code, the Manager shall ensure that the core requirements as set out in paragraphs 1, 2, 4, 5, 6, 9, 10.1 and 10.2 of this Schedule 1 shall apply with the following modifications, exemptions or additional requirements:

- (a) subject to the provisions set out below, a Money Market Fund may only invest in short-term deposits and high quality money market instruments (i.e. securities normally dealt in on the money markets including government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptances, asset-backed securities such as asset-backed commercial papers), and money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;
- (b) a Money Market Fund shall maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days (or two years in the case of Government and other public securities). For the purposes herein;
  - (i) "weighted average maturity" is a measure of the average length of time to maturity of all the underlying securities in a Money Market Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Money Market Fund to changing money market interest rates; and
  - (ii) "weighted average life" is the weighted average of the remaining life of each security held in a Money Market Fund; and is used to measure the credit risk, as well as the

liquidity risk,

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

- (c) notwithstanding sub-paragraphs 1(a) and 1(c) of this Schedule 1, the aggregate value of a Money Market Fund's holding of instruments issued by a single entity, together with any deposits held with that same issuer may not exceed 10% of the latest available Net Asset Value of such Money Market Fund except:
  - (i) the value of a Money Market Fund's holding of instruments and deposits issued by a single entity may be increased to 25% of the latest available Net Asset Value of such Money Market Fund if the entity is a substantial financial institution, provided that the total value of such holding does not exceed 10% of the entity's share capital and non-distributable capital reserves;
  - (ii) up to 30% of a Money Market Fund's latest available Net Asset Value may be invested in Government and other public securities of the same issue; or
  - (iii) in respect of any deposit of less than US\$1,000,000 or its equivalent in the Base Currency of the relevant Money Market Fund where such Money Market Fund cannot otherwise diversify as a result of its size;
- (d) notwithstanding sub-paragraphs 1(b) and 1(c) of this Schedule 1, the aggregate value of a Money Market Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its latest available Net Asset Value provided that:
  - (i) the aforesaid limit will not apply in respect of cash deposit of less than US\$ 1,000,000 or its equivalent in the Base Currency of such Money Market Fund, where it cannot otherwise diversify as a result of its size; and
  - (ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;
- (e) the value of a Money Market Fund's holding of money market funds that are authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC may not in aggregate exceed 10% of its latest available Net Asset Value;
- (f) the value of a Money Market Fund's holding of investments in the form of asset-backed securities may not exceed 15% of its latest available Net Asset Value;
- (g) subject to paragraphs 5 and 6 of this Schedule 1, a Money Market Fund may engage in sale and repurchase transactions, and reverse repurchase transactions in compliance with the following additional requirements:
  - (i) the amount of cash received by the Money Market Fund under sale and repurchase transactions may not in aggregate exceed 10% of its latest available Net Asset Value;
  - (ii) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the latest available Net Asset Value of the Money Market Fund;

- (iii) collateral received may only be cash, high quality money market instruments and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and
  - (iv) the holding of collateral, together with other investments of the Money Market Fund, must not contravene the investment limitations and requirements set out in the other provisions of this paragraph 7 of this Schedule 1;
- (h) a Money Market Fund may use financial derivative instruments for hedging purposes only;
- (i) the currency risk of a Money Market Fund should be appropriately managed and any material currency risk that arises from investments of the Money Market Fund that are not denominated in its Base Currency shall be appropriately hedged;
- (j) a Money Market Fund must hold at least 7.5% of its latest available Net Asset Value in daily liquid assets and at least 15% of its latest available Net Asset Value in weekly liquid assets. For the purposes herein:
- (i) daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and
  - (ii) weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities.

## 8. Index Funds

- 8.1 In the exercise of its investment powers in relation to a Sub-Fund the principal objective of which is to track, replicate or correspond to a financial index or benchmark ("**Underlying Index**"), with an aim of providing or achieving investment results or returns that closely match or correspond to the performance of the Underlying Index ("**Index Fund**"), the Manager shall ensure that the core requirements in paragraphs 1, 2, 4, 5, 6, 9.1, 10.1 and 10.3 of this Schedule 1 shall apply with the modifications or exceptions as set out in sub-paragraphs 8.2 to 8.4 below.
- 8.2 Notwithstanding sub-paragraph 1(a) of this Schedule 1, more than 10% of the latest available Net Asset Value of an Index Fund may be invested in constituent securities issued by a single entity provided that:
- (a) it is limited to any constituent securities that each accounts for more than 10% of the weighting of the Underlying Index; and
  - (b) the Index Fund's holding of any such constituent securities may not exceed their respective weightings in the Underlying Index, except where weightings are exceeded as a result of changes in the composition of the Underlying Index and the excess is only transitional and temporary in nature.
- 8.3 Investment restrictions in sub-paragraphs 8.2(a) and (b) of this Schedule 1 do not apply if:
- (a) an Index Fund adopts a representative sampling strategy which does not involve the full replication of the constituent securities of the Underlying Index in the exact weightings of such Underlying Index;
  - (b) the strategy is clearly disclosed in the relevant Appendix of the Index Fund;

- (c) the excess of the weightings of the constituent securities held by the Index Fund over the weightings in the Underlying Index is caused by the implementation of the representative sampling strategy;
- (d) any excess weightings of the Index Fund's holdings over the weightings in the Underlying 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 Underlying Index and any other suitable factors;
- (e) limits laid down for the Index Fund pursuant to sub-paragraph 8.3(d) must be disclosed in the relevant Appendix of the Index Fund; and
- (f) disclosure must be made in the Index Fund's interim and annual financial reports as to whether the limits imposed for the Index Fund itself pursuant to sub-paragraph 8.3(d) of this Schedule 1 have been complied with in full.

8.4 Subject to approval of the SFC, the investment restrictions in sub-paragraphs 1(b) and (c) of this Schedule 1 may be modified and the 30% limit in sub-paragraph 1(f) of this Schedule 1 may be exceeded, and an Index Fund may invest all of its assets in Government and other public securities in any number of different issues despite sub-paragraph 1(f) of this Schedule 1.

## **9. Borrowing and Leverage**

The expected maximum level of leverage of each Sub-Fund is as follows:

### Cash borrowing

9.1 No borrowing shall be made in respect of a Sub-Fund which would result in the principal amount for the time being of all borrowings made for the account of the relevant Sub-Fund exceeding an amount equal to 10% of the latest available Net Asset Value of the relevant Sub-Fund provided always that back-to-back loans do not count as borrowing. Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Trustee may at the request of the Manager borrow for the account of a Sub-Fund any currency, and charge or pledge assets of the relevant Sub-Fund, for the following purposes:

- (a) facilitating the creation or redemption of Units or defraying operating expenses;
- (b) enabling the Manager to acquire Securities for the account of the Sub-Funds; or
- (c) for any other proper purpose as may be instructed by the Manager to the Trustee from time to time.

For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements as set out in sub-paragraphs 5.1 to 5.4 of this Schedule 1 are not borrowings for the purpose of, and are not subject to the limitations in this sub-paragraph 9.1.

9.2 Notwithstanding sub-paragraph 9.1 of this Schedule 1, a Money Market Fund may borrow only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

### Leverage from the use of financial derivative instruments

- 9.3 A Sub-Fund may also be leveraged through the use of financial derivative instruments and its expected maximum level of leverage through the use of financial derivative instruments (i.e. expected maximum net derivative exposure) is set out in the relevant Appendix.
- 9.4 In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the relevant Sub-Fund are converted into their equivalent positions in their underlying assets. The net derivative exposure is calculated in accordance with the requirements and guidance by the SFC which may be updated from time to time.
- 9.5 The actual level of leverage may be higher than such expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

## **10. Name of Sub-Fund**

- 10.1 If the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund must, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.
- 10.2 The name of a Money Market Fund must not appear to draw a parallel between the Money Market Fund and the placement of cash on deposit.
- 10.3 The name of an Index Fund must reflect the nature of an index fund.

## **SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS**

*This Schedule 2 contains disclosure relating to Listed Class of Units only. Unless the context otherwise requires, references to “Units” and “Unitholders” in this Schedule shall be construed to refer to the Listed Class of Units of a Sub-Fund or a Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under Part 1 of the Prospectus. Please refer to Schedule 3 for information relating to the offer, subscription, switching and redemption of Unlisted Class(es) of Units.*

### **THE OFFERING PHASES**

#### **Initial Offer Period**

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

To be dealt with during the Initial Offer Period, the relevant Participating Dealer or PD Agent must submit the Creation Applications to the Trustee (with a copy to the Manager) on a Business Day no later than 4 Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Trustee after 4 Business Days prior to the Listing Date, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Unit size or whole multiples thereof, which is the number of Units specified in the relevant Appendix. Participating Dealers or PD Agents (acting for themselves or for their clients) can apply for Units on each Dealing Day at the Issue Price.

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

#### **After Listing**

The After Listing phase commences on the Listing Date and continues until the Sub-Funds (or the relevant Listed Class of Units) are terminated.

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

- (a) buy and sell Units on the SEHK; or
- (b) apply for cash creation and cash redemption of Units through Participating Dealers or PD Agents (as the case may be).

#### *Buying and selling of Units on the SEHK*

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

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

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

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

### *Creations and Redemptions Through Participating Dealers*

Units will continue to be created and redeemed at the Issue Price and Redemption Value respectively through Participating Dealers or PD Agents (as the case may be) in Application Unit size or multiples thereof. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. The Application Unit size and currency for settlement are as set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer or PD Agent must submit the Creation Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. 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. Notwithstanding, the Manager may agree to accept a Creation Application in respect of any Dealing Day which is received after the Dealing Deadline but prior to the Valuation Point related to that Dealing Day if it has determined in good faith that such acceptance will not materially prejudice the interest of the other Unitholders and the Trustee has not raised any objections. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

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

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

### **Timetable**

#### *Initial Offer Period*

The Initial Offer Period and the Listing Date of the Listed Class of Units a new Sub-Fund is set out in the Appendix of the new Sub-Fund.

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

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

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

*After Listing*

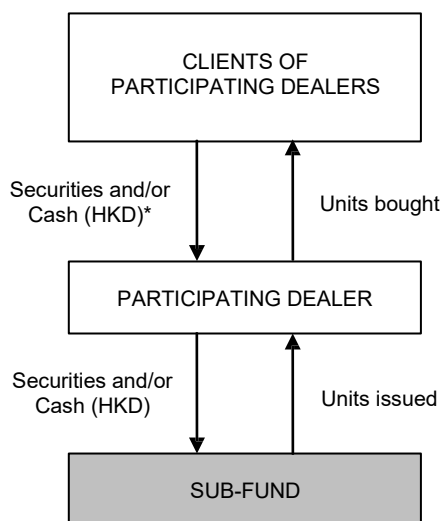
“After Listing” commences on the Listing Date and continues until the relevant Sub-Fund (or the relevant Listed Class of Units) is terminated.

All investors may buy and sell Units in the secondary market on the SEHK and Participating Dealers or PD Agents (for themselves or for their clients) may apply for creation and redemption of Units in the primary market.

**Diagrammatic Illustration of Investment in the Listed Class of Units of a Sub-Fund**

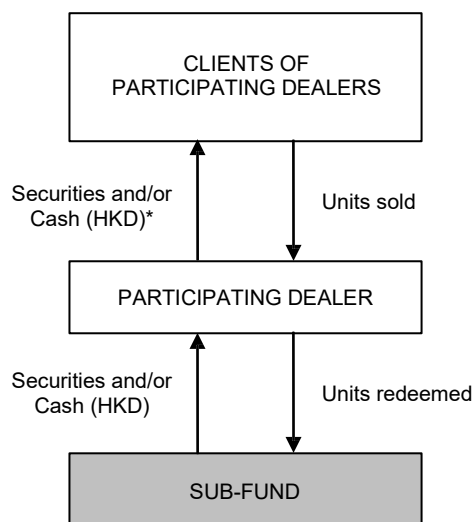
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

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



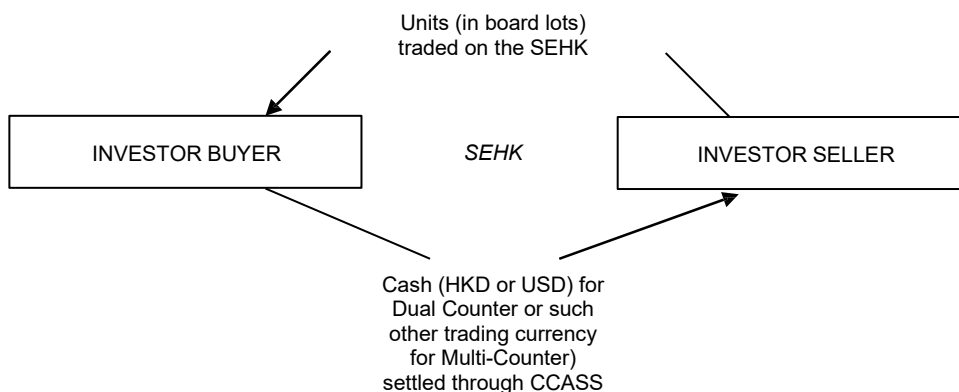
\* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

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



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

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



**Summary of Offering Methods and Related Fees**

*Initial Offer Period*

<u>Method of Offering*</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges**</u>
Cash creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

After Listing

<b><u>Method of Acquisition or Disposal of Units*</u></b>	<b><u>Minimum Number of Units (or multiple thereof)</u></b>	<b><u>Channel</u></b>	<b><u>Available to</u></b>	<b><u>Consideration, Fees and Charges**</u></b>
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK (in HKD for HKD traded Units, USD for USD traded Units and RMB for RMB traded Units) Brokerage fees and Duties and Charges
Cash creation and cash redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation and in-kind redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

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

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

## CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

### Investment in a Sub-Fund

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

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

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

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

### Creation of Units Through Participating Dealers

Any application for the creation of Units of a Sub-Fund must only be made through a Participating Dealer or PD Agent (as the case may be) in respect of an Application Unit size or whole multiple thereof as set out in the "Key Information" section in the relevant Appendix. A Participating Dealer may itself be a CCASS participant, or may use a PD Agent that is a CCASS participant. Investors cannot acquire Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager).

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

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

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

- (a) any period during which (i) the creation of Units of the relevant class, (ii) the redemption of Units of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a

market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the relevant Index;

- (c) where acceptance of the creation request or any Security in connection with such creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or
- (d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the creation request.

#### *Requirements Relating to Creation Requests by Potential Investors*

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

Where cash creation is adopted, the Manager currently only accepts cash payments in the Base Currency of the relevant Sub-Fund (even for a Sub-Fund which adopts Dual Counter or Multi-Counter) or any other currency as set out in the relevant Appendix. Notwithstanding the Dual Counter or Multi-Counter, any cash payable by Participating Dealers in a Cash Creation must be in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix. The process of creation of Units is the same for all counters.

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

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

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

#### *Creation Process*

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

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall, unless otherwise determined by the Manager, be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application.

The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK, the Recognised Futures Exchange or the Recognised Stock Exchange are reduced. To be effective, a Creation Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units and the class of Units (where applicable) which is the subject of the Creation Application; and
- (c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of Units which are the subject of the Creation Application.

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

- (a) any period during which (i) the creation of Units of the relevant class, (ii) the redemption of Units of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where in the opinion of the Manager, acceptance of the Creation Application or any Security in connection with such Creation Application would have an adverse effect on the relevant Sub-Fund;
- (c) where, if relevant to a Sub-Fund, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market;
- (d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the relevant Index;
- (e) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;
- (f) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;
- (g) the business operations of the Manager, the Trustee or any agent of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

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

priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

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

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the Sub-Fund, the creation of Units in Application Unit size in exchange for a transfer of cash and/or Securities (at the discretion of the Participating Dealer but subject to the Manager's agreement); and (ii) the issue of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

#### *Issue of Units*

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

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

Units are denominated in the Base Currency of the relevant Sub-Fund (unless otherwise determined by the Manager) as set out in the relevant Appendix and no fractions of a Unit shall be created or issued.

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 the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall, unless otherwise determined by the Manager, be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "**Fees and Expenses**" for further details.

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

#### *Fees Relating to Creation Applications*

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

In relation to cash creation of Units, the Manager reserves the right to require the Participating Dealer to pay or cause to be paid an additional sum as the Manager in its discretion considers appropriate for the Duties and Charges. The Participating Dealer may pass on to the relevant investor such additional sum.

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

### **Cancellation of Creation Applications**

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

The Trustee shall cancel a creation order in respect of any Units deemed created pursuant to a Creation Application if it has not received good title to all Securities and/or cash (including Transaction Fees, 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 an Extension Fee to the Manager or the Trustee or their Connected Persons or otherwise) as the Manager may determine and in accordance with the provisions of the Operating Guidelines; or (b) partially settle the Creation Application to the extent to which Securities and/or cash (including any cash component) has been vested in, or to the account of the Trustee, on such terms and conditions the Manager may with the approval of the Trustee determine including terms as to any extension of the settlement period for the outstanding Securities or cash (including any cash component).

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Units deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Manager's consent, a Creation Application (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of creations of Units), any Securities or any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

- (a) the Trustee may charge the relevant Participating Dealer for an application cancellation fee (see the section on "Fees and Expenses" for further details);
- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;
- (c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "Fees and Expenses" for further details); and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

### **Redemption of Units Through Participating Dealers**

Any application for the redemption of Units of a Sub-Fund must only be made through a Participating Dealer or PD Agent (as the case may be) in respect of an Application Unit size or whole multiples

thereof. Investors cannot redeem Units directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

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

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

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

- (a) any period during which (i) the creation of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;
- (c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or
- (d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request.

#### *Requirements Relating to Redemption Requests by Potential Investors*

The methods of redemption available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the redemption of Units in exchange for a transfer of Securities) or in cash, are as set out in the relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method. Specifically, the Manager has the right to instruct the Trustee to deliver cash equivalent of any Security in connection with the Redemption Application to the Participating Dealer if (a) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery in connection with the Redemption Application; or (b) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

Where cash redemption is adopted, the Manager currently only allows redemption proceeds to be paid out in cash in the Base Currency of the relevant Sub-Fund (even for a Sub-Fund which adopts Dual Counter or Multi-Counter) or any other currency as set out in the relevant Appendix. Notwithstanding the Dual Counter or Multi-Counter, any cash proceeds received by Participating Dealers in a cash redemption shall be paid only in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix. All Units regardless of their trading currency may be redeemed by way of a Redemption Application (through a Participating Dealer). The redemption process is the same for all Units regardless of their trading currency.

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You are advised to

check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

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

### *Redemption Process*

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

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. Notwithstanding, the Manager may agree to accept a Redemption Application in respect of any Dealing Day which is received after the Dealing Deadline but prior to the Valuation Point relating to that Dealing Day if it has determined in good faith that such acceptance will not materially prejudice the interest of the other Unitholders. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced.

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units and the class of Units (where applicable) which is the subject of the Redemption Application; and
- (c) include the certifications required in the Participation Agreement and Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

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

- (a) any period during which (i) the creation of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;
- (c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;

- (d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;
- (e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or
- (f) the business operations of the Manager, the Trustee or any agent of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

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

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Units; and (ii) require the Trustee to transfer to the Participating Dealer Securities and/or cash in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the Securities and/or cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

#### *Redemption of Units*

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those Units redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit of a Sub-Fund rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). The benefit of any rounding adjustments will be retained by the Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

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

The Manager may at its discretion extend the settlement period in respect of the Redemption

Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may determine with the Trustee's approval, in accordance with the Operating Guidelines.

#### *Fees Relating to Redemption Applications*

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

In relation to cash redemption of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum as the Manager in its discretion considers appropriate for the Duties and Charges. The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

#### **Cancellation of Redemption Applications**

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

No Security shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other dealing set forth in the Trust Deed and/or Operational Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of redemptions of Units):

- (a) the Trustee may charge the relevant Participating Dealer for an application cancellation fee (see the section on "Fees and Expenses" for further details);
- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;
- (c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "Fees and Expenses" for further details); and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

## Suspension of Creations and Redemptions

The Manager may, after consultation with the Trustee (and where practicable, after consultation with Participating Dealers), having regard to the best interest of Unitholders, suspend the creation of Units of any Sub-Fund, suspend the redemption of Units of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any Securities in respect of any Creation Application and/or Redemption Application in the following circumstances:

- (a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;
- (b) during any period when a market on which a Security (that is a component of the Index) has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (c) during any period when dealing on a market on which a Security (that is a component of the Index) has its primary listing is restricted or suspended;
- (d) during any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depository (if any) of such market is disrupted;
- (e) during the existence of any state of affairs as a result of which delivery or purchase of Securities, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;
- (f) during any period when the relevant Index is not compiled or published;
- (g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or when for any other reason the value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on "Suspension of Determination of Net Asset Value" below arises; or
- (i) during any period when the business operations of the Manager, the Trustee or the Registrar, in respect of the relevant Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager will, after consultation with the Trustee, having regard to the best interest of Unitholders, suspend the right to subscribe for Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single entity. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single entity and the SFC has not agreed to waive this prohibition under the Code, the Manager shall take as a priority objective all steps as are necessary within a reasonable period to remedy the situation, taking into account the interests of the Unitholders.

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

The Manager shall consider any Redemption Application or any Creation Application received

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

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

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

### **Deferred Redemption**

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

### **Restrictions on Unitholders**

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

- (a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Fund suffering any adverse effect which the Trust or the Sub-Fund might not otherwise have suffered; or
- (b) in the circumstances which, in the Manager's opinion, may result in the Trust or the Sub-Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Fund 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.

### **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 HKSCC. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Units. Investors owning Units in CCASS are beneficial owners as shown on the records of the participating

brokers or the relevant Participating Dealer(s) (as the case may be) who either are themselves participants of CCASS or have appointed PD Agents that are participants of CCASS.

### **Transfer of Units**

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

## EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

### General

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

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Units are listed on the SEHK they will remain listed.

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units. Where Multi-Counter or a Dual Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each counter, although these Market Makers may be the same entity. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager will make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

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

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

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

Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of any Sub-Fund on one or more other stock exchanges.

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

## ISSUE PRICE AND REDEMPTION VALUE

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Unit, or a percentage of the closing level of the relevant Index (expressed in the Base Currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), or such other amount from time to time determined by the Manager and approved by the Trustee. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix.

After the expiry of the Initial Offer Period, the Issue Price of Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund in HKD as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund in HKD as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The latest Net Asset Value of the Units will be available on the Manager's website at [www.chinaamc.com.hk](http://www.chinaamc.com.hk) (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or published in such other publications as the Manager decides.

