THIS ANNOUNCEMENT AND NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE EXCHANGE TRADED FUNDS NAMED BELOW

If you are in any doubt *about this Announcement and Notice or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.*

If you have sold or transferred *all your Units in the iShares DAX Index ETF, iShares EURO STOXX 50 Index ETF and/or iShares FTSE 100 Index ETF, you should at once hand this Announcement and Notice to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.*

IMPORTANT: *The Stock Exchange of Hong Kong Limited (the "**SEHK**"), the Hong Kong Exchange and Clearing Limited (the "**HKEX**"), the Securities and Futures Commission (the "**SFC**") and the Hong Kong Securities Clearing Company Limited (the "**HKSCC**") take no responsibility for the contents of this Announcement and Notice, 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 Announcement and Notice.*

*BlackRock Asset Management North Asia Limited (the "**Manager**") accepts full responsibility for the accuracy of the information contained in this Announcement and Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.*

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.

iShares Asia Trust (the "Trust")

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

iShares DAX Index ETF
(HKD Counter Stock Code: 3146)
(RMB Counter Stock Code: 83146)
(USD Counter Stock Code: 9146)

iShares EURO STOXX 50 Index ETF
(HKD Counter Stock Code: 3155)
(RMB Counter Stock Code: 83155)
(USD Counter Stock Code: 9155)

iShares FTSE 100 Index ETF
(HKD Counter Stock Code: 2847)
(RMB Counter Stock Code: 82847)
(USD Counter Stock Code: 9847)

(each a "Sub-Fund", and together the "Sub-Funds")

ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND NON-APPLICABILITY OF CERTAIN PROVISIONS OF THE CODE

IMPORTANT: Investors are strongly advised to consider the contents of this Announcement and Notice. This Announcement and Notice is important and requires your immediate attention. It concerns the proposed cessation of trading, proposed termination, proposed Deauthorisation and proposed Delisting of the Sub-Funds, and the non-applicability of certain provisions of the Code for the period from 29 November 2019 (i.e. the Trading Cessation Date) to the Deauthorisation date. In particular, investors should note that:

- taking into account the relevant factors, including, in particular, the relatively small Net Asset Values of the Sub-Funds (see details of the factors in section 1 below), the Manager has, by means of a resolution of the board of directors of the Manager, decided to exercise its power under Clause 35.7(a) of the Trust Deed to propose to terminate each of the Sub-Funds with effect from the Termination Date. The Manager has given written notice to HSBC Institutional Trust Services (Asia) Limited (the "Trustee") notifying the Trustee of its proposal to terminate the Sub-Funds pursuant to Clause 35.7(a) of the Trust Deed and the Trustee does not object to this proposal;

- the Last Trading Day of the Units in the Sub-Funds will be 28 November 2019, i.e. the last day on which investors may buy or sell Units on the SEHK and the last day for redemption of Units in accordance with the usual trading arrangements currently in place. The last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019;

- the Units of the Sub-Funds will cease trading as from 29 November 2019 (i.e. the Trading Cessation Date); that means no further buying or selling Units on the SEHK and no redemption of Units will be possible from the Trading Cessation Date onwards;

- from the Trading Cessation Date onwards, (i) there will be no further trading of Units of each Sub-Fund and no further redemption of Units of each Sub-Fund; (ii) the Manager will start to realise all the assets of each Sub-Fund and each Sub-Fund will therefore cease to track the relevant Index and will not be able to meet their respective investment objectives of tracking the performance of such Index; (iii) the Sub-Funds will no longer be marketed to the public; and (iv) the Sub-Funds will mainly hold cash, and the Sub-Funds will only be operated in a limited manner;

- given the Sub-Funds will no longer be marketed to the public and have limited operations when they cease trading, pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Funds will continue to maintain their authorisation status with the SFC without strictly complying with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in section 5 below;

- the Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 below, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations until the Deauthorisation date;