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

### **SCHEDULE 3 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF UNITS**

*This Schedule 3 contains disclosure relating to the Unlisted Class(es) of Units only. Unless the context otherwise requires, references to “Units” and “Unitholders” in this Schedule shall be construed to refer to an Unlisted Class of Units of the Sub-Fund or a Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.*

#### **SUBSCRIPTION OF UNLISTED CLASS(ES) OF UNITS**

##### **Initial Issue of Units**

During an Initial Offer Period, Units in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Unit determined by the Manager in its absolute discretion as specified in the relevant Appendix.

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

##### **Subsequent issue of Units**

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

Unless otherwise specified in the relevant Appendix and subject to any swing pricing adjustment made in accordance with the section "Anti-Dilution Pricing Adjustment" below, the Subscription Price on any Dealing Day will be the price per Unit ascertained by dividing the Net Asset Value of the relevant class of the Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such class of the Sub-Fund then in issue and rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant class. The Subscription Price will be calculated and quoted in the relevant Class Currency of the Sub-Fund.

The Manager is entitled to impose a subscription fee on the subscription monies for the application for the issue of Units. The Manager may, either generally or in any particular case, differentiate as to the amount of the subscription fee to be levied in respect of different classes of Units, differentiate between applicants as to the amount of the subscription fee to be levied and/or allow to persons a discount to the subscription fee on such basis or on such scale as the Manager may think fit. For the avoidance of doubt, the Manager will charge the same rate of subscription fee for all applicants in the same Unlisted Class(es) of Units. The Manager may retain the benefit of such subscription fee. Details of the subscription fee are set out in the section headed “Fees and Expenses” in this Prospectus.

The Manager may require an applicant to pay, in addition to the Subscription Price of the subscription proceeds and any subscription fee, a further amount which it reasonably considers to represent an appropriate allowance for (a) estimated bid/offer spread of the investments of the Sub-Fund, (b) extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, or (c) other charges which are customarily incurred in investing a sum equal to the application monies and issuing the relevant Units or of delivery or issue of certificates in respect thereof or the remittance of money to the Trust (the “Subscription Adjustment Allowance”). Any such Subscription Adjustment Allowance will be paid to the Trust and will form part of the assets of the Sub-Fund or the relevant class.

##### **Application Procedure**

To subscribe for Units, an applicant should complete a subscription application form and return the

application form, together with the required supporting documents, to the Manager by facsimile or other electronic means (as may be agreed between the Manager and the Trustee). The original application form is not required to be submitted unless otherwise required by the Manager or the Trustee. Applicants who choose to send an application form by facsimile or other electronic means bear the risk of the form not being received by the Manager. Applicants should therefore, for their own benefit, confirm with the Manager safe receipt of an application form. None of the Manager, the Transfer Agent or the Trustee will be responsible to an applicant for any loss resulting from non-receipt or illegibility of any application form sent by facsimile or other electronic means or for any loss caused in respect of any action taken as a consequence of such application believed in good faith to have originated from properly authorised persons.

Unless otherwise specified in the relevant Appendix, applications for Units during the Initial Offer Period must be received by the Manager no later than 2:00 p.m. (Hong Kong time) on the last day of the Initial Offer Period. After the Initial Offer Period, applications must be received by the Manager by the Subscription Deadline. Application requests submitted after the applicable Subscription Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

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

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

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

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

The Manager may, at its discretion, reject in whole or in part any application for Units. In the event that an application is rejected, application monies will be returned without interest and net of expenses by telegraphic transfer or by such other means as the Trustee considers appropriate at the risk of the applicant.

No applications for Units will be dealt with during any periods in which the determination of the Net Asset Value of the Sub-Fund is suspended (for details see "Suspension of Determination of Net Asset Value" in this Prospectus).

Please also refer to the section headed "Suspension of the issue, subscription and redemption of Unlisted Class(es) of Units" below regarding suspension of issue and subscription of Units.

### **Payment Procedure**

Subscription monies should be paid in the Class Currency of the relevant Unlisted Class of Units. Subscription monies in cleared funds should be received by (i) the deadline for cleared funds on the relevant Dealing Day on which an application was received or (ii) in the case of applications for Unlisted Class(es) of Units during the Initial Offer Period, such time on the last day of the Initial Offer Period of Unlisted Class(es) of Units as specified in the relevant Appendix, or within such other period as determined by the Manager.

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

The Manager may exercise its discretion to accept late payment of subscription monies, provisionally allot Units by reference to the Net Asset Value of the relevant class of Units in the Sub-Fund and charge interest on such overdue monies until payment is received in full, at such rate as the Manager thinks appropriate. However, if payment of subscription monies in cleared funds are not made within such period as determined by the Manager, the application may, at the discretion of the Manager, be considered void and cancelled. Upon such cancellation, the relevant Units shall be deemed never to have been issued and the applicant shall have no right to claim against the Manager or the Transfer Agent and any loss will be borne by the applicant, provided that: (i) no previous valuations of the Sub-Fund shall be re-opened or invalidated as a result of the cancellation of such Units; (ii) the Manager may require the applicant to pay, for the account of the Sub-Fund, in respect of each such Unit cancelled, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of cancellation; and (iii) the Trustee shall be entitled to charge the applicant a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation.

### **General**

All holdings of Units will be in registered form and certificates will not be issued. Evidence of title of Units will be the entry on the register of Unitholders of the Sub-Fund. Unitholders should therefore be aware of the importance of ensuring that the Transfer Agent is informed of any change to the registered details. Fractions of a Unit may be issued rounded down to the nearest 3 decimal places. Subscription monies representing smaller fractions of a Unit will be retained by the Sub-Fund. A maximum of 4 persons may be registered as joint Unitholders.

## REDEMPTION OF UNLISTED CLASS(ES) OF UNITS

### Redemption procedure

Unitholders of Units who wish to redeem their Units in the Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Manager.

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

A redemption request may be sent by facsimile or other electronic means (as may be agreed between the Manager and the Trustee) from time to time determined by the Manager. The redemption request must specify: (i) the name of the Sub-Fund, (ii) the relevant class and the value or number of Units to be redeemed, (iii) the name(s) of the registered Unitholder(s) and (iv) payment instructions for the redemption proceeds.

A Unitholder who chooses to send an application form by facsimile or other electronic means bears the risk of the form not being received by the Manager. Unitholders should therefore, for their own benefit, confirm with the Manager safe receipt of a redemption request. None of the Manager, the Transfer Agent or the Trustee will be responsible to a Unitholder for any loss resulting from non-receipt or illegibility of any redemption request sent by facsimile or other electronic means or for any loss caused in respect of any action taken as a consequence of such request believed in good faith to have originated from properly authorised persons.

Partial redemption of a holding of Units in an Unlisted Class of Units of the Sub-Fund by a Unitholder may be effected, provided that such redemption will not result in the Unitholder holding Units less than the minimum holding for that class specified in the section headed "Summary" under the sub-section "Key Information applicable to Unlisted Class(es) of Units only". In the event that, for whatever reason, a Unitholder's holding of Units is less than such minimum holding for that Class, the Manager may give notice requiring such Unitholder to submit a redemption request in respect of all the Units of that Unlisted Class of Units held by that Unitholder or deem such request to have been made in respect of all Units of the relevant Unlisted Class of Units held by the Unitholder. A request for a partial redemption of Units with an aggregate value of less than the minimum amount for such class of Units specified in the section headed "Summary" under the sub-section "Key Information applicable to Unlisted Class(es) of Units only" will not be accepted.

All redemption requests must be signed by the Unitholder or, in the case of joint Unitholders, such one or more joint Unitholders who have been authorised to sign such requests on behalf of the other joint Unitholders (where such authorisation has been notified in writing to the Transfer Agent) or, in the absence of such notification, by all joint Unitholders.

### Payment of redemption proceeds

Unless otherwise specified in the relevant Appendix and subject to any swing pricing adjustment made in accordance with the section "Anti-Dilution Pricing Adjustment" below, the Redemption Price on any Dealing Day will be the price per Unit of the Unlisted Class(es) of Units ascertained by dividing the Net Asset Value of the relevant class of the Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such Class then in issue and rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant Class. The Redemption

Price will be calculated and quoted in the relevant Class Currency of the Sub-Fund.

The Trustee in consultation with the Manager is entitled to deduct from the Redemption Price an amount which it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the Sub-Fund, (b) extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, or (c) other charges which are customarily incurred in selling the Securities constituting the Trust Fund of the Sub-Fund or the remittance of money to the Trustee (the "Redemption Adjustment Allowance"). Any such Redemption Adjustment Allowance will be retained by the Trust on behalf of the Sub-Fund and will form part of the Trust Fund of the Sub-Fund or the relevant Class of Units.

The Manager may at its option impose a redemption fee in respect of an Unlisted Class of Units to be redeemed as described in the section headed "Fees and Expenses" in this Prospectus. The Manager may, either generally or in any particular case, differentiate as to the amount of the redemption fee to be levied in respect of different classes of Units and/or allow to persons a discount to the redemption fee on such basis or on such scale as the Manager may think fit.

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

Unitholders should note that redemption proceeds will not be paid to any Unitholder until (a) the duly signed original written redemption request (if such original is required by the Manager) and all other supporting documents, if any are required, have been received by the Manager; (b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee; and (c) any such other procedures as the Transfer Agent may reasonably require have been completed. Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder in the Class Currency of the Sub-Fund by telegraphic transfer within four Business Days after the relevant Dealing Day to the relevant distributor (or its nominee)'s account, after which the redemption proceeds will be normally transferred to the respective Unitholder within one Business Day by the distributor after the distributor has received such redemption proceeds, subject to the transferal arrangement between the distributor and the Unitholder. In any event, the redemption proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the market(s) in which a substantial portion of the Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the details of such legal or regulatory requirements will be set out in this Prospectus and the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s). Any bank and other administrative charges associated with the payment of such redemption proceeds as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Unitholder and deducted from the redemption proceeds. With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the Class Currency of the relevant Unlisted Class(es) of Units of the Sub-Fund being redeemed. Payment will only be made to a bank account in the name of the Unitholder. No third party payments will be made.

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

### **Suspension of redemptions**

The Manager shall, in consultation with the Trustee, having regard to the best interests of Unitholders, have the right to suspend the redemption of Units, or delay the payment of redemption proceeds in respect of any redemption request received, during any period in which the determination of the Net Asset Value of the Sub-Fund is suspended (for details please see the section headed "Suspension of determination of Net Asset Value" in this Prospectus).

Please also refer to the section headed "Suspension of the issue, subscription and redemption of Unlisted Class(es) of Units" below.

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

- (a) any period during which (i) the creation of Units of the relevant Class, (ii) the redemption of Units of the relevant Class, and/or (iii) the determination of Net Asset Value of the relevant Class is suspended;
- (b) where in the opinion of the Manager, acceptance of the redemption application would have an adverse effect on the Sub-Fund;
- (c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;
- (d) where acceptance of the redemption application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;
- (e) circumstances outside the control of the Manager which make it for all practicable purposes impossible to process the redemption application; or
- (f) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of a redemption application in the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Unitholder and the Trustee of its decision to reject such redemption application.

### **Deferred Redemption**

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

### **Restrictions on Unitholders**

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

- (a) a breach of the law or requirements of any country or governmental authority in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Fund suffering any adverse effect which the Trust or the Sub-Fund might not otherwise have suffered; or

- (b) in the circumstances which, in the Manager's opinion, may result in the Trust or the Sub-Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Fund 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.

### **Transfer of Units**

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. An investor is entitled to transfer such Units held by him by an instrument in writing in such form as the Trustee may from time to time approve. A transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only.

### **General**

Fractions of a Unit may be redeemed rounded down to the nearest 3 decimal places. Redemption monies representing smaller fractions of a Unit will be retained by the Sub-Fund.

## SWITCHING OF UNLISTED CLASS(ES) OF UNITS

The Manager may from time to time permit Unitholders to switch some or all of their Units of an Unlisted Class of Units of the Sub-Fund (the “Existing Class”) into the Units of an Unlisted Class of Units, whether in respect of the same Sub-Fund or any other sub-funds managed by the Manager or its Connected Persons, and which has been authorised by the SFC (the “New Class”). Any switching will be carried out by way of redeeming the Units in the Existing Class held by the relevant Unitholders in accordance with the redemption procedures set out in the section headed “Redemption of Unlisted Class(es) of Units” above and then by re-investing the redemption proceeds thereof in an Unlisted Class of Units of the same Sub-Fund in accordance with the subscription procedures set out in the section “Subscription of Unlisted Class(es) of Units” above or in such other sub-funds in accordance with the provisions of the relevant offering documents for such other sub-funds (as the case may be).

A request for the switching of part of a holding of Units will not be effected if, as a result, the Unitholder would hold less than the minimum holding specified for the New Class (if any) and/or the Existing Class.

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

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

- (a) redemption of the Units of the Existing Class will be dealt with by reference to the Redemption Price on that Dealing Day (the “Switching Redemption Day”) subject to paragraph (c) below;
- (b) where the Existing Class and the New Class have different Class Currencies, the redemption proceeds of the Existing Class, after deduction of any switching fee, shall be converted into the Class Currency of the New Class and the switching investor will bear the currency conversion gain or loss (if any); and
- (c) the resulting amount will be used to subscribe for units of the New Class at the relevant subscription price on the relevant Dealing Day in respect of the New Class (the “Switching Subscription Day”). The Switching Subscription Day shall be the same day as the Switching Redemption Day (in the case where the relevant Dealing Day of the Existing Class is not a dealing day in respect of the New Class, the Switching Redemption Day will be the immediately following Dealing Day that is a dealing day for the New Class), provided that the Trustee shall receive cleared funds in the Class Currency of the New Class within such period as determined by the Manager. In the event that cleared funds are not received within the applicable period, the Switching Subscription Day shall be the day on which the Trustee receives cleared funds in the relevant currency by the deadline for cleared funds of the New Class.

The Manager may suspend the switching of Units during any period in which the determination of the Net Asset Value of the Sub-Fund is suspended (for details see “Suspension of Determination of Net Asset Value” in this Prospectus).

Investors should note that switching between Listed Class of Units and Unlisted Class(es) of Units by a Participating Dealer or otherwise is not available.

## **SUSPENSION OF THE ISSUE, SUBSCRIPTION AND REDEMPTION OF UNLISTED CLASS(ES) OF UNITS**

The Manager may at its discretion (in consultation with the Trustee) and having regard to the best interests of the Unitholders, suspend the issue and/or redemption of Units of any class of the Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any Securities and/or Futures Contracts of any redemption application in the following circumstances:

- (a) during any period when a market on which a Security (that is a component of the Index) has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (b) during any period when dealing on a market on which a Security (that is a component of the Index) is restricted or suspended;
- (c) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or Futures Contracts, as the case may be, in the official clearing and settlement depository (if any) of such market is disrupted;
- (d) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or Futures Contracts, as the case may be, as appropriate or disposal of investments for the time being comprised in the Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the Sub-Fund;
- (e) during any period when the Index is not compiled or published;
- (f) during any breakdown in any of the means normally employed in determining the Net Asset Value of the Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (g) during any period when the determination of the Net Asset Value of the Sub-Fund is suspended or if any circumstance specified in the section on "Suspension of Determination of Net Asset Value" in this Prospectus arises; or
- (h) during any period when the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of an application in the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager will, after consultation with the Trustee, having regard to the best interests of the Unitholders, suspend the right to subscribe for Units of the Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer or such other percentage permitted under Schedule 1. In addition, where the sub-funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at [www.chinaamc.com.hk](http://www.chinaamc.com.hk) or in such other publications as it decides.

The Manager shall consider any subscription, switch or redemption application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately

following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

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

## ANTI-DILUTION PRICING ADJUSTMENT

The Manager will, after consultation with the Trustee, adopt a pricing adjustment mechanism (commonly known as “swing pricing”) in order to mitigate any adverse impact caused to a Sub-Fund by a dilution in the event of substantial net subscriptions or net redemptions in respect of all the Unlisted Class(es) of Units of the Sub-Fund and may adjust upwards or downwards the Net Asset Value per Unit of the relevant Unlisted Class of Units of a Sub-Fund in determining the Subscription Price and/or the Redemption Price. For the avoidance of doubt, such adjustment will be made to all Unlisted Class(es) of Units of a Sub-Fund equally.

Purchasing or selling the underlying assets of a Sub-Fund in response to a significant amount of net subscriptions or net redemptions in respect of all Unlisted Class(es) of Units of a Sub-Fund may have a dilution effect on a Sub-Fund’s assets due to dealing and other associated costs (including, but not limited to, bid-offer spreads, brokerage, taxes and government charges) and therefore impact the Unitholders.

If, on a particular Dealing Day, the aggregate net transactions (either net subscriptions or net redemptions) in respect of all Unlisted Class(es) of Units of a Sub-Fund exceed the threshold as pre-determined by the Manager in consultation with the Trustee from time to time, the Net Asset Value per Unit of the relevant Unlisted Class of Units may be adjusted upwards (downwards) by an amount not exceeding 1% of that Net Asset Value per Unit in order to mitigate the dilution effect and to protect the interests of the Unitholders. The threshold is determined by the Manager taking into account factors including but not limited to the prevailing market conditions, the estimated dilution costs and the size of the Sub-Fund.

The rate of adjustment may temporarily increase beyond the aforesaid percentage under exceptional circumstances (including but not limited to extreme market conditions which may have an unfavourable impact on the interests of existing Unitholders) if the Manager considers in good faith that it is in the best interests of the Unitholders as a whole. Such pre-determined threshold(s) will be determined and reviewed on a periodic basis by the Manager. The Manager will consult the Trustee prior to any aforesaid adjustment and such adjustment will only be made where the Trustee has no objection to it.

Any additional amount as a result of such adjustment will be retained by the Sub-Fund and will form part of the assets of the Sub-Fund of the relevant Class.

For the avoidance of doubt,

- (a) the Manager will only apply the swing pricing in one direction on any given Dealing Day, i.e. the Subscription Price will not be adjusted upwards and the Redemption Price will not be adjusted downwards for the same Dealing Day;
- (b) the Subscription Price and the Redemption Price, prior to any swing pricing adjustment, will be determined with reference to the same Net Asset Value per Unit of the relevant Unlisted Class of Units;
- (c) any adjustment to the Subscription Price or the Redemption Price must be made on a fair and equitable basis; and
- (d) the adjusted Net Asset Value per Unit after applying the swing pricing adjustment will be used for all transactions of the relevant Unlisted Class of Units made on that particular Dealing Day.

Investors should note that adjusting the Net Asset Value per Unit upward (downward) will result in investors paying more (receiving less) for each Unit upon Subscription (Redemption). Also, as the swing pricing will only be applied in one direction on a Dealing Day, the adjustment made to the Subscription Price or the Redemption Price (as the case may be) may benefit certain investors relative to other Unitholders in the Sub-Fund as a whole. For instance, investors subscribing into a relevant Unlisted Class of Units of a Sub-Fund on a Dealing Day on which the Net Asset Value per Unit is adjusted downwards as a result of net redemptions in respect of all Unlisted Class(es) of Units of the

Sub-Fund may benefit from paying a lower Subscription Price in respect of their subscriptions than they would otherwise have been charged.

## **PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND**

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

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

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

## APPENDIX 1: CHINAAMC ASIA USD INVESTMENT GRADE BOND ETF

### Key Information

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

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

<b>Index</b>	Bloomberg Asia USD Investment Grade Bond Index
<b>Investment Delegate</b>	Mackenzie Financial Corporation
<b>Investment Strategy</b>	Representative Sampling Strategy
<b>Base Currency</b>	HKD
<b>Maximum Deviation from Index Weighting</b>	3%
<b>Financial Year End</b>	31 December
<b>Website</b>	<a href="http://www.chinaamc.com.hk">www.chinaamc.com.hk</a> *

\* This website has not been reviewed by the SFC.

Key information applicable to Listed Class of Units only

<b>Listing Date (SEHK)</b>	13 November 2014
<b>Dealing on SEHK Commencement Date</b>	HKD counter: 13 November 2014 USD counter: 11 March 2019
<b>Exchange Listing</b>	SEHK – Main Board
<b>Stock Code</b>	HKD counter: 3141 USD counter: 9141
<b>Short Stock Name</b>	HKD counter: CAM ASIA IGB USD counter: CAM ASIA IGB-U
<b>Trading Board Lot Size</b>	HKD counter: 200 Units USD counter: 200 Units
<b>Trading Currency</b>	HKD counter: HKD USD counter: USD
<b>Distribution Policy</b>	The Manager intends to distribute income to Unitholders at least quarterly (usually in March, June, September and December of each year) having regard to the Sub-Fund's net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.  <b>Distributions on all Units (whether traded in HKD or USD counter) will be in HKD only. #</b>
<b>Creation/Redemption Policy</b>	Cash (HKD or USD, as agreed with the relevant Participating Dealer)

<b>Application Unit Size (only by or through Participating Dealers)</b>	Minimum 50,000 Units (or multiples thereof)
<b>Dealing Deadline</b>	3:00 p.m. on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
<b>Participating Dealer</b>	Please refer to the Manager's website for the latest list of Participating Dealers.
<b>Market Maker</b>	Please refer to the Manager's website and the HKEX's website at <a href="http://www.hkex.com.hk">www.hkex.com.hk</a> for the latest lists of Market Makers.
<b>Management Fee</b>	Currently 0.35% per year of the Net Asset Value

# *Unitholders of the Sub-Fund should note that all Units will receive distributions in the Base Currency (HKD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from HKD to USD 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".*

*Key information applicable to Unlisted Classes of Units only*

<b>Unlisted Classes of Units Offered</b>	Class A HKD (Acc), Class A HKD (Dist), Class A USD (Acc), Class A USD (Dist), Class A RMB (Acc), Class A RMB (Dist), Class A RMB Hedged (Acc), Class A RMB Hedged (Dist), Class B HKD (Acc), Class B HKD (Dist), Class B USD (Acc), Class B USD (Dist), Class B RMB (Acc), Class B RMB (Dist), Class B RMB Hedged (Acc), Class B RMB Hedged (Dist)
<b>Minimum initial investment and minimum holding</b>	Class A HKD (Acc): HKD 1,000
	Class A HKD (Dist): HKD 1,000
	Class A USD (Acc): USD 100
	Class A USD (Dist): USD 100
	Class A RMB (Acc): RMB 1,000
	Class A RMB (Dist): RMB 1,000
	Class A RMB Hedged (Acc): RMB 1,000
	Class A RMB Hedged (Dist): RMB 1,000
	Class B HKD (Acc): HKD 1
	Class B HKD (Dist): HKD 1
	Class B USD (Acc): USD 0.1

	<p>Class B USD (Dist): USD 0.1</p> <p>Class B RMB (Acc): RMB 1</p> <p>Class B RMB (Dist): RMB 1</p> <p>Class B RMB Hedged (Acc): RMB 1</p> <p>Class B RMB Hedged (Dist): RMB 1</p>
<b>Minimum subsequent investment and minimum redemption amount</b>	<p>Class A HKD (Acc): HKD 1,000</p> <p>Class A HKD (Dist): HKD 1,000</p> <p>Class A USD (Acc): USD 100</p> <p>Class A USD (Dist): USD 100</p> <p>Class A RMB (Acc): RMB 1,000</p> <p>Class A RMB (Dist): RMB 1,000</p> <p>Class A RMB Hedged (Acc): RMB 1,000</p> <p>Class A RMB Hedged (Dist): RMB 1,000</p>
	<p>Class B HKD (Acc): HKD 1</p> <p>Class B HKD (Dist): HKD 1</p> <p>Class B USD (Acc): USD 0.1</p> <p>Class B USD (Dist): USD 0.1</p> <p>Class B RMB (Acc): RMB 1</p> <p>Class B RMB (Dist): RMB 1</p> <p>Class B RMB Hedged (Acc): RMB 1</p> <p>Class B RMB Hedged (Dist): RMB 1</p>
	<p>9:00 a.m. (Hong Kong time) on 23 December 2024 and ends at 3:00 p.m. (Hong Kong time) on 23 December 2024, or such other date or time as the Manager may determine for a particular Class</p>
	<p>Class A Units HKD / Class B Units HKD: HKD 100</p> <p>Class A Units USD / Class B Units USD: USD 10</p>

	Class A Units RMB / Class A Units RMB Hedged / Class B Units RMB / Class B RMB Hedged: RMB 100
<b>Subscription Deadline / Redemption Deadline</b>	3:00 p.m. (Hong Kong time) on the Dealing Day
<b>Distribution Policy</b>	<p><i>Accumulation Unlisted Classes of Units:</i> There will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the relevant accumulation Classes.</p> <p><i>Distribution Unlisted Classes of Units:</i> The Manager intends to distribute income to unitholders at least quarterly (usually in March, June, September and December of each year). Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.</p> <p>All Units of the distribution Unlisted Class of Units will receive distributions (if any) in the currency of the relevant Classes.</p>
<b>Management Fee</b>	<p>Class A Units HKD / Class A Units USD / Class A Units RMB / Class A Units RMB Hedged: 0.35% per annum of the Net Asset Value</p> <p>Class B Units HKD / Class B Units USD / Class B Units RMB / Class B Units RMB Hedged: 0.99% per annum of the Net Asset Value</p>

*Key similarities and differences between Listed Class of Units and Unlisted Classes of Units*

<b>Investment Objective</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "What is the Investment Objective?" section of this Appendix.
<b>Investment Strategy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "What is the Investment Strategy?" section of this Appendix.
<b>Valuation Policy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "Determination of Net Asset Value" section in Part 1 of this Prospectus.
<b>Deadline for Dealing in Units</b>	Same for both creation and redemption for the Listed Class of Units, and subscription and redemption for the Unlisted Classes of Units – 3:00 p.m. (Hong Kong time) on a Dealing Day
<b>Dealing Arrangements</b>	Different in respect of each of Listed Class of Units and Unlisted Classes of Units.

	<p>In respect of the Listed Class of Units:</p> <ul style="list-style-type: none"> <li>- the dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:00 p.m. (Hong Kong time) on each Dealing Day (“Day T”), or such other time as the Manager (with the written approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced;</li> <li>- a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and</li> <li>- the Creation Application or Redemption Application for Listed Class of Units received after 3:00 p.m. (Hong Kong) time on each Dealing Day will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.</li> </ul> <p>In respect of the Unlisted Classes of Units, the Subscription Deadline and Redemption Deadline is 3:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Classes of Units at Net Asset Value. The subscription application or redemption requests for Unlisted Classes of Units submitted after 3:00 p.m. (Hong Kong time) on Day T, i.e. after the Subscription or Redemption Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.</p> <p>Please refer to Schedule 3 “Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units” and Schedule 4 “Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Classes of Units” in Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Classes of Units respectively.</p>
<b>Dealing Frequency</b>	Same for both Listed Class of Units and Unlisted Classes of Units – daily on each Business Day.
<b>Valuation Point</b>	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 4:00 p.m. (New York time) on the applicable valuation day (which coincides with each Dealing Day) (which is approximately 4:00 a.m. (daylight saving time) or 5:00 a.m. (standard time) (Hong Kong time) on the calendar day immediately following the applicable valuation day).
<b>Fee Structure</b>	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units.

	<p>Both classes of Units are subject to Management Fee.</p> <p>An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees, redemption fees, switching fees, Subscription Adjustment Allowance and Redemption Adjustment Allowance (if applicable).</p> <p>Please refer to the "Fees and Expenses" section and Schedule 3 of this Prospectus for further information.</p>
<p><b>Investment return / Net Asset Value</b></p>	<p>Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Classes of Units in the secondary market), stamp duty. Accordingly, the performance of the different classes of Units will be different.</p> <p>Please refer to the "Risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units" risk factor in Part 1 of this Prospectus.</p>
<p><b>Termination</b></p>	<p>Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes of Units may differ. Please refer to the sub-section headed "Termination" under the section headed "Statutory and General Information" in Part 1 of this Prospectus for further details.</p>

**What is the Investment Objective?**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

**What is the Investment Strategy?**

The Manager intends to adopt a representative sampling strategy to achieve the investment objective of the Sub-Fund. Please refer to the section "Investment Strategy" in Part 1 of this Prospectus for an explanation on this strategy.

The Sub-Fund aims to invest at least 90% of its assets in achieving the investment objective. The Sub-Fund may invest, either directly or indirectly, in bonds comprised in the Index, or in Securities that are not included in its Index, but which the Manager believes will help the Sub-Fund achieve its investment objective. The Sub-Fund may also invest in other investments, including but not limited to: money market instruments or funds that invest exclusively in money market instruments,

in stocks or bonds that are in the relevant market but not in the Sub-Fund's Index (as indicated above).

There is no current intention for the Sub-Fund to invest more than 10% of its Net Asset Value in Securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade or which are non-rated (unless such non-rated Securities are issued by issuers of investment grade). "Investment grade" is defined as a credit rating at or above Baa3/BBB-/BBB- using the middle rating of Moody's, S&P and Fitch.

For so long as the Sub-Fund remains an approved index-tracking collective investment scheme as defined under section 1(1) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation (the "MPF Regulation"), the Sub-Fund will invest no more than 10% of its Net Asset Value in securities that do not meet the requirements of section 7(2) of Schedule 1 to the MPF Regulation ("non-compliant securities") under normal circumstances and, in the event that the percentage of the Sub-Fund's investment in such non-compliant securities exceeds 10% of the Sub-Fund's Net Asset Value due to changes in the constituent weightings of the Index, which are beyond the Manager's control, and/or the Sub-Fund's investment strategy, the percentage of such non-compliant securities in the Sub-Fund's portfolio will not in any case exceed the aggregate weighting of such non-compliant securities in the Index. In the event that the Sub-Fund's investment in non-compliant securities exceeds 15% of its Net Asset Value, the Manager will notify the MPFA as soon as practicable and discuss with the MPFA the appropriate action to take in order to address the excess.

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund's investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

### **Securities financing transactions**

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

### **Use of derivatives**

The Sub-Fund currently does not intend to invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of this Prospectus.

### **Dealing of Listed Class of Units**

*The information below is applicable to the Listed Class of Units only.*

#### ***The Offering Phases of Listed Class of Units***

The Initial Offer Period in respect of the Listed Class of Units has ended. Dealings in the Listed Class of Units on the SEHK commenced on the Listing Date.

Please refer to the section headed "The Offering Phases" in Schedule 1 of this Prospectus for details.

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

Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of this Prospectus for further information.

### **Dual Counter Trading**

The Manager has arranged for the Units to be available for trading on the secondary market of the SEHK under a Dual Counter arrangement. Units are denominated in HKD. The Sub-Fund offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and all Unitholders of the counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	<b>HKD counter</b>	<b>USD counter</b>
SEHK stock code	3141	9141
Short name	CAM ASIA IGB	CAM ASIA IGB-U

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

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEX's website <http://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products>.

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

### **Switching**

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units on the secondary market is not available.

### **Dealing of Unlisted Classes of Units**

*The information below is applicable to the Unlisted Classes of Units only.*

### **Subscription and Redemption of Unlisted Classes of Units**

#### Available Unlisted Classes of Units

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

- Class A HKD (Acc)
- Class A HKD (Dist)
- Class A USD (Acc)
- Class A USD (Dist)

- Class A RMB (Acc)
- Class A RMB (Dist)
- Class A RMB Hedged (Acc)
- Class A RMB Hedged (Dist)
- Class B HKD (Acc)
- Class B HKD (Dist)
- Class B USD (Acc)
- Class B USD (Dist)
- Class B RMB (Acc)
- Class B RMB (Dist)
- Class B RMB Hedged (Acc)
- Class B RMB Hedged (Dist)

The Manager may in future determine to issue additional Unlisted Class(es) of Units.

### ***Initial Offer Period***

The Initial Offer Period of the Unlisted Classes of Units will commence at 9:00 a.m. (Hong Kong time) on 23 December 2024 and end at 3:00 p.m. (Hong Kong time) on 23 December 2024 (or such other dates or times as the Manager may determine for a particular Class).

### ***Initial Subscription Price***

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

- Class A Units HKD / Class B Units HKD: HKD 100 per Unit
- Class A Units USD / Class B Units USD: USD 10 per Unit
- Class A Units RMB / Class A Units RMB Hedged / Class B Units RMB / Class B Units RMB Hedged: RMB 100 per Unit

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

### ***Dealing procedures***

For details of dealing procedures, please refer to the information below and in Schedule 3 of this Prospectus. The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day
<i>Subscription Deadline and Redemption Deadline</i>	3:00 p.m. (Hong Kong time) on the relevant Dealing Day
<i>Deadline for cleared funds</i>	4:00 p.m. (Hong Kong time) on the following Dealing Day (or 4:00 p.m. (Hong Kong time) on the relevant Dealing Day in case the

	calendar day immediately following the relevant Dealing Day is not a Business Day in Hong Kong)
<i>Valuation Point</i>	Approximately 4:00 p.m. (New York time) on the applicable valuation day (which coincides with each Dealing Day) (which is approximately 4:00 a.m. (daylight saving time) or 5:00 a.m. (standard time) (Hong Kong time) on the calendar day immediately following the applicable valuation day)

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

### ***Subscription Price and Redemption Price***

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

### ***Payment of subscription monies***

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

### ***Payment of redemption proceeds***

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

### ***Investment minima***

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

	<b><i>Minimum initial investment and minimum holding</i></b>	<b><i>Minimum subsequent investment and minimum redemption amount</i></b>
Class A HKD (Acc)	HKD 1,000	

Class A HKD (Dist)	HKD 1,000
Class A USD (Acc)	USD 100
Class A USD (Dist)	USD 100
Class A RMB (Acc)	RMB 1,000
Class A RMB (Dist)	RMB 1,000
Class A RMB Hedged (Acc)	RMB 1,000
Class A RMB Hedged (Dist)	RMB 1,000
Class B HKD (Acc)	HKD 1
Class B HKD (Dist)	HKD 1
Class B USD (Acc)	USD 0.1
Class B USD (Dist)	USD 0.1
Class B RMB (Acc)	RMB 1
Class B RMB (Dist)	RMB 1
Class B RMB Hedged (Acc)	RMB 1
Class B RMB Hedged (Dist)	RMB 1

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

### ***Switching***

Investors should note that switching between Unlisted Classes of Units and Listed Class of Units is not available. Switching between different classes of Unlisted Classes of Units of the Sub-Fund may be permitted by the Manager. Please refer to the section “Switching of Unlisted Class(es) of Units” in Schedule 3 to Part 1 of this Prospectus.

### **Distribution Policy**

#### ***Listed Class of Units***

The Manager intends to distribute income to Unitholders at least quarterly (usually in March, June, September and December) having regard to the Sub-Fund’s net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager’s discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

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

entities will declare or pay dividends or distributions.

### **Unlisted Classes of Units**

In relation to accumulation Unlisted Classes of Units, there will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the accumulation classes.

In relation to distribution Unlisted Classes of Units, the Manager currently intends to distribute income to unitholders at least quarterly (usually in March, June, September and December). The Manager intends to distribute income to Unitholders having regard to the Sub-Fund's net income after fees and costs. Distributions (if any) will be paid from net income after deduction of all fees and costs and may be paid out of or effectively out of the capital of the Sub-Fund at the Manager's discretion. All Units of the distribution Classes will receive distributions (if any) in the currency of the relevant distribution Unlisted Classes of Units.

The distribution policy of each class may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

For Listed Class of Units and distribution Unlisted Classes of Units, the composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website [www.chinaamc.com.hk](http://www.chinaamc.com.hk).

### **The Index**

*This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.*

#### **General Information on the Index**

The Index is a market capitalisation weighted index which measures the performance of fixed rate USD denominated government-related and corporate investment grade bonds, including government-related bonds, corporate bonds, fixed-rate bullet, puttable and callable bonds of the Asia ex-Japan region.

To be eligible for inclusion in the Index, a security must meet the following criteria:

- (a) its issuer belongs to one of eligible Asian markets. As at the date of this Prospectus, the eligible Asian markets are Bangladesh, mainland China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, Pakistan, the Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam;
- (b) its principal and coupons must both be denominated in USD;
- (c) it must have a minimum outstanding amount of USD350 million;
- (d) it must have a term to maturity of at least one year;
- (e) for a security with coupon that converts from fixed to floating rate, it must have a term to conversion date of at least one year;
- (f) it must have fixed-rate coupons, or step-up coupons and those that change according to a predetermined schedule;
- (g) if a bond is rated, it must be considered as investment grade (as defined above) to be included in the Index. The Index may also include non-rated bonds issued by investment

grade (as defined above) issuers; and

(h) it must be fully taxable, publicly issued in the global and local markets.

The Index was launched in 22 May 2014. It had an inception date of 1 July 2009 with a base level of 100.

The Index is a total return gross index. A total return gross index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested gross of any taxes that may apply.

As at 16 June 2026, the Index had a total market capitalisation of USD 573.12 billion and consisted of 765 constituents out of the eligible Asian markets defined by the Index.

The Index is denominated in USD.

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

### ***Index Calculation***

The Index is market capitalisation weighted subject to an issuer cap of 4%. The excess market value over the 4% cap will be redistributed on a pro-rata basis to all the other issuers' bonds in the Index that are under the 4% cap. This process is repeated until no issuer exceeds the 4% limit. The 4% issuer cap is applied each month as the Index is rebalanced.

The prices of the securities in the Index are updated daily at 3:00 p.m. (New York time/Eastern Standard Time). Bonds in the Index are priced on the bid side by Bloomberg Index Services Limited, the Index Provider. The initial price for new issues entering the Index is the offer side, after that, the bid price is used. Settlement is on a T+1 basis. On month-end, settlement is assumed to be the first calendar day of the following month, even if the last business day is not the last calendar day of the month, to allow for one full month of accrued interest to be calculated. The Index Provider's Bloomberg Valuation (BVAL) methodology uses broad global data set of market observations together with market-leading analytics as well as terms and conditions databases to produce objective third-party price valuations.

In the event a bond included in the Index defaults or is expected to be defaulted, such bonds will be removed from the Index during the monthly rebalancing. During the time the defaulted bond remains in the Index, the price published by the Index Provider will be adopted as the price of such default bond and the loss of principle or coupon of such default bond will be captured and reflected in the Index.

### ***Index Periodical Review***

The constituents of the Index are rebalanced monthly.

### ***Index Constituents***

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of Bloomberg Index Services Limited at [www.bloomberg.com/professional/products/indices/](http://www.bloomberg.com/professional/products/indices/). This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

### ***Index Code***

Bloomberg Code: BAIGTRUU

### ***Index Provider Disclaimer***

"Bloomberg®" and Bloomberg Asia USD Investment Grade Bond Index are service marks of

Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”), and have been licensed for use for certain purposes by the Manager.

The Sub-Fund is not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund particularly. The only relationship of Bloomberg to the Manager is the licensing of certain trademarks, trade names and service marks and of the Bloomberg Asia USD Investment Grade Bond Index, which is determined, composed and calculated by BISL without regard to the Manager or the Sub-Fund. Bloomberg has no obligation to take the needs of the Manager or the Sub-Fund into consideration in determining, composing or calculating the Bloomberg Asia USD Investment Grade Bond Index. Bloomberg is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Sub-Fund to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to Sub-Fund customers, in connection with the administration, marketing or trading of the Sub-Fund.

BLOOMBERG DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE BLOOMBERG ASIA USD INVESTMENT GRADE BOND INDEX OR ANY DATA RELATED THERETO AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. BLOOMBERG DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, OWNERS OF THE SUB-FUND OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BLOOMBERG ASIA USD INVESTMENT GRADE BOND INDEX OR ANY DATA RELATED THERETO. BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BLOOMBERG ASIA USD INVESTMENT GRADE BOND INDEX OR ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, TO THE MAXIMUM EXTENT ALLOWED BY LAW, BLOOMBERG, ITS LICENSORS, AND ITS AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, AGENTS, SUPPLIERS, AND VENDORS SHALL HAVE NO LIABILITY OR RESPONSIBILITY WHATSOEVER FOR ANY INJURY OR DAMAGES—WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR OTHERWISE—ARISING IN CONNECTION WITH THE SUB-FUND OR BLOOMBERG ASIA USD INVESTMENT GRADE BOND INDEX OR ANY DATA OR VALUES RELATING THERETO—WHETHER ARISING FROM THEIR NEGLIGENCE OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

### ***Index Licence Agreement***

The initial licence of the Index commenced on 28 May 2014 and had continued in effect until being superseded by an amended and restated licence agreement which became effective on 30 January 2017 and shall continue for an initial period of one year. After the expiration of the initial one year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 60 days' notice of termination prior to the end of the then current term to the other party. The licence agreement (as novated and amended from time to time) may otherwise be terminated in accordance with the provisions of the licence agreement.

### **Risks Factors Specific to the Sub-Fund**

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

**Emerging Market Risk.** Investments in many of the markets to which the Index relates are currently exposed to risks pertaining to emerging markets in Asia generally. These include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of listed Securities where a registered foreign investor may only maintain a trading account with one licensed securities company in the relevant market. These may contribute to the illiquidity of certain of the relevant Securities markets, as well as create inflexibility and uncertainty as to the trading environment. Investments in many of the

markets to which the Index relates are also subject to certain special risks relating to emerging markets generally, including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and 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; the risk of nationalisation and expropriation of assets and the risk of war.

**Over-the-Counter Market Risk.** Over-the-counter (“OTC”) markets are subject to less governmental regulation and supervision of transactions (in which many different kinds of bonds are generally traded) than organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on OTC markets. Therefore, by entering into transactions on OTC markets, the Sub-Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses.

**Issuer Risk.** Investment in bonds by the Sub-Fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. An issuer suffering an adverse change in its financial condition could lower the credit quality of a Security, leading to greater price volatility of the Security. A lowering of the credit rating of a security or its issuer may also affect the Security’s liquidity, making it more difficult to sell. In general, debt instruments that have a lower credit rating or that are non-rated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the Sub-Fund’s value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuer of bonds if the issuer is incorporated outside Hong Kong and subject to foreign laws.

Bonds are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer’s assets will be paid to holders of bonds only after all secured claims have been satisfied in full. The Sub-Fund will be fully exposed to the credit/insolvency risk of its bond issuer counterparties as an unsecured creditor.

**Liquidity Risk.** Liquidity risk exists when a particular investment is difficult to purchase or sell. If the Sub-Fund invests in illiquid Securities or the current market become illiquid, it may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid Securities at an advantageous time or price. The cost of dealing may be high in such illiquid markets. A disruption in the asset allocation in the Sub-Fund is also possible if underlying Securities cannot be purchased or sold. The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for bonds is not guaranteed. The Sub-Fund may suffer losses in trading such instruments. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.

As such, there can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they would wish to.

**Sovereign Debt Risk.** The Sub-Fund may invest in government bonds which are sovereign debt Securities and such investments involve special risks. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity’s willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity’s policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others

abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Prospectus, there is no bankruptcy proceeding by which sovereign debt on which a governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign is limited.

**Interest Rate Risk.** Because the Sub-Fund invests in fixed-income Securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

**Income Risk.** Falling market interest rates can lead to a decline in income for the Sub-Fund. This can result when, in declining interest rate environment, the Sub-Fund reinvests into Securities at a lower yield than then-current Sub-Fund portfolio yield.

**Credit Risk.** The value of the Sub-Fund is affected by the credit worthiness of its underlying investments. A deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to widening of credit spread) of an underlying investment will adversely impact the value of such investment. Fixed income instruments are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income instruments only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

**Credit Downgrade Risk.** Credit rating of issuers of fixed income instruments and credit rating of Securities may be downgraded, thus adversely affecting the value and performance of the Sub-Fund holding such investments. Investors should note that there is no assurance that the bond invested by the Sub-Fund or the bond issuer will continue to have an investment grade rating or continue to be rated.

**Valuation Risk.** In a thinly traded market, it may be more difficult to achieve fair value when purchasing or selling underlying Securities because of the wide bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations as there is a possibility that independent pricing information may at times be unavailable. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

**Illiquidity of Bonds Close to Maturity Risk.** The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. Such illiquidity may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid Securities at an advantageous time or price.

**Risk of Investing in Other Funds.** The Sub-Fund may from time to time invest in other funds, which may expose the Sub-Fund to the following risks:

*Additional fees associated with investing in underlying funds:* The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases

including performance fees) charged by their management companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by the Sub-Fund when it subscribes to or redeems out of such underlying funds. Whilst the Manager and the Investment Delegate will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by the Sub-Fund.

*Investment objective risk:* Although the Manager and the Investment Delegate will use due diligence procedures to select and monitor underlying funds, there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved.

*Conflicts of interest:* The Sub-Fund may from time to time invest in other funds managed by the Manager or the Investment Delegate or their Connected Persons. In such circumstances, in accordance with the Sub-Fund's investment restrictions, all management fees, initial charges and redemption charges on the underlying fund must be waived for the Sub-Fund, and the Manager or the Investment Delegate or any person acting on behalf of the Sub-Fund or the Manager or the Investment Delegate may not obtain a rebate on any fees or charges levied by the underlying fund or its management company, or any quantifiable monetary benefits in connection with the investments in such underlying fund. Notwithstanding, such investment will present indirect benefits to the Manager or the Investment Delegate or their Connected Persons including but not limited to the increase in assets under management and/or seed money in the underlying fund and resulting economies of scale. The Manager manages these conflicts of interest by having robust procedures around the selection of underlying funds, and will use its best endeavours to resolve such conflicts fairly.