- the Manager will, after having consulted with the Sub-Funds' auditor and Trustee, declare a Final Distribution (please refer to section 3.2 below for further information) to the investors who remain so as at 6 December 2019 (i.e. the Distribution Record Date) and the Final Distribution (converted into HKD) is expected to be payable on or around 30 December 2019 (the "Final Distribution Date"). The Manager does not expect or anticipate there will be a further distribution after the Final Distribution. However, in the unlikely event there is a further distribution after the Final Distribution, the Manager will issue an announcement informing the Relevant Investors;

- by the date the Trustee and the Manager have formed an opinion that each of the Sub-Funds have no outstanding contingent or actual liabilities or assets, the Trustee and the Manager will commence the completion of the termination of the Sub-Funds (i.e. the Termination Date). The Manager expects the Termination Date will be on or around 29 January 2020. The Manager will publish an announcement on the Termination Date about the termination, deauthorisation and delisting of the Sub-Funds;

- during the period from the Trading Cessation Date until, at least, the Termination Date, the Manager will maintain the Sub-Funds' respective SFC authorised status and the Sub-Funds' SEHK listed status, and, subject to the SEHK's approval, expects the Delisting to take effect at or around the same time as the Deauthorisation;

- the Manager will bear all costs and expenses associated with the termination of each Sub-Fund (other than normal operating expenses such as transaction costs, any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and any taxes relating to the liquidation of assets of a Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date;

- the Manager expects that the Deauthorisation and the Delisting will take place either on the Termination Date or shortly after the Termination Date (please note any product documentation for the Sub-Funds previously issued to investors, including the Prospectus and the KFS, should be retained for personal use only and not for public circulation); and

- investors should pay attention to the risk factors as set out in section 7.1 below (including liquidity risk, fluctuation of base currency and HKD exchange rate risk, Units trading at a discount or premium and Market Makers' inefficiency risk, tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk, Net Asset Value downward adjustment risk, failure to track the Index risk and delay in distribution risk). Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units in a Sub-Fund or otherwise deciding on the course of actions to be taken in relation to their Units in a Sub-Fund.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and Notice to their clients holding Units in each of the Sub-Funds, and inform them of the contents of this Announcement and Notice as soon as possible;

- facilitate their clients who want to dispose of Units in each of the Sub-Funds on or before the Last Trading Day; and

- inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units in the Sub-Funds.

If investors are in doubt about the contents of this Announcement and Notice, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager (please refer to section 9 below for further information).

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. Also, further announcements will be made in due course to inform the investors of the Final Distribution Date, whether there is any further distribution after the Final Distribution, the dates for the Deauthorisation and the Delisting and the Termination Date, as and when appropriate in accordance with the applicable regulatory requirements.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice, 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.

Unless otherwise defined herein, terms and expressions used in this Announcement and Notice have the same meanings as given to them in the Prospectus.

BlackRock Asset Management North Asia Limited (the "Manager"), the manager of the Trust and the Sub-Funds, reserves its right to terminate each Sub-Fund in its absolute discretion by notice in writing to the Trustee under Clause 35.7(a) of the Trust Deed if the aggregate Net Asset Value of all the Units outstanding in each Sub-Fund is less than the equivalent of HK$150,000,000.

As at 28 October 2019, the Net Asset Value of all the Units outstanding in each Sub-Fund was less than the equivalent of HK$150,000,000. The Manager therefore announces that it has, by means of a resolution of the board of directors of the Manager, decided to terminate the Sub-Funds and voluntarily seek Deauthorisation and Delisting of these Sub-Funds. The proposed termination, Deauthorisation and Delisting (i.e. the Proposal) will be subject to the final approval of the SFC and the SEHK, and will be completed after the Trustee and the Manager have formed an opinion that the Sub-Funds have no outstanding contingent or actual liabilities and assets.

Before the proposed termination, Deauthorisation and Delisting, the Units of each of the Sub-Funds will cease trading on the SEHK as from 29 November 2019, the Trading Cessation Date. Accordingly, the last day on which the Units of the Sub-Funds can be traded on the SEHK will be 28 November 2019, the Last Trading Day, and from the Trading Cessation Date onwards, no trading of Units on the SEHK will be allowed. Also, while investors may continue to trade Units on the SEHK on any trading day before the Trading Cessation Date, the last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019 to allow settlement of creation orders to be completed prior to liquidation of assets which begins on the Trading Cessation Day.