**Dual Counter Trading Risks (applicable to the Listed Class of Units only).** Units of Listed Class of Units of the Sub-Fund are available for trading on the secondary market on the SEHK under a Dual Counter arrangement, which is subject to the following risks:

*Dual Counter risk:* Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter trading. Investors without a USD account may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units.

*Inter-counter trading risk:* Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the HKD counter and USD counter at the same time. In such a case, another broker, intermediary or CCASS participant may need to be used. This may inhibit or delay dealing in the HKD traded Units and USD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter trading and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

*Difference in trading prices risk:* There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate fluctuations between HKD and USD, the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

**Exchange Rates Movement between the Base Currency and Other Currencies Risk.** The Sub-Fund's Base Currency is in HKD but the Sub-Fund has the Listed Class of Units traded in USD and the Unlisted Class of Units denominated in the Class Currency of the relevant Unlisted Class of Units other than HKD. Accordingly secondary market investors in respect of the Listed Class of Units and investors in respect of the Unlisted Class of Units which is denominated in a Class Currency other than HKD may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and USD or the relevant Class Currency other than HKD (as the case may be).

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and USD or the relevant Class Currency other than HKD (as the case may be). There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

**Other Currencies Distributions Risk (applicable to Listed Class of Units only).** Investors should note that all Units of the Sub-Fund will receive distributions only in HKD. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of any distributions from HKD 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.

**Hedged Class Risk (applicable to Unlisted Class of Units only).** Investors in hedged classes bear the associated costs and may also be exposed to the risks associated with the instruments used in the hedging process. There is no guarantee that the desired hedging instruments will be available or that the hedging techniques employed by the Manager will be effective in achieving their desired result. Hedging can also limit potential gains of a hedged class of Units. Whilst hedging may protect investors against a decrease in the value of the base currency relative to the relevant class currency, it may also preclude investors from benefitting from any increase in value of the base currency. Investors should also be aware that the volatility of a hedged class may be higher than that of the equivalent class denominated in the Sub-Fund's base currency.

**Distributions Out Of/Effectively Out of Capital Risk (applicable to Listed Class of Units and distribution Unlisted Class of Units only).** The Manager may at its discretion pay dividends out of income or capital (or effectively out of capital) (or partly one and partly the other), and furthermore any applicable charges, fees and expenses of the Sub-Fund may be paid out of the assets of the Sub-Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth. The Manager may amend its distribution policy with respect to distributions out of capital (and/or effectively out of capital) of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Further, the distribution amount and the Net Asset Value of the hedged unit classes may be adversely affected by differences in the interest rates of the reference currency of the hedged unit classes and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged unit classes.

## APPENDIX 2: CHINAAMC ASIA HIGH DIVIDEND ETF

### Key Information

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

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

<b>Index</b>	Bloomberg APAC High Dividend 40 Net Return Index HKD
<b>Investment Delegate</b>	Mackenzie Financial Corporation
<b>Investment Strategy</b>	Primarily Full Replication. The Manager and the Investment Delegate may also use Representative Sampling Strategy.
<b>Base Currency</b>	HKD
<b>Maximum Deviation from Index Weighting</b>	3%
<b>Financial Year End</b>	31 December
<b>Website</b>	<a href="http://www.chinaamc.com.hk">www.chinaamc.com.hk</a> *

\* This website has not been reviewed by the SFC.

Key information applicable to Listed Class of Units only

<b>Listing Date (SEHK)</b>	13 November 2014
<b>Exchange Listing</b>	SEHK – Main Board
<b>Stock Code</b>	3145
<b>Short Stock Name</b>	CAM ASIA HIGHDV
<b>Trading Board Lot Size</b>	200 Units
<b>Trading Currency</b>	HKD
<b>Distribution Policy</b>	The Manager intends to distribute income to Unitholders at least monthly having regard to the Sub-Fund's net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.
<b>Creation/Redemption Policy</b>	Cash (HKD or USD, as agreed with the relevant Participating Dealer)
<b>Application Unit Size (only by or through Participating Dealers)</b>	Minimum 100,000 Units (or multiples thereof)

<b>Dealing Deadline</b>	11:00 a.m. on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
<b>Participating Dealer</b>	Please refer to the Manager's website for the latest list of Participating Dealers.
<b>Market Maker</b>	Please refer to the Manager's website and the HKEX's website at <a href="http://www.hkex.com.hk">www.hkex.com.hk</a> for the latest lists of Market Makers.
<b>Management Fee</b>	Currently 0.60% per annum of the Net Asset Value
<b>Trustee Fee</b>	Currently 0.04% per annum of the Net Asset Value, subject to a minimum fee of USD3,000 per month

*Key information applicable to Unlisted Class of Units only*

<b>Unlisted Classes of Units Offered</b>	Class A HKD (Acc), Class A HKD (Dist), Class A USD (Acc), Class A USD (Dist), Class A RMB (Acc), Class A RMB (Dist), Class B HKD (Acc), Class B HKD (Dist), Class B USD (Acc), Class B USD (Dist), Class B RMB (Acc), Class B RMB (Dist)	
<b>Minimum initial investment and minimum holding</b>	Class A HKD (Acc):	HKD 1,000
	Class A HKD (Dist):	HKD 1,000
	Class A USD (Acc):	USD 100
	Class A USD (Dist):	USD 100
	Class A RMB (Acc):	RMB 1,000
	Class A RMB (Dist):	RMB 1,000
	Class B HKD (Acc):	HKD 1
	Class B HKD (Dist):	HKD 1
	Class B USD (Acc):	USD 0.1
	Class B USD (Dist):	USD 0.1
	Class B RMB (Acc):	RMB 1
	Class B RMB (Dist):	RMB 1
<b>Minimum subsequent investment and minimum redemption amount</b>	Class A HKD (Acc):	HKD 1,000
	Class A HKD (Dist):	HKD 1,000
	Class A USD (Acc):	USD 100

	<p>Class A USD (Dist): USD 100</p> <p>Class A RMB (Acc): RMB 1,000</p> <p>Class A RMB (Dist): RMB 1,000</p> <p>Class B HKD (Acc): HKD 1</p> <p>Class B HKD (Dist): HKD 1</p> <p>Class B USD (Acc): USD 0.1</p> <p>Class B USD (Dist): USD 0.1</p> <p>Class B RMB (Acc): RMB 1</p> <p>Class B RMB (Dist): RMB 1</p>
<b>Initial Offer Period</b>	9:00 a.m. (Hong Kong time) on 23 December 2024 and ends at 11:00 a.m. (Hong Kong time) on 23 December 2024, or such other date or time as the Manager may determine for a particular Class
<b>Subscription Price during the Initial Offer Period</b>	<p>Class A Units HKD / Class B Units HKD: HKD 10</p> <p>Class A Units USD / Class B Units USD: USD 1</p> <p>Class A Units RMB / Class B Units RMB: RMB 10</p>
<b>Subscription Deadline / Redemption Deadline</b>	11:00 a.m. (Hong Kong time) on the Dealing Day
<b>Distribution Policy</b>	<p><i>Accumulation Unlisted Classes of Units:</i> There will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the relevant accumulation Classes.</p> <p><i>Distribution Unlisted Classes of Units:</i> The Manager intends to distribute income to unitholders at least monthly. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.</p> <p>All Units of the distribution Unlisted Class of Units will receive distributions (if any) in the currency of the relevant Classes.</p>
<b>Management Fee</b>	<p>Class A Units HKD / Class A Units USD / Class A Units RMB: 0.60% per annum of the Net Asset Value</p>

	Class B Units HKD / Class B Units USD / Class B Units RMB:	0.99% per annum of the Net Asset Value
<b>Trustee Fee</b>	Currently 0.04% per annum of the Net Asset Value, subject to a minimum fee of USD3,000 per month	

*Key similarities and differences between Listed Class of Units and Unlisted Classes of Units*

<b>Investment Objective</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “What is the Investment Objective?” section of this Appendix.
<b>Investment Strategy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “What is the Investment Strategy?” section of this Appendix.
<b>Valuation Policy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “Determination of Net Asset Value” section in Part 1 of this Prospectus.
<b>Deadline for Dealing in Units</b>	Same for both creation and redemption for the Listed Class of Units, and subscription and redemption for the Unlisted Classes of Units – 11:00 a.m. (Hong Kong time) on a Dealing Day
<b>Dealing Arrangements</b>	<p>Different in respect of each of Listed Class of Units and Unlisted Classes of Units.</p> <p>In respect of the Listed Class of Units:</p> <ul style="list-style-type: none"> <li>- the dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 11:00 a.m. (Hong Kong time) on each Dealing Day (“Day T”), or such other time as the Manager (with the written approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced;</li> <li>- a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and</li> <li>- the Creation Application or Redemption Application for Listed Class of Units received after 11:00 a.m. (Hong Kong) time on each Dealing Day will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.</li> </ul> <p>In respect of the Unlisted Classes of Units, the Subscription Deadline and Redemption Deadline is 11:00 a.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell</p>

	<p>the Unlisted Classes of Units at Net Asset Value. The subscription application or redemption requests for Unlisted Classes of Units submitted after 11:00 a.m. (Hong Kong time) on Day T, i.e. after the Subscription or Redemption Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.</p> <p>Please refer to Schedule 3 “Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units” and Schedule 4 “Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Classes of Units” in Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Classes of Units respectively.</p>
<b>Dealing Frequency</b>	Same for both Listed Class of Units and Unlisted Classes of Units – daily on each Business Day.
<b>Valuation Point</b>	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 6:00 p.m. (Hong Kong time) on the applicable valuation day (which coincides with each Dealing Day).
<b>Fee Structure</b>	<p>Different in respect of each of the Listed Class of Units and Unlisted Classes of Units.</p> <p>Both classes of Units are subject to Management Fee.</p> <p>The Trustee’s fee are the same in respect of both Listed Class of Units and Unlisted Classes of Units.</p> <p>An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent’s fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An Investment in the Unlisted Classes of Units may be subject to the payment of subscription fees, redemption fees, switching fees, Subscription Adjustment Allowance and Redemption Adjustment Allowance (if applicable).</p> <p>Please refer to the “Fees and Expenses” section and Schedule 3 of this Prospectus for further information.</p>
<b>Investment return / Net Asset Value</b>	<p>Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Classes of Units in the secondary market), stamp duty. Accordingly, the performance of the different classes of Units will be different.</p> <p>Please refer to the “Risks associated with differences in</p>

	trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units” risk factor in Part 1 of this Prospectus.
<b>Termination</b>	Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes of Units may differ. Please refer to the sub-section headed “Termination” under the section headed “Statutory and General Information” in Part 1 of this Prospectus for further details.

### **What is the Investment Objective?**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

### **What is the Investment Strategy?**

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy. Please refer to the section “Investment Strategy” in Part 1 of this Prospectus for an explanation on these strategies. In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the Index weighting on the condition that the maximum deviation from the Index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The Sub-Fund may invest not more than 10% of its Net Asset Value in other physical exchange traded funds (“ETFs”) to gain exposure to the performance of the Index.

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund’s investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

### **Securities Financing Transactions**

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Where the Sub-Fund does engage in securities financing transactions, prior approval shall be obtained from the SFC (if so required) and no less than 1 month’s prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

### **Use of Derivatives**

The Sub-Fund may invest in financial derivative instruments (“FDIs”), including but not limited to futures and total return index swaps, for hedging or non-hedging (i.e. investment) purposes. The Sub-Fund’s holdings of FDIs for non-hedging (i.e. investment) purposes will not exceed 10% of its Net Asset Value.

The Sub-Fund’s net derivative exposure may be up to 50% of the Sub-Fund’s latest available Net Asset Value.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of this Prospectus.

## **Dealing of Listed Class of Units**

*The information below is applicable to the Listed Class of Units only.*

### ***The Offering Phases of Listed Class of Units***

The Initial Offer Period in respect of the Listed Class of Units has ended. Dealings in the Listed Class of Units on the SEHK commenced on the Listing Date.

Please refer to the section headed “The Offering Phases” in Schedule 1 of this Prospectus for details.

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

Investors’ attention is drawn to the section headed “Exchange Listing and Trading (Secondary Market)” in Schedule 1 of this Prospectus for further information.

### ***Switching***

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units on the secondary market is not available.

## **Dealing of Unlisted Classes of Units**

*The information below is applicable to the Unlisted Classes of Units only.*

### ***Subscription and Redemption of Unlisted Classes of Units***

#### **Available Unlisted Classes of Units**

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

- Class A HKD (Acc)
- Class A HKD (Dist)
- Class A USD (Acc)
- Class A USD (Dist)
- Class A RMB (Acc)
- Class A RMB (Dist)
- Class B HKD (Acc)
- Class B HKD (Dist)
- Class B USD (Acc)
- Class B USD (Dist)
- Class B RMB (Acc)
- Class B RMB (Dist)

The Manager may in future determine to issue additional Unlisted Class(es) of Units.

### ***Initial Offer Period***

The Initial Offer Period of the Unlisted Classes of Units will commence at 9:00 a.m. (Hong Kong time) on 23 December 2024 and end at 11:00 a.m. (Hong Kong time) on 23 December 2024 (or such other dates or times as the Manager may determine for a particular Class).

### **Initial Subscription Price**

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

- Class A Units HKD / Class B Units HKD: HKD 10 per Unit
- Class A Units USD / Class B Units USD: USD 1 per Unit
- Class A Units RMB / Class B Units RMB: RMB 10 per Unit

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

### **Dealing Procedures**

For details of dealing procedures, please refer to the information below and in Schedule 3 of this Prospectus. The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day
<i>Subscription Deadline and Redemption Deadline</i>	11:00 a.m. (Hong Kong time) on the relevant Dealing Day
<i>Deadline for cleared funds</i>	1:00 p.m. (Hong Kong time) on the relevant Dealing Day
<i>Valuation Point</i>	Approximately 6:00 p.m. (Hong Kong time) on the applicable valuation day (which coincides with each Dealing Day)

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

### **Subscription Price and Redemption Price**

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

### **Payment of Subscription Monies**

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

### **Payment of Redemption Proceeds**

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming

Unitholder in the Class Currency of the relevant Unlisted Class of Units by telegraphic transfer within four Business Days after the relevant Dealing Day to the relevant distributor (or its nominee)'s account, after which the redemption proceeds will be normally transferred to the respective Unitholder within one Business Day by the distributor after the distributor has received such redemption proceeds, subject to the transferal arrangement between the distributor and the Unitholder. In any event, the redemption proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the market(s) in which a substantial portion of the Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s).

### **Investment Minima**

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

	<b><i>Minimum initial investment and minimum holding</i></b>	<b><i>Minimum subsequent investment and minimum redemption amount</i></b>
Class A HKD (Acc)	HKD 1,000	
Class A HKD (Dist)	HKD 1,000	
Class A USD (Acc)	USD 100	
Class A USD (Dist)	USD 100	
Class A RMB (Acc)	RMB 1,000	
Class A RMB (Dist)	RMB 1,000	
Class B HKD (Acc)	HKD 1	
Class B HKD (Dist)	HKD 1	
Class B USD (Acc)	USD 0.1	
Class B USD (Dist)	USD 0.1	
Class B RMB (Acc)	RMB 1	
Class B RMB (Dist)	RMB 1	

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

### **Switching**

Investors should note that switching between Unlisted Classes of Units and Listed Class of Units is not available. Switching between different classes of Unlisted Classes of Units of the Sub-Fund may be permitted by the Manager. Please refer to the section "Switching of Unlisted Class(es) of Units" in Schedule 3 to Part 1 of this Prospectus.

### **Fees and Expenses**

The Sub-Fund does not employ a single management fee structure.

### ***Management Fee***

In respect of the Listed Class of Units, the current rate of Management Fee is 0.60% per annum of the Net Asset Value of the relevant class of Units.

In respect of the Unlisted Classes of Units, the current rates of Management Fee are 0.60% per annum of the Net Asset Value of the relevant class of Units for Class A Units and 0.99% per annum of the Net Asset Value of the relevant class of Units for Class B Units respectively.

The Management Fee is accrued daily and paid quarterly in arrears out of the assets of the relevant class of the Sub-Fund.

### ***Trustee Fee***

The Trustee is entitled to receive, out of the assets of the Sub-Fund, a trustee's fee (the "Trustee Fee") of 0.04% per annum (calculated as a percentage of the Net Asset Value of the Sub-Fund), subject to a minimum fee of USD3,000 per month.

The Trustee Fee is payable monthly in arrears out of the assets of the Sub-Fund. The maximum Trustee Fee is 0.08% per annum of the Net Asset Value of the Sub-Fund. The Trustee Fee may be increased up to the maximum on one month's notice to Unitholders (or such shorter period as approved by the SFC).

The Trustee Fee includes a fund accounting and net asset value calculation fee payable to the Administrator.

### ***Other Fees and Expenses***

Please refer to the "Fees and Expenses" section in Part 1 of this Prospectus for details relating to other fees and expenses.

### ***Distribution Policy***

#### ***Listed Class of Units***

The Manager intends to distribute income to Unitholders at least monthly having regard to the Sub-Fund's net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

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

#### ***Unlisted Classes of Units***

In relation to accumulation Unlisted Classes of Units, there will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the accumulation classes.

In relation to distribution Unlisted Classes of Units, the Manager currently intends to distribute income to unitholders at least monthly. The Manager intends to distribute income to Unitholders having regard to the Sub-Fund's net income after fees and costs. Distributions (if any) will be paid

from net income after deduction of all fees and costs and may be paid out of or effectively out of the capital of the Sub-Fund at the Manager's discretion. All Units of the distribution Classes will receive distributions (if any) in the currency of the relevant distribution Unlisted Classes of Units.

The distribution policy of each class may be amended subject to the SFC's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

For Listed Class of Units and distribution Unlisted Classes of Units, the composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website [www.chinaamc.com.hk](http://www.chinaamc.com.hk).

## **The Index**

*This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.*

### **General Information on the Index**

The Index seeks to track the 40 companies with the highest estimated dividend yield from the Bloomberg APAC Large, Mid & Small Cap Index (the "Parent Index"), subject to currency, market and sector diversification. The Parent Index is a float market capitalisation weighted equity benchmark that covers 99% of the market capitalisation in the Asia-Pacific (APAC) markets.

The Index is a net total return index. A net total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index was launched on 23 July 2025 and had a base level of 1,000 on 30 March 2015.

As of 16 June 2026, the Index had a market capitalisation of HKD3.38 trillion and 40 constituents.

The Index is denominated in HKD.

### **Index Provider**

The Index is compiled and published by Bloomberg Index Services Limited (the "Index Provider").

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

### **Index Methodology**

To be eligible for inclusion in the Index, a company must be a constituent of the Parent Index, subject to further eligibility requirements specific to the Index in terms of stock exchange, security type and classes of securities.

#### Index Universe

##### *At Parent Index<sup>10</sup> Level*

The security types that are eligible to be considered for inclusion in the Parent Index include all

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<sup>10</sup> For more details on the index methodology of the Parent Index, please refer to the Bloomberg Global Equity Indices Methodology available on the Index Provider's website at <https://www.bloomberg.com/professional/products/indices/documentation/> (this website has not been reviewed by the SFC).

listed equities and equity-like securities, including Real Estate Investment Trusts (REITs). Certain private equity firms are also eligible if they are structured as “Corporations and Business Development Companies” and classified as “Investment Holding Companies” as per the Bloomberg Industry Classification System.

Each company and its securities are classified into a single country or region (each herein referred to as a “market”). For each market, the Index Provider has a list of eligible security types and eligible exchange listings. For the purposes of the Parent Index, the APAC markets include Australia, Hong Kong, Japan, New Zealand, Singapore, China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

The following screens are then applied at the company or security level to define the eligible universe for each market:

- (a) the index constituents need to have sufficient liquidity by meeting the applicable minimum annualised trading volume ratio requirements;
- (b) to ensure a security has sufficient trading history, newly listed securities must have traded for at least 3 months before the relevant selection to be considered for inclusion, except for large companies the newly trading security of which has a full market capitalisation greater than its market’s 70<sup>th</sup> percentile of cumulative float market capitalisation;
- (c) securities that did not trade for a period of 10 or more consecutive trading days since the last rebalance effective date are excluded at the next reconstitution;
- (d) securities with a closing market price equal to or greater than USD20,000 on the relevant selection date are not eligible for inclusion. Existing index constituents are not removed if their closing market price is equal to or greater than USD20,000 on the relevant selection date;
- (e) securities subject to sanctions issued by the US Office of Financial Assets Control, the US Department of Defense, the European Union, the United Nations and the United Kingdom may not be eligible for inclusion. Existing index constituents will be assessed on a case-by-case basis. Securities incorporated, listed and/or with a Country of Risk (as defined by the Index Provider) pointing to a market subject to comprehensive economic sanctions may not be eligible;
- (f) securities with a free float percentage below 10% are not eligible to become index constituents; however, companies with a free float percentage below 10% can still be eligible if the security float market capitalisation is greater than 0.5 times the 70<sup>th</sup> percentile of its market’s cumulative float market capitalisation;
- (g) securities must have a free float adjusted market capitalisation of at least USD100 million (when classified in developed markets by the Index Provider) and USD50 million (when classified in emerging markets by the Index Provider);
- (h) companies breaching the applicable foreign investment limits will be excluded. For example, China A companies’ free float percentage is capped at 28% and companies that breach the 28% foreign investment limit are removed; and
- (i) companies should not be subject to any stock exchange specific restrictions.

#### *At Index Level*

At the Index level, a constituent of the Parent Index is subject to the following further eligibility requirements in terms of stock exchange, security type and classes of securities:

- (a) a security should not be listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange;

- (b) a security should not be classified as a preference share; and
- (c) one security per company is permitted. If a company has multiple securities, then the security currently in the Index will take precedence if it has met all other criteria for eligibility. Otherwise, the security with the highest 90-day average daily value traded is eligible for inclusion in the Index.

### Index Selection Process

The Index selection process consists of four steps: (1) market data screening; (2) quality screening; (3) diversification screening; and (4) final selection.

#### *Step 1: Market Data Screening*

A company must meet the following criteria:

- (a) it must have a minimum free float market capitalisation of USD750 million;
- (b) it must have a minimum 90-day average value traded at USD10 million; and
- (c) it must have a Bloomberg Estimates Dividend Yield<sup>11</sup> (with estimates provided by a minimum of 3 analysts) smaller than or equal to 20%.

#### *Step 2: Quality Screening*

A company must be within the top 90<sup>th</sup> percentile based on the composite quality rank as calculated below:

$$\text{Composite Quality Rank} = \text{Leverage Rank} + \text{ROE Rank}$$

where:

$$\text{Leverage (lower the better)} = \frac{\text{Short and Long Term Debt}}{\text{Total Common Equity}}$$

$$\text{ROE (higher the better)} = \text{Return on Common Equity}$$

#### *Step 3: Diversification Screening*

A company must rank within 15<sup>th</sup> by Bloomberg Estimates Dividend Yield rank within the companies with same currency, market and sectors (as represented by the Bloomberg Industry Classification System Level 1 Sectors). The three criteria are applied in a sequential order.

#### *Step 4: Final Selection*

For each reconstitution:

- Top 32 constituents based on the Bloomberg Estimates Dividend Yield will be selected from

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<sup>11</sup> Bloomberg Estimates Dividend Yield is a ratio calculated by dividing the Bloomberg Estimates Dividend Per Share (BESD DPS) by the latest close price of the security. BESD DPS is calculated using a period-bound weighted average (Blended Forward) methodology and reflects the consensus estimate, which is the mean of at least three sell-side analyst estimates for Dividends Per Share. The period-bound weighted average (Blended Forward) methodology combines dividend estimates for the current fiscal year (Year 1) and the next fiscal year (Year 2) to calculate a blended forward-looking estimate over a 12-month forward period. The Year 1 estimate is weighted based on the proportion of the 12-month forward period that falls within the current fiscal year, while the Year 2 estimate is weighted by the remaining proportion of the 12-month forward period that falls within the next fiscal year.

the companies that meet the requirements in steps 1 to 3 above.

- Existing index constituents which are ranked 33<sup>rd</sup> to 48<sup>th</sup> based on the Bloomberg Estimates Dividend Yield will be re-selected until the number of index constituents reaches 40.
- If fewer than 40 companies are selected after this step, the remaining eligible companies with the highest Bloomberg Estimates Dividend Yield will be added until the number of index constituents reaches 40.

### Index Weighting

The companies are weighted in proportion to their Bloomberg Estimates Dividend Yield. Specifically, the weight of a constituent is calculated by dividing its Bloomberg Estimates Dividend Yield by the sum of the Bloomberg Estimates Dividend Yields of all constituents in the New Index.

For more details on the index methodology of the Index, please refer to the Bloomberg APAC High Dividend 40 Index Methodology available on the Index Provider's website at <https://www.bloomberg.com/professional/products/indices/documentation/> (this website has not been reviewed by the SFC).

### **Index Rebalance and Reconstitution**

The Index is reconstituted and rebalanced for security changes semi-annually in March and September.

Index shares and industry classifications are determined using publicly available information on the last Wednesday in January and July. The Index changes are announced on the last Wednesday in February and August. The Index reconstitution and rebalance will then become effective after the close of trading on the second Wednesday in March and September respectively.

### **Index Maintenance**

Index securities are not deleted outside of the Index rebalance and reconstitution window except in the case of a delisting. No addition or replacement of the Index securities will take place outside of the Index reconstitution.

The New Index is maintained daily for corporate actions. For more information regarding treatment of corporate actions, please refer to the Bloomberg Global Equity Indices Non-Market Cap Corporate Action Methodology available on the Index Provider's website at <https://www.bloomberg.com/professional/products/indices/documentation/> (this website has not been reviewed by the SFC).

### **Index Constituents**

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index, including the index methodology, the closing level and other important news of the Index, from the website of the Index Provider at <https://www.bloomberg.com/quote/BAHD40H:IND> and <https://www.bloomberg.com/professional/products/indices/documentation/>. Please refer to the Manager's website for the latest hyperlinks for the Index (these websites have not been reviewed by the SFC).

### **Index Code**

Bloomberg Code: BAHD40NH

### **Index Provider Disclaimer**

"Bloomberg®" and the indices referenced herein (the "Indices", and each such index, an "Index") are trademarks or service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the Index (collectively, "Bloomberg"), and/or

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### ***Index Licence Agreement***

The initial term of the licence of the Index commenced on 31 May 2025 and will continue for two years. After the expiration of the initial two-year term, the licence could be renewed for successive terms of two years. The licence agreement (as novated and amended from time to time) may otherwise be terminated in accordance with the provisions of the licence agreement.

### **Risks Factors Specific to the Sub-Fund**

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

**High Dividend Yield Securities Risk.** The Sub-Fund invests in high dividend yield securities which may offer a higher rate of dividend yield. However, high dividend yield securities are subject to risks that the dividend could be reduced or abolished, or the risks that the value of the securities could

decline or have lower-than average potential for price appreciation.

### **Concentration in Asian Markets Risk / Emerging Market Risk**

The Sub-Fund's investments are concentrated in Asian markets. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Asian markets.

Certain Asian markets in which the Sub-Fund invests may be emerging markets. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

**Sector Concentration Risk.** The Sub-Fund's investments may from time to time be concentrated in one or more sectors (such as the financial sector). The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.

Companies in the financial sector are subject to extensive governmental regulation, which may adversely affect the scope of their activities, the prices they can charge and the amount of capital they must maintain. Governmental regulation may change frequently. The financial services sector is exposed to risks that may impact on the value of investments in the financial services sector more severely than investments outside this sector, including operating with substantial financial leverage. The financial services sector may also be adversely affected by increases in interest rates and loan losses, decreases in the availability of money or asset valuations and adverse conditions in other related markets. This may adversely affect the value of investments of the Sub-Fund.

**Risk Associated with Small-Capitalisation / Mid-Capitalisation Companies.** The stocks of small-capitalisation/ mid-capitalisation companies may have lower liquidity and their prices are more volatile and susceptible to adverse economic developments than those of larger capitalisation companies in general.

**Risks Associated with FDIs.** A FDI is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security or an index and may have a high degree of price variability and is subject to occasional rapid and substantial changes. Compared to conventional Securities, FDIs can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the Sub-Fund. The losses of the Sub-Fund may be greater if it invests in FDIs than if it invests only in conventional Securities.

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

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

An investment in the FDIs does not entitle the FDIs holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the FDIs will equal the underlying value of the company or securities market that it may seek to replicate or obtain exposure.

### **Exchange Rates Movement between the Base Currency and Other Currencies Risk**

**(applicable to Unlisted Class of Units only).** The Sub-Fund's Base Currency is in HKD but the Sub-Fund has Unlisted Class of Units denominated in the Class Currency of the relevant Unlisted Class of Units other than HKD. Accordingly investors in respect of the Unlisted Class of Units which is denominated in a Class Currency other than HKD may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the relevant Class Currency other than HKD.

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and the relevant Class Currency other than HKD. There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

**Distributions Out Of/Effectively Out of Capital Risk (applicable to Listed Class of Units and distribution Unlisted Class of Units only).** The Manager may at its discretion pay dividends out of income or capital (or effectively out of capital) (or partly one and partly the other), and furthermore any applicable charges, fees and expenses of the Sub-Fund may be paid out of the assets of the Sub-Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth. The Manager may amend its distribution policy with respect to distributions out of capital (and/or effectively out of capital) of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

**New Index Risk.** The Index is new and has minimal operating history by which investors can evaluate its previous performance. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

**Rebalancing Period Risk.** The Index of the Sub-Fund was changed from the NASDAQ Asia ex Japan Dividend Achievers™ Index (the "Previous Index") to the Bloomberg APAC High Dividend 40 Net Return Index HKD effective from 31 October 2025. The rebalancing of assets held by the Sub-Fund as a result of the change in the Index is anticipated to take place over a period of up to 3 trading days (the "Rebalancing Period"). During the Rebalancing Period, the holdings of the Sub-Fund will be rebalanced from the constituents of the Previous Index to the constituents of the Index. During the Rebalancing Period, the tracking error and tracking difference of the Sub-Fund may increase due to the rebalancing activities. Investors who deal with Units of the Sub-Fund during the Rebalancing Period should exercise caution.

**Past Performance Risk.** As a result of the change in the Index, the past performance of the Sub-Fund prior to 31 October 2025 was achieved under circumstances which no longer apply from 31 October 2025. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 31 October 2025.

### APPENDIX 3: CHINAAMC MSCI JAPAN HEDGED TO USD ETF

#### Key Information

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

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

<b>Index</b>	MSCI Japan 100% Hedged to USD Index
<b>Investment Delegate</b>	Mackenzie Financial Corporation
<b>Investment Strategy</b>	Primarily Full Replication. The Manager and the Investment Delegate may also use Representative Sampling Strategy.
<b>Base Currency</b>	HKD
<b>Maximum Deviation from Index Weighting</b>	3%
<b>Financial Year End</b>	31 December
<b>Website</b>	<a href="http://www.chinaamc.com.hk">www.chinaamc.com.hk</a> *

\* This website has not been reviewed by the SFC.

Key information applicable to Listed Class of Units only

<b>Listing Date (SEHK)</b>	18 February 2016
<b>Exchange Listing</b>	SEHK – Main Board
<b>Stock Code</b>	3160
<b>Short Stock Name</b>	CAM JAPAN HDG
<b>Trading Board Lot Size</b>	200 Units
<b>Base Currency</b>	HKD
<b>Trading Currency</b>	HKD
<b>Distribution Policy</b>	The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September of each year) having regard to the Sub-Fund's net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.
<b>Creation/Redemption Policy</b>	Cash (HKD or USD, as agreed with the relevant Participating Dealer) and in-kind

<b>Application Unit Size (only by or through Participating Dealers)</b>	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 1,000,000 Units (or multiples thereof) for in-kind creation/redemption
<b>Dealing Deadline</b>	11:00 a.m. (for cash creation / redemption) or 4:30 p.m. (for in-kind creation / redemption) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
<b>Participating Dealer</b>	Please refer to the Manager's website for the latest list of Participating Dealers.
<b>Market Maker</b>	Please refer to the Manager's website and the HKEX's website at <a href="http://www.hkex.com.hk">www.hkex.com.hk</a> for the latest lists of Market Makers.
<b>Management Fee</b>	Currently 0.50% per year of the Net Asset Value

*Key information applicable to Unlisted Classes of Units only*

<b>Unlisted Classes of Units Offered</b>	Class A HKD (Acc), Class A HKD (Dist), Class A USD (Acc), Class A USD (Dist), Class A RMB (Acc), Class A RMB (Dist), Class B HKD (Acc), Class B HKD (Dist), Class B USD (Acc), Class B USD (Dist), Class B RMB (Acc), Class B RMB (Dist)																								
<b>Minimum initial investment and minimum holding</b>	<table> <tr> <td>Class A HKD (Acc):</td> <td>HKD 1,000</td> </tr> <tr> <td>Class A HKD (Dist):</td> <td>HKD 1,000</td> </tr> <tr> <td>Class A USD (Acc):</td> <td>USD 100</td> </tr> <tr> <td>Class A USD (Dist):</td> <td>USD 100</td> </tr> <tr> <td>Class A RMB (Acc):</td> <td>RMB 1,000</td> </tr> <tr> <td>Class A RMB (Dist):</td> <td>RMB 1,000</td> </tr> <tr> <td>Class B HKD (Acc):</td> <td>HKD 1</td> </tr> <tr> <td>Class B HKD (Dist):</td> <td>HKD 1</td> </tr> <tr> <td>Class B USD (Acc):</td> <td>USD 0.1</td> </tr> <tr> <td>Class B USD (Dist):</td> <td>USD 0.1</td> </tr> <tr> <td>Class B RMB (Acc):</td> <td>RMB 1</td> </tr> <tr> <td>Class B RMB (Dist):</td> <td>RMB 1</td> </tr> </table>	Class A HKD (Acc):	HKD 1,000	Class A HKD (Dist):	HKD 1,000	Class A USD (Acc):	USD 100	Class A USD (Dist):	USD 100	Class A RMB (Acc):	RMB 1,000	Class A RMB (Dist):	RMB 1,000	Class B HKD (Acc):	HKD 1	Class B HKD (Dist):	HKD 1	Class B USD (Acc):	USD 0.1	Class B USD (Dist):	USD 0.1	Class B RMB (Acc):	RMB 1	Class B RMB (Dist):	RMB 1
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Class B RMB (Dist):	RMB 1																								

<b>Minimum subsequent investment and minimum redemption amount</b>	Class A HKD (Acc):                    HKD 1,000 Class A HKD (Dist):                    HKD 1,000 Class A USD (Acc):                    USD 100 Class A USD (Dist):                    USD 100 Class A RMB (Acc):                    RMB 1,000 Class A RMB (Dist):                    RMB 1,000 Class B HKD (Acc):                    HKD 1 Class B HKD (Dist):                    HKD 1 Class B USD (Acc):                    USD 0.1 Class B USD (Dist):                    USD 0.1 Class B RMB (Acc):                    RMB 1 Class B RMB (Dist):                    RMB 1
<b>Initial Offer Period</b>	9:00 a.m. (Hong Kong time) on 23 December 2024 and ends at 11:00 a.m. (Hong Kong time) on 23 December 2024, or such other date or time as the Manager may determine for a particular Class
<b>Subscription Price during the Initial Offer Period</b>	Class A Units HKD / Class B Units HKD:                    HKD 10 Class A Units USD / Class B Units USD:                    USD 1 Class A Units RMB / Class B Units RMB:                    RMB 10
<b>Subscription Deadline / Redemption Deadline</b>	11:00 a.m. (Hong Kong time) on the Dealing Day
<b>Distribution Policy</b>	<p><i>Accumulation Unlisted Classes of Units:</i> There will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the relevant accumulation Classes.</p> <p><i>Distribution Unlisted Classes of Units:</i> The Manager intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). Distributions may be paid out of capital or effectively out of capital as well as income at the Manager’s discretion.</p> <p>All Units of the distribution Unlisted Class of Units will receive distributions (if any) in the currency of the relevant</p>

	Classes.
<b>Management Fee</b>	Class A Units HKD / Class A Units USD / Class A Units RMB: 0.50% per annum of the Net Asset Value
	Class B Units HKD / Class B Units USD / Class B Units RMB: 0.99% per annum of the Net Asset Value

*Key similarities and differences between Listed Class of Units and Unlisted Classes of Units*

<b>Investment Objective</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “What is the Investment Objective?” section of this Appendix.
<b>Investment Strategy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “What is the Investment Strategy?” section of this Appendix.
<b>Valuation Policy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “Determination of Net Asset Value” section in Part 1 of this Prospectus.
<b>Deadline for Dealing in Units</b>	<p>Same for in-cash creation and redemption for the Listed Class of Units, and subscription and redemption for the Unlisted Classes of Units – 11:00 a.m. (Hong Kong time) on a Dealing Day.</p> <p>Different in respect of in-kind creation and redemption for the Listed Class of Units which is 4:30 p.m. (Hong Kong time) on the Dealing Day.</p>
<b>Dealing Arrangements</b>	<p>Different in respect of each of Listed Class of Units and Unlisted Classes of Units.</p> <p>In respect of the Listed Class of Units:</p> <ul style="list-style-type: none"> <li>- the dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 11:00 a.m. (for cash creation / redemption) or 4:30 p.m. (for in-kind creation / redemption) (Hong Kong time) on each Dealing Day (“Day T”), or such other time as the Manager (with the written approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced;</li> <li>- a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and</li> <li>- the Creation Application or Redemption Application for</li> </ul>

	<p>Listed Class of Units received after 11:00 a.m. (for cash creation / redemption) or 4:30 p.m. (for in-kind creation / redemption) (Hong Kong time) on each Dealing Day will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.</p> <p>In respect of the Unlisted Classes of Units, the Subscription Deadline and Redemption Deadline is 11:00 a.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Classes of Units at Net Asset Value. The subscription application or redemption requests for Unlisted Classes of Units submitted after 11:00 a.m. (Hong Kong time) on Day T, i.e. after the Subscription or Redemption Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.</p> <p>Please refer to Schedule 3 “Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units” and Schedule 4 “Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Classes of Units” in Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Classes of Units respectively.</p>
<b>Dealing Frequency</b>	Same for both Listed Class of Units and Unlisted Classes of Units – daily on each Business Day.
<b>Valuation Point</b>	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 2:00 p.m. (Hong Kong time) on the applicable valuation day (which coincides with each Dealing Day).
<b>Fee Structure</b>	<p>Different in respect of each of the Listed Class of Units and Unlisted Classes of Units.</p> <p>Both classes of Units are subject to Management Fee.</p> <p>An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent’s fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees, redemption fees, switching fees, Subscription Adjustment Allowance and Redemption Adjustment Allowance (if applicable).</p> <p>Please refer to the “Fees and Expenses” section and Schedule 3 of this Prospectus for further information.</p>
<b>Investment return / Net Asset Value</b>	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought

	<p>and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Classes of Units in the secondary market), stamp duty. Accordingly, the performance of the different classes of Units will be different.</p> <p>Please refer to the “Risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units” risk factor in Part 1 of this Prospectus.</p>
<p><b>Termination</b></p>	<p>Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes of Units may differ. Please refer to the sub-section headed “Termination” under the section headed “Statutory and General Information” in Part 1 of this Prospectus for further details.</p>

### **What is the Investment Objective?**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

### **What is the Investment Strategy?**

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy. Please refer to the section “Investment Strategy” in Part 1 of this Prospectus for an explanation on these strategies.

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund’s investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

### **Securities financing transactions**

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Where the Sub-Fund does engage in securities financing transactions, prior approval shall be obtained from the SFC (if so required) and no less than 1 month’s prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

### **Use of derivatives**

The Sub-Fund may invest in financial derivative instruments (“FDIs”), including but not limited to futures and total return index swaps, for hedging or non-hedging (i.e. investment) purposes. The Sub-Fund’s holdings of FDIs for non-hedging (i.e. investment) purposes will not exceed 10% of its Net Asset Value.

The Sub-Fund intends to invest in currency forwards for hedging purposes. In implementing currency hedging, the Sub-Fund will replicate the hedging methodology of the Index.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest available Net Asset Value.

The Sub-Fund will not hold or receive collateral from counterparty of over-the-counter derivative transactions to reduce counterparty exposure or for collateral netting.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of this Prospectus.

### **Dealing of Listed Class of Units**

*The information below is applicable to the Listed Class of Units only.*

### **The Offering Phases of Listed Class of Units**

The Initial Offer Period in respect of the Listed Class of Units has ended. Dealings in the Listed Class of Units on the SEHK commenced on the Listing Date.

Please refer to the section headed "The Offering Phases" in Schedule 1 of this Prospectus for details.

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

Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of this Prospectus for further information.

### **Switching**

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units on the secondary market is not available.

### **Dealing of Unlisted Classes of Units**

*The information below is applicable to the Unlisted Classes of Units only.*

### **Subscription and Redemption of Unlisted Classes of Units**

#### Available Unlisted Classes of Units

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

- Class A HKD (Acc)
- Class A HKD (Dist)
- Class A USD (Acc)
- Class A USD (Dist)
- Class A RMB (Acc)
- Class A RMB (Dist)
- Class B HKD (Acc)
- Class B HKD (Dist)
- Class B USD (Acc)
- Class B USD (Dist)

- Class B RMB (Acc)
- Class B RMB (Dist)

The Manager may in future determine to issue additional Unlisted Class(es) of Units.

**Initial Offer Period**

The Initial Offer Period of the Unlisted Classes of Units will commence at 9:00 a.m. (Hong Kong time) on 23 December 2024 and end at 11:00 a.m. (Hong Kong time) on 23 December 2024 (or such other dates or times as the Manager may determine for a particular Class).

**Initial Subscription Price**

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

- Class A Units HKD / Class B Units HKD: HKD 10 per Unit
- Class A Units USD / Class B Units USD: USD 1 per Unit
- Class A Units RMB / Class B Units RMB: RMB 10 per Unit

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

**Dealing procedures**

For details of dealing procedures, please refer to the information below and in Schedule 3 of this Prospectus. The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day
<i>Subscription Deadline and Redemption Deadline</i>	11:00 a.m. (Hong Kong time) on the relevant Dealing Day
<i>Deadline for cleared funds</i>	4:00 p.m. (Hong Kong time) on the following Dealing Day
<i>Valuation Point</i>	Approximately 2:00 p.m. (Hong Kong time) on the applicable valuation day (which coincides with each Dealing Day)

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

**Subscription Price and Redemption Price**

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

**Payment of subscription monies**

Subscription monies in respect of Unlisted Classes of Units should be received in cleared funds by (i) the deadline for cleared funds on the relevant Dealing Day on which an application was received

by the Subscription Deadline or (ii) in the case of applications for Unlisted Classes of Units during the Initial Offer Period, such time on the last day of the Initial Offer Period of Unlisted Classes of Units, or within such other period as determined by the Manager.

### ***Payment of redemption proceeds***

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

### ***Investment minima***

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

	<b><i>Minimum initial investment and minimum holding</i></b>	<b><i>Minimum subsequent investment and minimum redemption amount</i></b>
Class A HKD (Acc)		HKD 1,000
Class A HKD (Dist)		HKD 1,000
Class A USD (Acc)		USD 100
Class A USD (Dist)		USD 100
Class A RMB (Acc)		RMB 1,000
Class A RMB (Dist)		RMB 1,000
Class B HKD (Acc)		HKD 1
Class B HKD (Dist)		HKD 1
Class B USD (Acc)		USD 0.1
Class B USD (Dist)		USD 0.1
Class B RMB (Acc)		RMB 1
Class B RMB (Dist)		RMB 1

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

## **Switching**

Investors should note that switching between Unlisted Classes of Units and Listed Class of Units is not available. Switching between different classes of Unlisted Classes of Units of the Sub-Fund may be permitted by the Manager. Please refer to the section “Switching of Unlisted Class(es) of Units” in Schedule 3 to Part 1 of this Prospectus.

## **Distribution Policy**

### **Listed Class of Units**

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) having regard to the Sub-Fund’s net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager’s discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

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

### **Unlisted Classes of Units**

In relation to accumulation Unlisted Classes of Units, there will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the accumulation classes.

In relation to distribution Unlisted Classes of Units, the Manager currently intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). The Manager intends to distribute income to Unitholders having regard to the Sub-Fund’s net income after fees and costs. Distributions (if any) will be paid from net income after deduction of all fees and costs and may be paid out of or effectively out of the capital of the Sub-Fund at the Manager’s discretion. All Units of the distribution Classes will receive distributions (if any) in the currency of the relevant distribution Unlisted Classes of Units.

The distribution policy of each class may be amended subject to the SFC’s prior approval (if required) and upon giving not less than one month’s prior notice to Unitholders.

For Listed Class of Units and distribution Unlisted Classes of Units, the composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website [www.chinaamc.com.hk](http://www.chinaamc.com.hk).

## **The Index**

*This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.*

### **General Information on the Index**

The Index is a float adjusted modified market capitalisation weighted index that is compiled and published by MSCI Inc., the Index Provider. The Index aims to represent the impact of currency hedging on the performance of the MSCI Japan Index, using one-month forwards in the currency

market. The MSCI Japan Index is constructed based on the MSCI Global Investable Market Indexes (“GIMI”) Methodology, and includes large- and mid-capitalisation stocks in the Japanese equity market and covers approximately 85% of the free float-adjusted market capitalisation of Japan.