The Manager by this Announcement and Notice notifies the investors of the proposed termination of the Sub-Funds. Also, as required under Chapter 11.1A of the Code, no less than one month's notice is hereby given to the investors, notifying them that the Sub-Funds will cease to track the Index, and cease trading, from the Trading Cessation Date.

The Manager will bear all costs and expenses associated with the termination of each Sub-Fund (other than normal operating expenses such as transaction costs, any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and any taxes relating to the liquidation of assets of a Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date.

1. Proposed termination of the Sub-Funds, cessation of trading and liquidation of assets

1.1. Proposed termination of the Sub-Funds

According to Clause 35.7(a) of the Trust Deed, each Sub-Fund may be terminated by the Manager in its absolute discretion if the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding shall be less than HK$150,000,000. The Trust Deed does not require investors' approval for terminating one or more of the Sub- Funds on the ground set out in Clause 35.7(a) of the Trust Deed.

The Net Asset Value and the Net Asset Value per Unit of each of the Sub-Funds as at 25 October 2019 were as follows:

Sub-Fund	Net Asset Value	Net Asset Value per Unit
iShares DAX Index ETF	EUR3,457,037.95	EUR11.52
iShares EURO STOXX 50 Index ETF	EUR3,876,062.55	EUR12.11
iShares FTSE 100 Index ETF	GBP2,474,269.48	GBP9.52

Having taken into account the relevant factors including the interests of the investors as a whole, the currently relatively small Net Asset Value and the relatively low trading volume of each of the Sub-Funds, the Manager is of the view that the proposed termination of each of the Sub-Funds would be in the best interests of the relevant investors in the Sub-Funds. Therefore, the Manager has decided to exercise its power under Clause 35.7(a) of the Trust Deed to terminate the Sub-Funds on the date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any contingent or actual assets and liabilities. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the Sub-Fund pursuant to Clause 35.7(a) of the Trust Deed, and the Trustee does not object to such proposal and acknowledges the non-applicability of certain provisions of the Code as referred to in this Announcement and Notice.

1.2. The proposed cessation of trading

The Manager will apply to SEHK to have the Units of the Sub-Funds cease trading on the SEHK with effect from the Trading Cessation Date, i.e. 29 November 2019. The Manager will aim to realise all of the assets of the Sub-Funds commencing from 29 November 2019 in exercise of its investment powers under Clause 9.5 of the Trust Deed.

The Manager will then proceed with a Final Distribution for each Sub-Fund on or around 30 December 2019 (see details in section 2.2 below). As such, 28 November 2019 will be the Last Trading Day when investors may buy or sell Units in the Sub-Funds on the SEHK in accordance with the usual trading arrangements currently in place.

Also, in view of the proposed cessation of trading, the last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019 to allow settlement of creation orders to be completed prior to liquidation of assets which begins on the Trading Cessation Day. Creations of Units will be limited to the creation of Units by Participating Dealers for market making activities of market makers to provide liquidity of the trading of the Units on the SEHK. There will be no creation of Units for other purposes from the date after this Announcement (i.e. 28 October 2019). For the avoidance of doubt, redemption of Units in each Sub-Fund by Participating Dealers will continue to be permitted until the Last Trading Day.

If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement of the revised dates.

Investors should note that they cannot redeem Units directly from the Sub-Funds in the primary market. Only Participating Dealers may submit redemption applications to the Manager and the Participating Dealers may have their own application procedures for their clients and may set application cut-off times for their clients which are earlier than those set out in the Prospectus. Investors are advised to check with the Participating Dealers as to the relevant timing deadlines and the client acceptance procedures and requirements.

1.3. Impact on the proposed realisation of the assets

After the realisation of the assets of each Sub-Fund (as described in section 1.2 above), each Sub-Fund will mainly hold cash, primarily consisting of the proceeds from the realisation of the assets. It therefore follows that, from the Trading Cessation Date, each Sub-Fund will cease to track its respective Index and will not be able to meet its respective investment objectives of tracking the performance of its Index.

2. What will happen after the Trading Cessation Date?

2.1. Immediately from the Trading Cessation Date

Effective from the Trading Cessation Date, the Units of each Sub-Fund will cease trading on the SEHK and there will be no further redemption of Units in the primary market. This means that investors will only be allowed to buy or sell Units on the SEHK until (and including) the Last Trading Day which is 28 November 2019 and will not be allowed to do so from the Trading Cessation Date onwards.

2.2. During the period from the Trading Cessation Date until the Termination Date

The Manager will, after having consulted with the Sub-Funds' auditor and Trustee, declare a Final Distribution for each Sub-Fund in respect of those investors who remain invested as at the Distribution Record Date (the "**Relevant Investors**") i.e. those investors who do not sell their Units in the relevant Sub-Fund on or before the Last Trading Day. Such Final Distribution (converted into HKD) is expected to be made on or around 30 December 2019. Please refer to section 3.2 below for further details on the Final Distribution.

On the Termination Date (which is expected to be on or around 29 January 2020) which is the date on which the Trustee and the Manager form an opinion that each of the Sub-Funds cease to have any contingent or actual assets and liabilities, the Manager and the Trustee will commence the completion of the termination of the Sub-Funds.

During the period from the Trading Cessation Date until, at least, the Termination Date, each Sub-Fund will continue to have listing status on the SEHK, and each Sub-Fund will remain authorised by the SFC, although the Sub-Funds will be operated only in a limited manner (as described in section 4.2 below). Pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Funds will continue to maintain their authorisation status with the SFC without the need to strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in section 5 below.

The Deauthorisation and Delisting will take place either on the Termination Date or shortly after the Termination Date, subject to the SFC's and the SEHK's approval respectively. The Manager expects, subject to the approval of SEHK and SFC respectively, that the Delisting will only take place at or around the same time of the Deauthorisation.

The proposed termination, Deauthorisation and Delisting will be subject to the payment of all outstanding fees and expenses (please refer to section 6 below for further information), the discharge of all outstanding liabilities of each of the Sub-Funds, as well as the final approvals of the SFC and the SEHK.

Following Deauthorisation, the Sub-Funds will no longer be subject to regulation by the SFC. Any product documentation for the Sub-Funds previously issued to investors, including the Prospectus and the KFS, should be retained for personal use only and not for public circulation. Further, stockbrokers, financial intermediaries and investors must not circulate any marketing or other product documentation relating to the Sub-Funds to the public in Hong Kong as this may be in breach of the SFO.

2.3. Important dates

Subject to the SFC's and the SEHK's respective approvals for the proposed arrangements set out in this Announcement and Notice, it is anticipated that the expected important dates in respect of the Sub-Funds will be as follows:

Dispatch of this Announcement and Notice	28 October 2019 (Monday)
Last day for creation of Units in each Sub-Fund by Participating Dealers	27 November 2019 (Wednesday)
Last day for dealings in the Units in each Sub-Fund on the SEHK and last day for redemption of Units in each Sub-Fund by Participating Dealers (the "**Last Trading Day**")	28 November 2019 (Thursday)
Dealings in the Units in each Sub-Fund on the SEHK cease (the "**Trading Cessation Date**") and no further redemption of Units of each Sub-Fund, i.e. same date on which the Manager will start to realise all the assets of the Sub-Funds and each Sub-Fund will cease to be able to track its respective Index	29 November 2019 (Friday)
The date as at which an investor needs to be recorded by HKSCC as the beneficial owner of Units of a Sub-Fund which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to the Final Distribution and further distribution (if any) (the "Distribution Record Date")	6 December 2019 (Friday)
Dispatch of announcement on the Final Distribution per Unit	On or around 20 December 2019 (Friday)
Final Distribution (converted into HKD), after having consulted with the Sub-Funds' auditor and Trustee, will be paid to the investors who are still holding Units as at the Distribution Record Date (the "**Final Distribution Date**")	On or around 30 December 2019 (Monday)
Termination of the Sub-Funds (the "**Termination Date**")	On or around 29 January 2020 (Wednesday), which is the date on which the Manager and the Trustee form an opinion that the Sub-Funds cease to have any respective contingent or actual assets and liabilities
Deauthorisation and Delisting of the Sub-Funds	On or around 29 January 2020 (Wednesday), which is the date on which the SFC and SEHK approve the Deauthorisation and Delisting respectively The Manager expects that the Deauthorisation and Delisting will take place either on the Termination Date or shortly after the Termination Date