The Index was launched on 31 December 1992 and had a base date of 31 December 1987 and a base level of 100.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

As at 16 June 2026, the Index had a total market capitalisation of USD 5.16 trillion and 168 constituents.

The Index is denominated in USD.

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

### ***Investable Universe and Index Construction***

The Index is constructed based on the MSCI GIMI Methodology, and includes large- and mid-capitalisation stocks in the Japanese equity market and covers approximately 85% of the free float-adjusted market capitalisation of Japan.

Each company and its securities are classified in one country primarily by the country of incorporation and primary listing. The market investable equity universe of the Index is derived by: (a) identifying eligible listings for each security in the equity universe classified in Japan; and (b) applying investability screens to individual companies and securities in the equity universe classified in Japan. A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). A security may be represented in the global investable equity universe by a foreign listing (including a depositary receipt) only if the security is classified in a country that meets certain foreign listing materiality requirement, and the security’s foreign listing is traded on an eligible stock exchange.

Investability screens to be applied to determine the market investable equity universe of the Index include but are not limited to the following criteria:

(i) *Equity universe minimum size requirement*

This investability screen is applied at the company level. A company must have a full market capitalisation equal to or higher than the minimum full market capitalisation which is determined by (i) sorting all the companies in the equity universe in descending order by full market capitalisation; and (ii) identifying the company when the cumulative coverage of the free float adjusted market capitalisation reaches 99% of the sorted equity universe. The full market capitalisation of this company defines the minimum full market capitalisation. This minimum threshold is updated on a semi-annual basis and, as of the November 2019 semi-annual index review, was USD233 million.

(ii) *Equity universe minimum free float-adjusted market capitalisation requirement*

This investability screen is applied at the individual security level. A security must have a free float-adjusted market capitalisation equal to or higher than 50% of the equity universe minimum size requirement. The minimum threshold is updated on a semi-annual basis and, as of the November 2019 semi-annual index review, was USD116.5 million.

(iii) *Minimum liquidity requirement*

A security must have a minimum liquidity level which, for developed market countries such as Japan, is measured by a 3-month annual traded value ratio (“ATVR”) of 20% and 3-month frequency of trading of 90% over the last 4 consecutive quarters, and a 12-month ATVR of 20%.

(iv) *Minimum length of trading requirement*

For an IPO (other than a large IPO) to be eligible for inclusion, the new issue must have started trading at least 3 months before the implementation of a semi-annual index review. For large IPOs (i.e. an IPO whose full market capitalisation exceeds 1.8 times the cut-off of the Standard Index size segment (see below) and whose free-float adjusted market capitalisation exceeds 1.8 times one-half of the cut-off of the Standard Index size segment), the minimum length of trading requirement will not apply and the securities may be considered for early inclusion in the Standard Index if it meet all the MSCI inclusion criteria.

(v) *Global minimum foreign inclusion factor requirement*

A security's "foreign inclusion factor" relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. In general, a security must have a foreign inclusion factor equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe.

A coverage target range of 85% ± 5% is applied to the free float-adjusted market capitalisation of Japan to create a size-segment (known as a Standard Index) consisting of the large- and mid-capitalisation stocks in the market investable equity universe of Japan.

In order to achieve index continuity and provide further diversification, a minimum number of five constituents will be maintained for Japan, which is classified as a developed market country.

Further details of the MSCI GIMI Methodology can be found on the Index Provider's website at: [www.msci.com](http://www.msci.com). This website has not been reviewed by the SFC.

***MSCI Currency Hedging***

The Index is fully hedged to USD by notionally selling the JPY forward at the one-month forward exchange rate at the end of each month.

The Index is rebalanced monthly on the last weekday of the month, when the Index will take into account the effect of rolling into new one-month forward contracts based on the newly determined weights of currency to be sold for the next month's index calculation. To ensure better replicability of the Index, the amount of forwards sold on the last business day of the month shall represent the value (or the market capitalisation) of the Index. The foreign currency amount, however, takes into account any changes in the composition of the Index implemented as of the close of last business day of the month.

No adjustment to the hedging is done during the month to account for changes in the Index due to price movement of securities, corporate events, additions, deletions or any other changes. In other words, the amount hedged is kept constant over the whole month, and the hedge ratio may deviate due to equity market movements. The profits or losses arising from currency hedging are assumed to be reinvested at month-end only.

***Implementation of Currency Hedging by the Manager and/or the Investment Delegate***

To implement the investment strategy, the Sub-Fund will invest in the constituents of the MSCI Japan Index and hedge the foreign currency exposure using one-month currency forward contracts, specifically by selling the JPY forward at the one-month forward date.

Currency forward contracts are agreements between two parties to exchange two designated currencies at a specific time in the future. These contracts settle at a future date (the "forward settlement date") and, typically, prior to the forward settlement date, offsetting currency forward trades are executed to close out the currency forward position. The difference in the initial price and the close-out price is the gain or loss on the position. Currency forwards are commonly used by investors for hedging exposure to fluctuations caused by movements in currency exchange rates. The process of applying a currency hedge to the Sub-Fund's portfolio is consistent with the methodology of the Index.

A step-by-step description of the Manager and/or the Investment Delegate's implementation of currency hedging is set out below:

- At the inception of the Sub-Fund, a currency hedge is calculated using the local value of each of the securities held in the Sub-Fund's portfolio as of the last valuation date. A hedge is applied by selling the underlying foreign currency (i.e. JPY) against the home currency (i.e. USD) using one-month currency forward contracts. For the Sub-Fund, the Manager and/or the Investment Delegate will sell JPY in an amount equal to the amount of JPY-denominated securities in the Sub-Fund's portfolio. For example, if the Sub-Fund owns JPY100,000 in securities, the currency hedge will be to sell JPY100,000 versus USD one month forward (i.e. on the "forward settlement date").
- For creations during the month, the Manager and/or the Investment Delegate will increase the hedge using the amount of JPY-denominated securities in the Sub-Fund's portfolio. For example, if there are JPY10,000 worth of JPY-denominated securities in the creation application basket, the Manager and/or the Investment Delegate will sell JPY10,000 versus buying USD to settle on the forward settlement date.
- For redemptions during the month, the opposite occurs. The Manager and/or the Investment Delegate will decrease the hedge using the amount of JPY-denominated securities in the portfolio. For example, if there is JPY 10,000 worth of JPY-denominated securities in the redemption application basket, the Manager and/or the Investment Delegate will buy JPY10,000 versus selling USD to settle on the forward settlement date.
- The benchmark for the execution on the forward contracts is the day's closing price so as to match the Index and minimise tracking error.
- On the last weekday of the month, the total notional amount of JPY will be rolled by buying back all of the JPY sold while simultaneously selling the same amount (versus buying USD) to the following month end (the "new forward settlement date").
- By closing out existing forward contracts, currency gains or losses over the month are realised. These realised currency gains or losses are then invested or divested into the underlying securities in the Sub-Fund's portfolio.
- An adjustment of the hedge amount will be made to reflect changes in value of the securities in the Sub-Fund's portfolio as a result of the gain or losses on the underlying portfolio and the currency hedging on the last business day of the month. If the current hedge amount is more (or less) than the current value of the JPY-denominated securities, then JPY forward contracts will need to be bought (or sold), to settle on the new forward settlement date, in order to match the value of the securities. This adjustment is done simultaneously with the previous step of closing out existing forward contracts. For example, if the Sub-Fund's portfolio at the end of the month holds JPY110,000 and the original hedge was to short JPY100,000, the Manager and/or the Investment Delegate will then need to increase the hedge by selling an additional JPY10,000.

### ***Index Periodical Review***

The constituents of the Index are rebalanced semi-annually, as of the close of the last business day of May and November, coinciding with the May and November semi-annual index reviews of the MSCI Japan Index.

### ***Index Constituents***

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology with details of currency hedging component of the Index and the closing level of the Index from the website of MSCI Inc. at <https://www.msci.com/constituents>. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

### ***Index Code***

Bloomberg Code: M1CXBMJH

### ***Index Provider Disclaimer***

THIS FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY CHINA ASSET MANAGEMENT (HONG KONG) LIMITED. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

### ***Index Licence Agreement***

The initial term of the licence of the Index commenced on 1 November 2015 and will continue for three years. After the expiration of the initial three-year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement (as novated and amended from time to time) may otherwise be terminated in accordance with the provisions of the licence agreement.

### ***Risks Factors Specific to the Sub-Fund***

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth

below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

**Concentration Risk.** The Sub-Fund is subject to concentration risk as a result of tracking the performance of a single country (i.e. Japan). It is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in Japan.

**Risks Associated with Investing in Japan.** The growth of Japan's economy has historically lagged that of its Asian neighbours and other major developed economies. The Japanese economy is heavily dependent on international trade and has been adversely affected by trade tariffs, other protectionist measures, competition from emerging economies and the economic conditions of its trading partners. The PRC has become an important trading partner with Japan, yet the countries' political relationship has become strained. Should political tension increase, it could adversely affect the economy, especially the export sector, and destabilise the region as a whole. Japan is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and tsunamis and is economically sensitive to environmental events. Any such event, such as the major earthquake and tsunami which struck Japan in March 2011, could result in a significant adverse impact on the Japanese economy. Japan may be subject to risks relating to political, economic and labour risks. Any of these risks, individually or in the aggregate, could adversely affect investments in the Sub-Fund. Japan also remains heavily dependent on oil imports, and higher commodity prices could therefore have a negative impact on the economy. Furthermore, Japanese corporations often engage in high levels of corporate leveraging, extensive cross-purchases of the securities of other corporations and are subject to a changing corporate governance structure.

**Limitations of Hedging Risks.** The Sub-Fund invests in currency forward contracts for hedging purposes. While this approach is designed to minimise the impact of currency fluctuations on the Sub-Fund's returns, there can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund. For a variety of reasons, the return of the currency forward contracts may not perfectly offset the actual fluctuations of the relevant foreign currency relative to USD or the Sub-Fund may not obtain a perfect correlation between its hedging techniques and the currency holdings being hedged. In adverse situations, the Sub-Fund's use of derivatives may become ineffective in hedging and the Sub-Fund may as a result take unhedged positions and suffer losses. Further, as the Index Provider uses one-month currency forwards for hedging purposes, the Sub-Fund may remain exposed to currency risk intra-month as the currency hedge is reset on a monthly basis.

In addition, currency hedging will be performed irrespective of whether the target currency is declining or increasing in value. Such hedging may protect Unitholders against a decrease in the relevant foreign currency of the Index and the Sub-Fund's portfolio relative to USD, but it may also preclude Unitholders from benefiting from an increase in the value of any such foreign currency relative to USD.

**Derivative Risks.** The Sub-Fund will invest in currency forwards for hedging purposes. Investment in derivative instruments such as currency forwards can be illiquid if there is no active market in these instruments. Such instruments are complex in nature and will be subject to insolvency or default risk of the issuers or counterparties. The Sub-Fund may suffer losses if the issuers or counterparties of the derivative instruments default in their obligations.

Besides, derivative instruments may involve an embedded leverage, and their prices may be volatile because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, such that a relatively small adverse market movement could expose the Sub-Fund to the possibility of a loss exceeding the original amount invested. Investment in derivatives may therefore result in losses to the Sub-Fund and adversely affect Unitholders' investments.

**Risks Associated with FDIs.** A FDI is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security or an index and may have a high degree of price variability and is subject to occasional rapid and substantial changes. Compared to conventional Securities, FDIs can be more sensitive to changes in interest rates or to

sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the Sub-Fund. The losses of the Sub-Fund may be greater if it invests in FDIs than if it invests only in conventional Securities.

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

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

An investment in the FDIs does not entitle the FDIs holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the FDIs will equal the underlying value of the company or securities market that it may seek to replicate or obtain exposure.

**Costs of Hedging Risk.** Any costs and expenses arising from currency hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the Sub-Fund. In particular, depending on various market factors such as interest rate differentials, the near month currency forward contracts may cost more or less to purchase than the later month currency forward contracts. Accordingly, where the expiring currency forward contracts trade at a lower price than the next month contract (i.e. the market is in contango), sale proceeds in the course of rolling (i.e. selling and then buying currency forward contracts) will not be sufficient for purchasing the same number of currency forward contracts. This creates a negative roll yield which will be borne by the Sub-Fund, and therefore adversely affects the Net Asset Value of the Sub-Fund.

**OTC Transactions Risks.** In general, there is less governmental regulation and supervision of transactions in the over-the-counter (“OTC”) markets, in which currency forward contracts are generally traded, than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, the Sub-Fund’s OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currency forwards, which might adversely affect its performance or effectiveness in implementing its hedging strategy. Further, in contrast to exchange-traded instruments, forward contracts on currencies may not provide the Manager and the Investment Delegate with the possibility to offset the Sub-Fund’s obligations through an equal and opposite transaction. For this reason, in entering into forward contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

**New Product Risk.** The Sub-Fund is an exchange traded fund which engages in currency hedging and tracks an underlying index which captures the performance of hedging the currency exposure of an equity index. Although there have been exchange traded funds in Hong Kong

which invest in derivatives for hedging purposes, the Sub-Fund and ChinaAMC MSCI Europe Quality Hedged to USD ETF were the first exchange traded funds in Hong Kong tracking benchmark indices with a currency hedging component. The novelty and untested nature of such an exchange traded fund and the fact that the Sub-Fund is the first of its kind in Hong Kong makes the Sub-Fund riskier than traditional exchange traded funds which do not engage in currency hedging.

**Exchange Rates Movement between the Base Currency and Other Currencies Risk (applicable to Unlisted Class of Units only).** The Sub-Fund's Base Currency is in HKD but the Sub-Fund has Unlisted Class of Units denominated in the Class Currency of the relevant Unlisted Class of Units. Accordingly investors in respect of the Unlisted Class of Units which is denominated in a Class Currency other than HKD may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the relevant Class Currency other than HKD.

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and the relevant Class Currency other than HKD. There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

**Distributions Out Of/Effectively Out of Capital Risk (applicable to Listed Class of Units and distribution Unlisted Class of Units only).** The Manager may at its discretion pay dividends out of income or capital (or effectively out of capital) (or partly one and partly the other), and furthermore any applicable charges, fees and expenses of the Sub-Fund may be paid out of the assets of the Sub-Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth. The Manager may amend its distribution policy with respect to distributions out of capital (and/or effectively out of capital) of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

## APPENDIX 4: CHINAAMC MSCI EUROPE QUALITY HEDGED TO USD ETF

### Key Information

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

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

<b>Index</b>	MSCI Europe Quality 100% Hedged to USD Index
<b>Investment Delegate</b>	Mackenzie Financial Corporation
<b>Investment Strategy</b>	Primarily Full Replication. The Manager and the Investment Delegate may also use Representative Sampling Strategy.
<b>Base Currency</b>	HKD
<b>Maximum Deviation from Index Weighting</b>	3%
<b>Financial Year End</b>	31 December
<b>Website</b>	<a href="http://www.chinaamc.com.hk">www.chinaamc.com.hk</a> *

\* This website has not been reviewed by the SFC.

Key information applicable to Listed Class of Units only

<b>Listing Date (SEHK)</b>	18 February 2016
<b>Exchange Listing</b>	SEHK – Main Board
<b>Stock Code</b>	3165
<b>Short Stock Name</b>	CAM EU QLTY HDG
<b>Trading Board Lot Size</b>	200 Units
<b>Base Currency</b>	HKD
<b>Trading Currency</b>	HKD
<b>Distribution Policy</b>	The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September of each year) having regard to the Sub-Fund's net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.
<b>Creation/Redemption Policy</b>	Cash (HKD or USD, as agreed with the relevant Participating Dealer)

<b>Application Unit Size (only by or through Participating Dealers)</b>	Minimum 100,000 Units (or multiples thereof)
<b>Dealing Deadline</b>	5:00 p.m. on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
<b>Participating Dealer</b>	Please refer to the Manager's website for the latest list of Participating Dealers.
<b>Market Maker</b>	Please refer to the Manager's website and the HKEX's website at <a href="http://www.hkex.com.hk">www.hkex.com.hk</a> for the latest lists of Market Makers.
<b>Management Fee</b>	Currently 0.50% per year of the Net Asset Value

*Key information applicable to Unlisted Classes of Units only*

<b>Unlisted Classes of Units Offered</b>	Class A HKD (Acc), Class A HKD (Dist), Class A USD (Acc), Class A USD (Dist), Class A RMB (Acc), Class A RMB (Dist), Class B HKD (Acc), Class B HKD (Dist), Class B USD (Acc), Class B USD (Dist), Class B RMB (Acc), Class B RMB (Dist)																								
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<b>Initial Offer Period</b>	9:00 a.m. (Hong Kong time) on 23 December 2024 and ends at 5:00 p.m. (Hong Kong time) on 23 December 2024, or such other date or time as the Manager may determine for a particular Class																								
<b>Subscription Price during the Initial Offer Period</b>	<table> <tr> <td>Class A Units HKD / Class B Units HKD:</td> <td>HKD 10</td> </tr> <tr> <td>Class A Units USD / Class B Units USD:</td> <td>USD 1</td> </tr> <tr> <td>Class A Units RMB / Class B Units RMB:</td> <td>RMB 10</td> </tr> </table>	Class A Units HKD / Class B Units HKD:	HKD 10	Class A Units USD / Class B Units USD:	USD 1	Class A Units RMB / Class B Units RMB:	RMB 10																		
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<b>Subscription Deadline / Redemption Deadline</b>	5:00 p.m. (Hong Kong time) on the Dealing Day																								
<b>Distribution Policy</b>	<p><i>Accumulation Unlisted Classes of Units:</i> There will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the relevant accumulation Classes.</p> <p><i>Distribution Unlisted Classes of Units:</i> The Manager intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.</p> <p>All Units of the distribution Unlisted Class of Units will</p>																								

	receive distributions (if any) in the currency of the relevant Classes.
<b>Management Fee</b>	<p>Class A Units HKD / Class A Units USD / Class A Units RMB: 0.50% per annum of the Net Asset Value</p> <p>Class B Units HKD / Class B Units USD / Class B Units RMB: 0.99% per annum of the Net Asset Value</p>

*Key similarities and differences between Listed Class of Units and Unlisted Classes of Units*

<b>Investment Objective</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “What is the Investment Objective?” section of this Appendix.
<b>Investment Strategy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “What is the Investment Strategy?” section of this Appendix.
<b>Valuation Policy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the “Determination of Net Asset Value” section in Part 1 of this Prospectus.
<b>Deadline for Dealing in Units</b>	Same for both creation and redemption for the Listed Class of Units, and subscription and redemption for the Unlisted Classes of Units – 5:00 p.m. (Hong Kong time) on a Dealing Day
<b>Dealing Arrangements</b>	<p>Different in respect of each of Listed Class of Units and Unlisted Classes of Units.</p> <p>In respect of the Listed Class of Units:</p> <ul style="list-style-type: none"> <li>- the dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:00 p.m. (Hong Kong time) on each Dealing Day (“Day T”), or such other time as the Manager (with the written approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced;</li> <li>- a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and</li> <li>- the Creation Application or Redemption Application for Listed Class of Units received after 5:00 p.m. (Hong Kong) time on each Dealing Day will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset</li> </ul>

	<p>Value per Unit of Listed Class of Units of Day T+1.</p> <p>In respect of the Unlisted Classes of Units, the Subscription Deadline and Redemption Deadline is 5:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Classes of Units at Net Asset Value. The subscription application or redemption requests for Unlisted Classes of Units submitted after 5:00 p.m. (Hong Kong time) on Day T, i.e. after the Subscription or Redemption Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.</p> <p>Please refer to Schedule 3 “Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units” and Schedule 4 “Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Classes of Units” in Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Classes of Units respectively.</p>
<b>Dealing Frequency</b>	Same for both Listed Class of Units and Unlisted Classes of Units – daily on each Business Day.
<b>Valuation Point</b>	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 4:30 p.m. (London time) on the applicable valuation day (which coincides with each Dealing Day) (which is approximately 11:30 p.m. (daylight saving time) (Hong Kong time) on the applicable valuation day or 00:30 a.m. (standard time) (Hong Kong time) on the calendar day immediately following the applicable valuation day).
<b>Fee Structure</b>	<p>Different in respect of each of the Listed Class of Units and Unlisted Classes of Units.</p> <p>Both classes of Units are subject to Management Fee.</p> <p>An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent’s fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees, redemption fees, switching fees, Subscription Adjustment Allowance and Redemption Adjustment Allowance (if applicable).</p> <p>Please refer to the “Fees and Expenses” section and Schedule 3 of this Prospectus for further information.</p>
<b>Investment return / Net Asset Value</b>	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought

	<p>and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Classes of Units in the secondary market), stamp duty. Accordingly, the performance of the different classes of Units will be different.</p> <p>Please refer to the “Risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units” risk factor in Part 1 of this Prospectus.</p>
<p><b>Termination</b></p>	<p>Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes of Units may differ. Please refer to the sub-section headed “Termination” under the section headed “Statutory and General Information” in Part 1 of this Prospectus for further details.</p>

### **What is the Investment Objective?**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

### **What is the Investment Strategy?**

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy. Please refer to the section “Investment Strategy” in Part 1 of this Prospectus for an explanation on these strategies.

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund’s investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

### **Securities financing transactions**

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Where the Sub-Fund does engage in securities financing transactions, prior approval shall be obtained from the SFC (if so required) and no less than 1 month’s prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

### **Use of derivatives**

The Sub-Fund may invest in financial derivative instruments (“FDIs”), including but not limited to futures and total return index swaps, for hedging or non-hedging (i.e. investment) purposes. The Sub-Fund’s holdings of FDIs for non-hedging (i.e. investment) purposes will not exceed 10% of its Net Asset Value.

The Sub-Fund intends to invest in currency forwards for hedging purposes. In implementing

currency hedging, the Sub-Fund will replicate the hedging methodology of the Index.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest available Net Asset Value.

The Sub-Fund will not hold or receive collateral from counterparty of over-the-counter derivative transactions to reduce counterparty exposure or for collateral netting.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of this Prospectus.

### **Dealing of Listed Class of Units**

*The information below is applicable to the Listed Class of Units only.*

#### ***The Offering Phases of Listed Class of Units***

The Initial Offer Period in respect of the Listed Class of Units has ended. Dealings in the Listed Class of Units on the SEHK commenced on the Listing Date.

Please refer to the section headed "The Offering Phases" in Schedule 1 of this Prospectus for details.

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

Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of this Prospectus for further information.

### **Switching**

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units on the secondary market is not available.

### **Dealing of Unlisted Classes of Units**

*The information below is applicable to the Unlisted Classes of Units only.*

#### ***Subscription and Redemption of Unlisted Classes of Units***

##### Available Unlisted Classes of Units

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

- Class A HKD (Acc)
- Class A HKD (Dist)
- Class A USD (Acc)
- Class A USD (Dist)
- Class A RMB (Acc)
- Class A RMB (Dist)
- Class B HKD (Acc)
- Class B HKD (Dist)
- Class B USD (Acc)

- Class B USD (Dist)
- Class B RMB (Acc)
- Class B RMB (Dist)

The Manager may in future determine to issue additional Unlisted Class(es) of Units.

### ***Initial Offer Period***

The Initial Offer Period of the Unlisted Classes of Units will commence at 9:00 a.m. (Hong Kong time) on 23 December 2024 and end at 5:00 p.m. (Hong Kong time) on 23 December 2024 (or such other dates or times as the Manager may determine for a particular Class).

### ***Initial Subscription Price***

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

- Class A Units HKD / Class B Units HKD: HKD 10 per Unit
- Class A Units USD / Class B Units USD: USD 1 per Unit
- Class A Units RMB / Class B Units RMB: RMB 10 per Unit

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

### ***Dealing procedures***

For details of dealing procedures, please refer to the information below and in Schedule 3 of this Prospectus. The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day
<i>Subscription Deadline and Redemption Deadline</i>	5:00 p.m. (Hong Kong time) on the relevant Dealing Day
<i>Deadline for cleared funds</i>	1:00 p.m. (Hong Kong time) on the following Dealing Day
<i>Valuation Point</i>	Approximately 4:30 p.m. (London time) on the applicable valuation day (which coincides with each Dealing Day) (which is approximately 11:30 p.m. (daylight saving time) (Hong Kong time) on the applicable valuation day or 00:30 a.m. (standard time) (Hong Kong time) on the calendar day immediately following the applicable valuation day

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

### ***Subscription Price and Redemption Price***

The Subscription Price and Redemption Price of each of the Unlisted Class of Units on any Dealing Day will be the price per Unit of the relevant Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant Class as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of that class then in issue and rounded to the nearest 4 decimal places

(0.00005 or above being rounded up, and less than 0.00005 being rounded down). Any rounding adjustment will be retained by the relevant Class.

**Payment of subscription monies**

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

**Payment of redemption proceeds**

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

**Investment minima**

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

	<b>Minimum initial investment and minimum holding</b>	<b>Minimum subsequent investment and minimum redemption amount</b>
Class A HKD (Acc)	HKD 1,000	
Class A HKD (Dist)	HKD 1,000	
Class A USD (Acc)	USD 100	
Class A USD (Dist)	USD 100	
Class A RMB (Acc)	RMB 1,000	
Class A RMB (Dist)	RMB 1,000	
Class B HKD (Acc)	HKD 1	
Class B HKD (Dist)	HKD 1	
Class B USD (Acc)	USD 0.1	
Class B USD (Dist)	USD 0.1	

Class B RMB (Acc)	RMB 1
Class B RMB (Dist)	RMB 1

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

### **Switching**

Investors should note that switching between Unlisted Classes of Units and Listed Class of Units is not available. Switching between different classes of Unlisted Classes of Units of the Sub-Fund may be permitted by the Manager. Please refer to the section “Switching of Unlisted Class(es) of Units” in Schedule 3 to Part 1 of this Prospectus.

### **Distribution Policy**

#### **Listed Class of Units**

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) having regard to the Sub-Fund’s net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager’s discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

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

#### **Unlisted Classes of Units**

In relation to accumulation Unlisted Classes of Units, there will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the accumulation classes.

In relation to distribution Unlisted Classes of Units, the Manager currently intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). The Manager intends to distribute income to Unitholders having regard to the Sub-Fund’s net income after fees and costs. Distributions (if any) will be paid from net income after deduction of all fees and costs and may be paid out of or effectively out of the capital of the Sub-Fund at the Manager’s discretion. All Units of the distribution Classes will receive distributions (if any) in the currency of the relevant distribution Unlisted Classes of Units.

The distribution policy of each class may be amended subject to the SFC’s prior approval (if required) and upon giving not less than one month’s prior notice to Unitholders.

For Listed Class of Units and distribution Unlisted Classes of Units, the composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website [www.chinaamc.com.hk](http://www.chinaamc.com.hk).

### **The Index**

*This section is a brief overview of the Index. It contains a summary of the principal features of the*

*Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.*

### **General Information on the Index**

The Index is a float adjusted modified market capitalisation weighted index that is compiled and published by MSCI Inc., the Index Provider. The Index contains both an equity investment component and a currency hedging return component. It is designed to capture the performance of quality growth stocks from the MSCI Europe Index using a quality strategy defined by MSCI Inc., based on three main fundamental variables: high return on equity (“ROE”), stable year-over-year earnings growth and low financial leverage. The Index also aims to represent the impact of currency hedging on the performance of the MSCI Europe Quality Index using one-month forwards in the currency market.

The Index was launched on 15 May 2015 and had a base date of 31 December 2014 and a base level of 1,000.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

As at 16 June 2026, the Index had a total market capitalisation of USD 5.97 trillion and 125 constituents out of the eligible European markets defined by the Index.

The Index is denominated in USD.

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

### **Investable Universe and Selection of Constituents**

The investable universe of the Index comprises the existing constituents of the MSCI Europe Quality Index, which is a subset of the MSCI Europe Index universe. The MSCI Europe Index is a traditional market capitalisation weighted parent index constructed based on the MSCI Global Investable Market Indexes (“GIMI”) Methodology. It is a regional index which includes large- and mid-capitalisation stocks across the developed market countries in Europe and covers approximately 85% of the free float-adjusted market capitalisation across the European developed markets equity universe.

The Index is constructed by selecting a set number of securities constituents from the MSCI Europe Index with the highest “Quality Scores”. “Quality Scores” are computed based on the average of ranking scores from three fundamental variables. These fundamental variables are calculated as follows:

- Return on Equity (“ROE”) is calculated using the trailing-12 month earnings per share and latest book value per share:

$$\text{ROE} = \frac{\text{Trailing 12-month earnings per share}}{\text{Latest book value per share}}$$

- Debt to Equity (“D/E”) is calculated using the latest fiscal year total debt and book value:

$$\text{D/E} = \frac{\text{Total debt}}{\text{Book value}}$$

- Earnings Variability is defined as the standard deviation of year-on-year earnings per share

growth over the last 5 fiscal years.

The Index is constructed to target a 30 - 40% coverage of the MSCI Europe Index universe. All the existing securities of the MSCI Europe Index are ranked based on their Quality Scores. A fixed number of securities with the highest positive Quality Scores are predetermined for the MSCI Europe Quality Index at initial construction with an aim to attain a high exposure to the Quality factor while maintaining sufficient index market capitalisation and number of securities coverage.

In determining the fixed number of securities at the initial construction for the Index, upward rounding-off applies to round up the minimum number of securities required to target the top 30% coverage of the market capitalisation of the MSCI Europe Index. The upward rounding-off rules are as follows:

- If the number of securities required to target a 30% market capitalisation coverage < 100, the number of securities is rounded up to the nearest multiple of 10.
- If the number of securities required to target a 30% market capitalisation coverage  $\geq$  100 but < 300, the number of securities is rounded up to the nearest multiple of 25.
- If the number of securities required to target a 30% market capitalisation coverage  $\geq$  300, the number of securities is rounded up to the nearest multiple of 50.

To ensure further diversification, no single constituent can have a weighting of more than 5% in the Index. The excess market value over the 5% cap will be redistributed on a pro-rata basis across the other constituents in the Index. The 5% cap is applied at each semi-annual index review as the Index is rebalanced. During the intra-rebalancing period, the weighting of a single constituent may exceed 5%.

Further details of the MSCI GIMI and MSCI Quality Indexes methodologies can be found on the Index Provider's website at: [www.msci.com](http://www.msci.com). This website has not been reviewed by the SFC.

### ***MSCI Currency Hedging***

The Index is fully hedged to USD by notionally selling each foreign currency forward at the one-month forward exchange rate at the end of each month.

The Index is rebalanced monthly on the last weekday of the month, when the Index will take into account the effect of rolling into new one-month forward contracts based on the newly determined amount of currency to be sold for the next month's index calculation. To ensure better replicability of the Index, the amount of forwards sold on the last business day of the month shall represent the value (or the market capitalisation) of the Index. The foreign currency weights, however, take into account any changes in the composition of the Index implemented as of the close of last business day of the month.

No adjustment to the hedging is done during the month to account for changes in the Index due to price movement of securities, corporate events, additions, deletions or any other changes. In other words, the amount hedged is kept constant over the whole month, and the hedge ratio may deviate due to equity market movements. The profits or losses arising from currency hedging are assumed to be reinvested at month-end only.

### ***Implementation of Currency Hedging by the Manager and/or the Investment Delegate***

To implement the investment strategy, the Sub-Fund will invest in the constituents of the MSCI Europe Quality Index and hedge the foreign currency exposure using one-month currency forward contracts, specifically by selling each foreign currency (i.e. Swiss Franc (CHF), British Pound Sterling (GBP), Euro (EUR), Swedish Krona (SEK), Danish Krone (DKK) and Norwegian Krone (NOK)) forward at the one-month forward date.

Currency forward contracts are agreements between two parties to exchange two designated currencies at a specific time in the future. These contracts settle at a future date (the "forward

settlement date”) and, typically, prior to the forward settlement date, offsetting currency forward trades are executed to close out the currency forward position. The difference in the initial price and the close-out price is the gain or loss on the position. Currency forwards are commonly used by investors for hedging exposure to fluctuations caused by movements in currency exchange rates. The process of applying a currency hedge to the Sub-Fund’s portfolio is consistent with the methodology of the Index.

A step-by-step description of the Manager and/or the Investment Delegate’s implementation of currency hedging is set out below:

- At the inception of the Sub-Fund, a currency hedge is calculated using the local value of each of the securities held in the Sub-Fund’s portfolio as of the last valuation date. A hedge is applied by selling each of the underlying foreign currencies (i.e. CHF, GBP, EUR, SEK, DKK and NOK) against the home currency (i.e. USD) using one-month currency forward contracts. For the Sub-Fund, the Manager and/or the Investment Delegate will sell foreign currencies in an amount equal to the amount of foreign currency-denominated securities in the Sub-Fund’s portfolio. For example, if the Sub-Fund owns EUR1,000 and GBP500 in securities, the currency hedge will be to sell EUR1,000 and GBP500 versus USD one month forward (i.e. on the “forward settlement date”).
- For creations during the month, the Manager and/or the Investment Delegate will increase the hedge using the amount of foreign currency-denominated securities in the Sub-Fund’s portfolio. For example, if there are EUR100 worth of Euro-denominated securities in the creation application basket, the Manager and/or the Investment Delegate will sell 100 EUR versus buying USD to settle on the forward settlement date.
- For redemptions during the month, the opposite occurs. The Manager and/or the Investment Delegate will decrease the hedge using the amount of foreign currency-denominated securities in the portfolio. For example, if there is EUR100 worth of Euro-denominated securities in the redemption application basket, the Manager and/or the Investment Delegate will buy EUR100 versus selling USD to settle on the forward settlement date.
- The benchmark for the execution on the forward contracts is the day’s closing price so as to match the Index and minimise tracking error.
- On the last weekday of the month, the total notional amount of foreign currencies will be rolled by buying back all of the foreign currencies sold while simultaneously selling the same amount (versus buying USD) to the following month end (the “new forward settlement date”).
- By closing out existing forward contracts, currency gains or losses over the month are realised. These realised currency gains or losses are then invested or divested into the underlying securities in the Sub-Fund’s portfolio.
- An adjustment of the hedge amount will be made to reflect changes in value of the securities in the Sub-Fund’s portfolio as a result of the gain or losses on the underlying portfolio and the currency hedging on the last business day of the month. If the current hedge amount is more (or less) than the current value of the foreign currency-denominated securities, then foreign currency forward contracts will need to be bought (or sold), to settle on the new forward settlement date, in order to match the value of the securities. This adjustment is done simultaneously with the previous step of closing out existing forward contracts. For example, if the Sub-Fund’s portfolio at the end of the month holds EUR1,100 and GBP550 and the original hedge was to short EUR1,000 and 500 GBP, the Manager and/or the Investment Delegate will then need to increase the hedge by selling an additional EUR100 and GBP50.

### ***Index Periodical Review***

The constituents of the Index are rebalanced semi-annually, as of the close of the last business

day of May and November, coinciding with the May and November semi-annual index reviews of the MSCI Europe Index. The historical fundamental variables (i.e. ROE, debt to equity, and earnings per share growth) as of the end of April and October are used respectively.

The number of securities will also be reviewed at each semi-annual index review, and the same upward rounding-off rules as applicable at initial construction will apply.

### ***Index Constituents***

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology with details of currency hedging component of the Index and the closing level of the Index from the website of MSCI Inc. at <https://www.msci.com/constituents>. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

### ***Index Code***

Bloomberg Code: M1CXBMEQ

### ***Index Provider Disclaimer***

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### ***Index Licence Agreement***

The initial term of the licence of the Index commenced on 1 November 2015 and will continue for three years. After the expiration of the initial three-year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement (as novated and amended from time to time) may otherwise be terminated in accordance with the provisions of the licence agreement.

### **Risks Factors Specific to the Sub-Fund**

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

**Concentration Risk.** The Sub-Fund is subject to concentration risk as a result of tracking the performance of the developed markets of a single geographical region (i.e. Europe). It is likely to be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

**Risks Associated with Investing in Europe.** The Economic and Monetary Union (the "EMU") of the European Union ("EU") requires compliance with restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect every country in Europe. Decreasing imports or exports, changes in governmental or EU regulations on trade, changes in the exchange rate of the Euro, the default or threat of default by an EU member country on its sovereign debt, and/or an economic recession in an EU member country may have a significant adverse effect on the economies of EU member countries and their trading partners. The European financial markets have recently experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries, including Greece, Ireland, Italy, Portugal and Spain. A default or debt restructuring by any European country would adversely impact holders of that country's debt, and sellers of credit default swaps linked to that country's creditworthiness (which may be located in countries other than those listed in the previous sentence). These events have adversely affected the exchange rate of the Euro, the common currency of certain EU countries, and may continue to significantly affect every country in Europe, including countries that do not use the Euro. Such events and any others adverse events affecting the European economy and the Euro may have a negative impact on the Sub-Fund's investments in the European markets.

**Difference in Trading Hours Risks (applicable to Listed Class of Units only).** As the European stock exchanges will be open when Units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell Units. Differences in trading hours between exchanges in Europe and the SEHK may result in the trading price per Unit deviating from its Net Asset Value (i.e. the trading price being at a premium or discount to the Net Asset Value) because the European exchanges will be closed while the SEHK is open and the Index level will not be available.

**Limitations of Hedging Risks.** The Sub-Fund invests in currency forward contracts for hedging purposes. While this approach is designed to minimise the impact of currency fluctuations on the Sub-Fund's returns, there can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund. For a variety of reasons, the return of the currency forward contracts may not perfectly offset the actual fluctuations of foreign currencies relative to USD or the Sub-Fund may not obtain a perfect correlation between its hedging techniques and the currency holdings being hedged. In adverse situations, the Sub-

Fund's use of derivatives may become ineffective in hedging and the Sub-Fund may as a result take unhedged positions and suffer losses. Further, as the Index Provider uses one-month currency forwards for hedging purposes, the Sub-Fund may remain exposed to currency risk intra-month as the currency hedge is reset on a monthly basis.

In addition, currency hedging will be performed irrespective of whether the target currency is declining or increasing in value. Such hedging may protect Unitholders against a decrease in the foreign currencies of the Index and the Sub-Fund's portfolio relative to USD, but it may also preclude Unitholders from benefiting from an increase in the value of any such foreign currencies relative to USD.

**Derivative Risks.** The Sub-Fund will invest in currency forwards for hedging purposes. Investment in derivative instruments such as currency forwards can be illiquid if there is no active market in these instruments. Such instruments are complex in nature and will be subject to insolvency or default risk of the issuers or counterparties. The Sub-Fund may suffer losses if the issuers or counterparties of the derivative instruments default in their obligations.

Besides, derivative instruments may involve an embedded leverage, and their prices may be volatile because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, such that a relatively small adverse market movement could expose the Sub-Fund to the possibility of a loss exceeding the original amount invested. Investment in derivatives may therefore result in losses to the Sub-Fund and adversely affect Unitholders' investments.

**Risks Associated with FDIs.** A FDI is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security or an index and may have a high degree of price variability and is subject to occasional rapid and substantial changes. Compared to conventional Securities, FDIs can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the Sub-Fund. The losses of the Sub-Fund may be greater if it invests in FDIs than if it invests only in conventional Securities.

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

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

An investment in the FDIs does not entitle the FDIs holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the FDIs will equal the underlying value of the company or securities market that it may seek to replicate or obtain exposure.

**Costs of Hedging Risk.** Any costs and expenses arising from currency hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the Sub-Fund. In particular, depending on various market factors such as interest rate differentials, the near month currency forward contracts may cost more or less to purchase than the later month currency forward contracts. Accordingly, where the expiring currency forward contracts trade at a lower price than the next month contract (i.e. the market is in contango), sale proceeds in the course of rolling (i.e. selling and then buying currency forward contracts) will not be sufficient for purchasing the same number of currency forward contracts. This creates a negative roll yield

which will be borne by the Sub-Fund, and therefore adversely affects the Net Asset Value of the Sub-Fund.

**OTC Transactions Risks.** In general, there is less governmental regulation and supervision of transactions in the over-the-counter (“OTC”) markets, in which currency forward contracts are generally traded, than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, the Sub-Fund’s OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currency forwards, which might adversely affect its performance or effectiveness in implementing its hedging strategy. Further, in contrast to exchange-traded instruments, forward contracts on currencies may not provide the Manager and the Investment Delegate with the possibility to offset the Sub-Fund’s obligations through an equal and opposite transaction. For this reason, in entering into forward contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

**New Product Risk.** The Sub-Fund is an exchange traded fund which engages in currency hedging and tracks an underlying index which captures the performance of hedging the currency exposure of an equity index. Although there have been exchange traded funds in Hong Kong which invest in derivatives for hedging purposes, the Sub-Fund and ChinaAMC MSCI Japan Hedged to USD ETF were the first exchange traded funds in Hong Kong tracking benchmark indices with a currency hedging component. The novelty and untested nature of such an exchange traded fund and the fact that the Sub-Fund is the first of its kind in Hong Kong makes the Sub-Fund riskier than traditional exchange traded funds which do not engage in currency hedging.

**Exchange Rates Movement between the Base Currency and Other Currencies Risk (applicable to Unlisted Class of Units only).** The Sub-Fund’s Base Currency is in HKD but the Sub-Fund has Unlisted Class of Units denominated in the Class Currency of the relevant Unlisted Class of Units other than HKD. Accordingly investors in respect of the Unlisted Class of Units which is denominated in a Class Currency other than HKD may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the relevant Class Currency other than HKD.

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and the relevant Class Currency other than HKD. There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

**Distributions Out Of/Effectively Out of Capital Risk (applicable to Listed Class of Units and distribution Unlisted Class of Units only).** The Manager may at its discretion pay dividends out of income or capital (or effectively out of capital) (or partly one and partly the other), and furthermore any applicable charges, fees and expenses of the Sub-Fund may be paid out of the assets of the Sub-Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund’s capital

or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth. The Manager may amend its distribution policy with respect to distributions out of capital (and/or effectively out of capital) of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

## APPENDIX 5: CHINAAMC NASDAQ 100 ETF

### Key Information

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

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

<b>Index</b>	NASDAQ-100 Index
<b>Investment Delegate</b>	Mackenzie Financial Corporation
<b>Investment Strategy</b>	Primarily Full Replication. The Manager and the Investment Delegate may also use Representative Sampling Strategy.
<b>Base Currency</b>	HKD
<b>Maximum Deviation from Index Weighting</b>	3%
<b>Financial Year End</b>	31 December
<b>Website</b>	<a href="http://www.chinaamc.com.hk">www.chinaamc.com.hk</a> *

\* This website has not been reviewed by the SFC.

Key information applicable to Listed Class of Units only

<b>Listing Date (SEHK)</b>	18 February 2016
<b>Dealing on SEHK Commencement Date</b>	HKD counter: 18 February 2016 USD counter: 11 March 2019
<b>Exchange Listing</b>	SEHK – Main Board
<b>Stock Code</b>	HKD counter: 3086 USD counter: 9086
<b>Short Stock Name</b>	HKD counter: CAM NASDAQ100 USD counter: CAM NASDAQ100-U
<b>Trading Board Lot Size</b>	HKD counter: 200 Units USD counter: 200 Units
<b>Base Currency</b>	HKD
<b>Trading Currency</b>	HKD counter: HKD USD counter: USD

<b>Distribution Policy</b>	The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September of each year) having regard to the Sub-Fund's net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.  <b>Distributions on all Units (whether traded in HKD or USD counter) will be in HKD only. #</b>
<b>Creation/Redemption Policy</b>	Cash (HKD or USD, as agreed with the relevant Participating Dealer) and in-kind
<b>Application Unit Size (only by or through Participating Dealers)</b>	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 500,000 Units (or multiples thereof) for in-kind creation/redemption
<b>Dealing Deadline</b>	5:00 p.m. (for cash creation / redemption) or 4:30 p.m. (for in-kind creation / redemption) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
<b>Participating Dealer</b>	Please refer to the Manager's website for the latest list of Participating Dealers.
<b>Market Maker</b>	Please refer to the Manager's website and the HKEX's website at <a href="http://www.hkex.com.hk">www.hkex.com.hk</a> for the latest lists of Market Makers.
<b>Management Fee</b>	Currently 0.30% per year of the Net Asset Value

# *Unitholders of the Sub-Fund should note that all Units will receive distributions in the Base Currency (HKD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from HKD to USD 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".*

*Key information applicable to Unlisted Classes of Units only*

<b>Unlisted Classes of Units Offered</b>	Class A HKD (Acc), Class A HKD (Dist), Class A USD (Acc), Class A USD (Dist), Class A RMB (Acc), Class A RMB (Dist), Class B HKD (Acc), Class B HKD (Dist), Class B USD (Acc), Class B USD (Dist), Class B RMB (Acc), Class B RMB (Dist)												
<b>Minimum initial investment and minimum holding</b>	<table> <tr> <td>Class A HKD (Acc):</td> <td>HKD 1,000</td> </tr> <tr> <td>Class A HKD (Dist):</td> <td>HKD 1,000</td> </tr> <tr> <td>Class A USD (Acc):</td> <td>USD 100</td> </tr> <tr> <td>Class A USD (Dist):</td> <td>USD 100</td> </tr> <tr> <td>Class A RMB (Acc):</td> <td>RMB 1,000</td> </tr> <tr> <td>Class A RMB (Dist):</td> <td>RMB 1,000</td> </tr> </table>	Class A HKD (Acc):	HKD 1,000	Class A HKD (Dist):	HKD 1,000	Class A USD (Acc):	USD 100	Class A USD (Dist):	USD 100	Class A RMB (Acc):	RMB 1,000	Class A RMB (Dist):	RMB 1,000
Class A HKD (Acc):	HKD 1,000												
Class A HKD (Dist):	HKD 1,000												
Class A USD (Acc):	USD 100												
Class A USD (Dist):	USD 100												
Class A RMB (Acc):	RMB 1,000												
Class A RMB (Dist):	RMB 1,000												

	Class B HKD (Acc):                    HKD 1 Class B HKD (Dist):                    HKD 1 Class B USD (Acc):                    USD 0.1 Class B USD (Dist):                    USD 0.1 Class B RMB (Acc):                    RMB 1 Class B RMB (Dist):                    RMB 1
<b>Minimum subsequent investment and minimum redemption amount</b>	Class A HKD (Acc):                    HKD 1,000 Class A HKD (Dist):                    HKD 1,000 Class A USD (Acc):                    USD 100 Class A USD (Dist):                    USD 100 Class A RMB (Acc):                    RMB 1,000 Class A RMB (Dist):                    RMB 1,000 Class B HKD (Acc):                    HKD 1 Class B HKD (Dist):                    HKD 1 Class B USD (Acc):                    USD 0.1 Class B USD (Dist):                    USD 0.1 Class B RMB (Acc):                    RMB 1 Class B RMB (Dist):                    RMB 1
<b>Initial Offer Period</b>	9:00 a.m. (Hong Kong time) on 23 December 2024 and ends at 5:00 p.m. (Hong Kong time) on 23 December 2024, or such other date or time as the Manager may determine for a particular Class
<b>Subscription Price during the Initial Offer Period</b>	Class A Units HKD / Class B Units HKD:                    HKD 10 Class A Units USD / Class B Units USD:                    USD 1 Class A Units RMB / Class B Units RMB:                    RMB 10
<b>Subscription Deadline / Redemption Deadline</b>	5:00 p.m. (Hong Kong time) on the Dealing Day

<b>Distribution Policy</b>	<p><i>Accumulation Unlisted Classes of Units:</i> There will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the relevant accumulation Classes.</p> <p><i>Distribution Unlisted Classes of Units:</i> The Manager intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.</p> <p>All Units of the distribution Unlisted Class of Units will receive distributions (if any) in the currency of the relevant Classes.</p>				
<b>Management Fee</b>	<table> <tr> <td>Class A Units HKD / Class A Units USD / Class A Units RMB:</td> <td>0.30% per annum of the Net Asset Value</td> </tr> <tr> <td>Class B Units HKD / Class B Units USD / Class B Units RMB:</td> <td>0.99% per annum of the Net Asset Value</td> </tr> </table>	Class A Units HKD / Class A Units USD / Class A Units RMB:	0.30% per annum of the Net Asset Value	Class B Units HKD / Class B Units USD / Class B Units RMB:	0.99% per annum of the Net Asset Value
Class A Units HKD / Class A Units USD / Class A Units RMB:	0.30% per annum of the Net Asset Value				
Class B Units HKD / Class B Units USD / Class B Units RMB:	0.99% per annum of the Net Asset Value				

*Key similarities and differences between Listed Class of Units and Unlisted Classes of Units*

<b>Investment Objective</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "What is the Investment Objective?" section of this Appendix.
<b>Investment Strategy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "What is the Investment Strategy?" section of this Appendix.
<b>Valuation Policy</b>	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the "Determination of Net Asset Value" section in Part 1 of this Prospectus.
<b>Deadline for Dealing in Units</b>	<p>Same for in-cash creation and redemption for the Listed Class of Units, and subscription and redemption for the Unlisted Classes of Units – 5:00 p.m. (Hong Kong time) on a Dealing Day.</p> <p>Different in respect of in-kind creation and redemption for the Listed Class of Units which is 4:30 p.m. (Hong Kong time) on the Dealing Day.</p>
<b>Dealing Arrangements</b>	<p>Different in respect of each of Listed Class of Units and Unlisted Classes of Units.</p> <p>In respect of the Listed Class of Units:</p> <ul style="list-style-type: none"> <li>- the dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:00 p.m. (for cash creation</li> </ul>

	<p>/ redemption) or 4:30 p.m. (for in-kind creation / redemption) (Hong Kong time) on each Dealing Day (“Day T”), or such other time as the Manager (with the written approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced;</p> <ul style="list-style-type: none"> <li>- a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and</li> <li>- the Creation Application or Redemption Application for Listed Class of Units received after 5:00 p.m. (for cash creation / redemption) or 4:30 p.m. (for in-kind creation / redemption) (Hong Kong time) on each Dealing Day will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.</li> </ul> <p>In respect of the Unlisted Classes of Units, the Subscription Deadline and Redemption Deadline is 5:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Classes of Units at Net Asset Value. The subscription application or redemption requests for Unlisted Classes of Units submitted after 5:00 p.m. (Hong Kong time) on Day T, i.e. after the Subscription or Redemption Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.</p> <p>Please refer to Schedule 3 “Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units” and Schedule 4 “Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Classes of Units” in Part 1 of this Prospectus for information relating to the Listed Class of Units and Unlisted Classes of Units respectively.</p>
<b>Dealing Frequency</b>	Same for both Listed Class of Units and Unlisted Classes of Units – daily on each Business Day.
<b>Valuation Point</b>	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 4:00 p.m. (New York time) on the applicable valuation day (which coincides with each Dealing Day) (which is approximately 4:00 a.m. (daylight saving time) or 5:00 a.m. (standard time) (Hong Kong time) on the calendar day immediately following the applicable valuation day).
<b>Fee Structure</b>	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units.

	<p>Both classes of Units are subject to Management Fee.</p> <p>An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees, redemption fees, switching fees, Subscription Adjustment Allowance and Redemption Adjustment Allowance (if applicable).</p> <p>Please refer to the "Fees and Expenses" section and Schedule 3 of this Prospectus for further information.</p>
<p><b>Investment return / Net Asset Value</b></p>	<p>Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Classes of Units in the secondary market), stamp duty. Accordingly, the performance of the different classes of Units will be different.</p> <p>Please refer to the "Risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Units" risk factor in Part 1 of this Prospectus.</p>
<p><b>Termination</b></p>	<p>Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes of Units may differ. Please refer to the sub-section headed "Termination" under the section headed "Statutory and General Information" in Part 1 of this Prospectus for further details.</p>

**What is the Investment Objective?**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

**What is the Investment Strategy?**

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy. Please refer to the section "Investment Strategy" in Part 1 of this Prospectus for an explanation on these strategies.

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the

investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund's investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

### **Securities financing transactions**

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Where the Sub-Fund does engage in securities financing transactions, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

### **Use of derivatives**

The Sub-Fund may invest in financial derivative instruments ("FDIs"), including but not limited to futures and total return index swaps, for hedging or non-hedging (i.e. investment) purposes. The Sub-Fund's holdings of FDIs for non-hedging (i.e. investment) purposes will not exceed 10% of its Net Asset Value.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest available Net Asset Value.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of this Prospectus.

### **Dealing of Listed Class of Units**

*The information below is applicable to the Listed Class of Units only.*

#### ***The Offering Phases of Listed Class of Units***

The Initial Offer Period in respect of the Listed Class of Units has ended. Dealings in the Listed Class of Units on the SEHK commenced on the Listing Date.

Please refer to the section headed "The Offering Phases" in Schedule 1 of this Prospectus for details.

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

Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of this Prospectus for further information.

### **Dual Counter Trading**

The Manager has arranged for the Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in HKD. The Sub-Fund offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different.

Units traded on both counters are of the same class and all Unitholders of the counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	<b>HKD counter</b>	<b>USD counter</b>
SEHK stock code	3086	9086
Short name	CAM NASDAQ100	CAM NASDAQ100-U

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

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEX's website <http://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products>.

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

### **Switching**

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units on the secondary market is not available.

### **Dealing of Unlisted Classes of Units**

*The information below is applicable to the Unlisted Classes of Units only.*

### **Subscription and Redemption of Unlisted Classes of Units**

#### Available Unlisted Classes of Units

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

- Class A HKD (Acc)
- Class A HKD (Dist)
- Class A USD (Acc)
- Class A USD (Dist)
- Class A RMB (Acc)
- Class A RMB (Dist)
- Class B HKD (Acc)
- Class B HKD (Dist)
- Class B USD (Acc)
- Class B USD (Dist)
- Class B RMB (Acc)
- Class B RMB (Dist)

The Manager may in future determine to issue additional Unlisted Class(es) of Units.

### **Initial Offer Period**

The Initial Offer Period of the Unlisted Classes of Units will commence at 9:00 a.m. (Hong Kong time) on 23 December 2024 and end at 5:00 p.m. (Hong Kong time) on 23 December 2024 (or such other dates or times as the Manager may determine for a particular Class).

### **Initial Subscription Price**

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

- Class A Units HKD / Class B Units HKD: HKD 10 per Unit
- Class A Units USD / Class B Units USD: USD 1 per Unit
- Class A Units RMB / Class B Units RMB: RMB 10 per Unit

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

### **Dealing procedures**

For details of dealing procedures, please refer to the information below and in Schedule 3 of this Prospectus. The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day
<i>Subscription Deadline and Redemption Deadline</i>	5:00 p.m. (Hong Kong time) on the relevant Dealing Day
<i>Deadline for cleared funds</i>	4:00 p.m. (Hong Kong time) on the following Dealing Day (or 4:00 p.m. (Hong Kong time) on the relevant Dealing Day in case the calendar day immediately following the relevant Dealing Day is not a Business Day in Hong Kong)
<i>Valuation Point</i>	Approximately 4:00 p.m. (New York time) on the applicable valuation day (which coincides with each Dealing Day) (which is approximately 4:00 a.m. (daylight saving time) or 5:00 a.m. (standard time) (Hong Kong time) on the calendar day immediately following the applicable valuation day)

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

### **Subscription Price and Redemption Price**

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

### **Payment of subscription monies**

Subscription monies in respect of Unlisted Classes of Units should be received in cleared funds by (i) the deadline for cleared funds on the relevant Dealing Day on which an application was received

by the Subscription Deadline or (ii) in the case of applications for Unlisted Classes of Units during the Initial Offer Period, such time on the last day of the Initial Offer Period of Unlisted Classes of Units, or within such other period as determined by the Manager.

### ***Payment of redemption proceeds***

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

### ***Investment minima***

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

	<b><i>Minimum initial investment and minimum holding</i></b>	<b><i>Minimum subsequent investment and minimum redemption amount</i></b>
Class A HKD (Acc)	HKD 1,000	
Class A HKD (Dist)	HKD 1,000	
Class A USD (Acc)	USD 100	
Class A USD (Dist)	USD 100	
Class A RMB (Acc)	RMB 1,000	
Class A RMB (Dist)	RMB 1,000	
Class B HKD (Acc)	HKD 1	
Class B HKD (Dist)	HKD 1	
Class B USD (Acc)	USD 0.1	
Class B USD (Dist)	USD 0.1	
Class B RMB (Acc)	RMB 1	
Class B RMB (Dist)	RMB 1	

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

Units.

### **Switching**

Investors should note that switching between Unlisted Classes of Units and Listed Class of Units is not available. Switching between different classes of Unlisted Classes of Units of the Sub-Fund may be permitted by the Manager. Please refer to the section “Switching of Unlisted Class(es) of Units” in Schedule 3 to Part 1 of this Prospectus.

### **Distribution Policy**

#### **Listed Class of Units**

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) having regard to the Sub-Fund’s net income after fees and costs. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager’s discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

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

#### **Unlisted Classes of Units**

In relation to accumulation Unlisted Classes of Units, there will be no dividend distributions. All interest and other income earned on investments will be accumulated and re-invested into the Sub-Fund on behalf of the Unitholders of the accumulation classes.

In relation to distribution Unlisted Classes of Units, the Manager currently intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). The Manager intends to distribute income to Unitholders having regard to the Sub-Fund’s net income after fees and costs. Distributions (if any) will be paid from net income after deduction of all fees and costs and may be paid out of or effectively out of the capital of the Sub-Fund at the Manager’s discretion. All Units of the distribution Classes will receive distributions (if any) in the currency of the relevant distribution Unlisted Classes of Units.

The distribution policy of each class may be amended subject to the SFC’s prior approval (if required) and upon giving not less than one month’s prior notice to Unitholders.

For Listed Class of Units and distribution Unlisted Classes of Units, the composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website [www.chinaamc.com.hk](http://www.chinaamc.com.hk).

### **The Index**

*This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.*

## ***General Information on the Index***

The Index is a modified market capitalisation weighted index that is compiled and published by The NASDAQ OMX Group, Inc., the Index Provider. The Index comprises the 100 largest domestic and international non-financial companies listed on the NASDAQ Stock Market, based on market capitalisation. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology and does not contain securities of financial companies including investment companies. The weights of constituent securities of the Index are derived based on their market capitalisation and are subject to rules which cap the influence of the largest constituents.

The Index was launched on 31 January 1985 and had a base date of 31 January 1985 and a base level of 125.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

As at 12 June 2026, the Index had a total market capitalisation of USD 39.70 trillion and 101 constituents. An issuer may have more than one class of securities which are eligible for inclusion in the Index and which will be included as separate constituents.

The Index is denominated in HKD.

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

## ***Index Constituents Eligibility Criteria***

To be eligible for initial inclusion in Index, a security must meet the following criteria:

- (1) the issuer of the security's primary US listing must be exclusively listed on a NASDAQ-affiliated exchange, excluding the NASDAQ Capital Market;
- (2) the security must be issued by a non-financial company according to the Industry Classification Benchmark (ICB);
- (3) the security may not be issued by an issuer that has filed for bankruptcy or equivalent protection from creditors;
- (4) the security must have a minimum average daily traded value of USD5 million in the preceding 3-month trading period;
- (5) the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
- (6) the security generally must have been listed and available for trading for at least three full calendar months, excluding month of initial listing, on NASDAQ (NASDAQ Global Select Market or NASDAQ Global Market), NYSE, NYSE American, or CBOE BZX.

To be eligible for continued inclusion in the Index, an Index security must meet the above criteria and must have a full market capitalisation ranked within the top 125 Index-eligible companies.

## **Market Capitalisation Determination**

For the purpose of constituent selection, each company's full market capitalisation is considered, and is determined as follows:

- (i) For direct (non-American Depositary Receipts ("ADRs")) listings and companies

represented by Primary ADRs (defined below), full market capitalisation includes both listed and unlisted shares.

- (ii) For companies represented by Non-Primary ADRs (defined below), full market capitalisation is the total value of the depositary shares listed, as reported by the depositary banks. Foreign-listed underlying shares and unlisted shares are not included.

For any company represented by more than one security, the company's full market capitalisation is the combined full market capitalisation of those securities.

"Primary ADR" is defined as an ADR that serves as a company's primary global listing (i.e., the underlying shares are not listed or available for trading elsewhere).

"Non-Primary ADR" is defined as a more traditional ADR (i.e., the underlying shares, rather than the ADR, serve as the primary global listing and are listed on a foreign market).

#### **Modified Market Capitalisation Determination**

For the purpose of weight calculations, modified market capitalisation will be utilised. Only the market capitalisation of eligible listed share classes will be considered. Foreign-listed and unlisted shares are disregarded. In addition, in order to preserve investability for low-float securities, each low-float security's Total Shares Outstanding ("TSO") will be capped at three times the number of its free-floating shares. Modified market capitalisation is therefore determined as follows:

- (i) For direct (non-ADR) listings, modified market capitalisation is determined using the security's price along with the lesser of the reported TSO, or three times the number of free-floating shares.
- (ii) For Primary or Non-Primary ADRs, modified market capitalisation is determined using the security's price along with the lesser of the listed ADR shares reported by the depositary banks, or three times the number of free-floating ADR shares.

For any company represented by more than one security, the company's modified market capitalisation is the combined modified market capitalisation of those securities.

#### **Fast Entry**

A security that is not already an index constituent may be added to the Index on an expedited basis ("Fast Entry") if its full market capitalisation ranks within the top 40 current Index constituents. A Fast Entry inclusion will not require the removal of another security, and may temporarily increase the constituent count to more than 100.

#### **Index Periodical Review**

On a quarterly basis coinciding with the quarterly rebalancing schedule, a rebalance is conducted and the weights of the companies in the Index will be reviewed to ensure that the following company-level weighting constraints are satisfied:

- (1) no company weight may be greater than 24%; and/or
- (2) the collective weight of companies whose individual weights are each in excess of 4.5%, when added together, exceeds 48% of the Index.

If either of these constraints is breached, a two-stage adjustment process is applied. In stage 1, the weights are adjusted such that no company's weight exceeds 20%. In stage 2, the aggregate weight of the companies whose weights exceed 4.5% is adjusted down to 40%, and the weights of other companies may also be adjusted in order to preserve the rank order of the initial company weights.

The Index securities are reviewed annually in December. The above eligibility criteria are applied and all eligible securities are ranked (based on full market capitalisation) as of the last trading day in November (the “Reconstitution Reference Date”). Securities are selected for Index inclusion in the following order:

- (1) the top 75 ranked securities are selected;
- (2) any other current Index constituents as of the Reconstitution Reference Date that are ranked within the top 100 and were not already selected under (1) are retained;
- (3) any remaining current Index constituents ranked 101<sup>st</sup> through 125<sup>th</sup> are retained, in rank order, provided they were ranked within the top 100 at the previous annual review or have been added to the Index since that time; and
- (4) any remaining companies ranked within the top 100 that are not current Index constituents are then added, in rank order, until the Index reaches 100 constituents.

### ***Index Constituents***

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of The NASDAQ OMX Group, Inc. at <https://www.nasdaq.com/solutions/nasdaq-global-index-policies>. This website has not been reviewed by the SFC. Please refer to the Manager’s website for the latest hyperlink for the Index.

### ***Index Code***

Bloomberg Code: NNDXHKD

### ***Index Provider Disclaimer***

The Sub-Fund is not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates (NASDAQ OMX, with its affiliates, are referred to as the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Sub-Fund. The Corporations make no representation or warranty, express or implied to the owners of the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund particularly, or the ability of the NASDAQ-100 Index to track general stock market performance. The Corporations’ only relationship to China Asset Management (Hong Kong) Limited (“Licensee”) is in the licensing of the NASDAQ®, OMX®, NASDAQ-100 Index trade/service marks, and certain trade names of the Corporations and the use of the NASDAQ-100 Index which is determined, composed and calculated without regard to Licensee or the Sub-Fund. NASDAQ OMX has no obligation to take the needs of the Licensee or the owners of the Sub-Fund into consideration in determining, composing or calculating the NASDAQ-100 Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Sub-Fund to be issued or in the determination or calculation of the equation by which the Sub-Fund is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Sub-Fund.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ-100 INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ-100 INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NASDAQ-100 INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE

CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

### ***Index Licence Agreement***

The initial term of the licence of the Index commenced on 30 November 2015 and will continue for one year. After the expiration of the initial one year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement (as novated and amended from time to time) may otherwise be terminated in accordance with the provisions of the licence agreement.

### **Risks Factors Specific to the Sub-Fund**

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

**Risks Associated with Investing in the US Markets.** The recent financial crisis and/or economic recession, decreasing United States imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt pose concerns on the development of the United States economy. This may have an adverse impact on the United States securities in which the Sub-Fund invests. The Sub-Fund's investment in the United States securities may also be subject to United States taxes.

**Risks Associated with FDIs.** A FDI is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security or an index and may have a high degree of price variability and is subject to occasional rapid and substantial changes. Compared to conventional Securities, FDIs can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the Sub-Fund. The losses of the Sub-Fund may be greater if it invests in FDIs than if it invests only in conventional Securities.

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

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

An investment in the FDIs does not entitle the FDIs holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the FDIs will equal the underlying value of the company or securities market that it may seek to replicate or obtain exposure.

**Difference in Trading Hours Risks.** As the NASDAQ Stock Market will be open when Units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell Units. Differences in trading hours between the NASDAQ Stock Market and the SEHK may result in the trading price per Unit deviating from its Net Asset Value (i.e. the trading price being at a premium or discount to the

Net Asset Value) because the NASDAQ Stock Market will be closed while the SEHK is open and the Index level will not be available.

**Concentration Risk.** The Sub-Fund is subject to concentration risk as a result of tracking the performance of the markets in a single country (i.e. the US) and securities trading on a single stock exchange (i.e. NASDAQ). It is likely to be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region and industry.

**Dual Counter Trading Risks (applicable to the Listed Class of Units only).** Units of Listed Class of Units of the Sub-Fund are available for trading on the secondary market on the SEHK under a Dual Counter arrangement, which is subject to the following risks:

*Dual Counter risk:* Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter trading. Investors without a USD account may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units.

*Inter-counter trading risk:* Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in the HKD counter and USD counter at the same time. In such a case, another broker, intermediary or CCASS participant may need to be used. This may inhibit or delay dealing in the HKD traded Units and USD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter trading and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

*Difference in trading prices risk:* There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate fluctuations between HKD and USD, the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

**Exchange Rates Movement between the Base Currency and Other Currencies Risk.** The Sub-Fund's Base Currency is in HKD but the Sub-Fund has the Listed Class of Units traded in USD and the Unlisted Class of Units denominated in the Class Currency of the relevant Unlisted Class of Units. Accordingly secondary market investors in respect of the Listed Class of Units and investors in respect of the Unlisted Class of Units which is denominated in a Class Currency other than HKD may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and USD or the relevant Class Currency other than HKD (as the case may be).

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and USD or the relevant Class Currency other than HKD (as the case may be). There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when

converting funds from HKD back into any other currency.

**Other Currencies Distributions Risk (applicable to Listed Class of Units only).** Investors should note that all Units of the Sub-Fund will receive distributions only in HKD. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of any distributions from HKD 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.

**Distributions Out Of/Effectively Out of Capital Risk (applicable to Listed Class of Units and distribution Unlisted Class of Units only).** The Manager may at its discretion pay dividends out of income or capital (or effectively out of capital) (or partly one and partly the other), and furthermore any applicable charges, fees and expenses of the Sub-Fund may be paid out of the assets of the Sub-Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant Class. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth. The Manager may amend its distribution policy with respect to distributions out of capital (and/or effectively out of capital) of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.