The Manager will, on a weekly basis from the date of this Announcement and Notice to the Last Trading Day, issue reminder announcements informing and reminding investors of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. In addition, the Manager will issue further announcements in due course to inform the investors of the Final Distribution Date, whether there is any further distribution after the Final Distribution with regard to the Sub-Funds, the dates for the Deauthorisation and Delisting, as well as the Termination Date, as and when appropriate in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in this section, the Manager will issue an announcement to inform the Relevant Investors of the revised dates.

All stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice, together with any further announcements, to their clients investing in the Units of each Sub-Fund, and inform them of the contents of this Announcement and Notice, and any further announcements, as soon as possible.

3. Potential actions to be taken by investors on or before the Last Trading Day

3.1. Trading on the SEHK on any trading day up to (and including) the Last Trading Day

On any trading day up to (and including) the Last Trading Day, an investor may continue to buy or sell its Units in the Sub-Funds on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market prices. The Market Makers of the Sub-Funds will continue to perform their market making functions in accordance with the Trading Rules of the SEHK in respect of each Sub-Fund.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units of each Sub-Fund on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units of each Sub-Fund or such other applicable rate) and a trading fee (at 0.005% of the price of the Units of each Sub- Fund) will be payable by each of the buyer and the seller of the Units.

No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Units of the Sub-Funds on the SEHK.

The trading price of Units of each Sub-Fund may be below or above the Net Asset Value per Unit of the relevant Sub-Fund. Please see the "Units trading at a discount or premium and Market Makers' inefficiency risk" in section 7.1 below.

3.2. Holding Units after the Last Trading Day

For Relevant Investors who are still holding Units in each of the Sub-Funds after the Last Trading Day, the Manager will, after having consulted with the Sub-Funds' auditor and Trustee, declare Final Distribution for each Sub-Fund in respect of such Relevant Investors.

Each Relevant Investor will be entitled to a Final Distribution of an amount (converted into HKD) equal to the relevant Sub-Fund's then Net Asset Value in proportion to the Relevant Investor's interests in the Sub-Fund as at the Distribution Record Date ("**Final Distribution**"). The relevant Sub-Fund's then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the relevant Sub-Fund as described in section 1.3 above. The net proceeds from the realisation of the assets of each Sub-Fund will be converted from such Sub-Fund's base currency to HKD based on the then prevailing market rate. Such conversion will be consistent with the best execution standards.

The Final Distribution (converted into HKD) in respect of a Sub-Fund to each Relevant Investor is expected to be paid on or around 30 December 2019, to the accounts of its financial intermediary or stockbroker maintained with CCASS as at the Record Date. The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution in respect of a Sub-Fund, together with the amount of Final Distribution per Unit in respect of a Sub-Fund, in due course. The Manager does not expect or anticipate there will be a further distribution after the Final Distribution. However, in the unlikely event there is a further distribution after the Final Distribution, the Manager will issue an announcement informing the Relevant Investors.

If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement informing the Relevant Investors of the revised dates.

IMPORTANT NOTE: Investors should note and consider the risk factors as set out in section 7.1 below and consult with their professional and financial advisers before disposing of any Units in a Sub-Fund. If an investor disposes of its Units in a Sub-Fund at any time on or before the Last Trading Day, such investor will not, in any circumstances, be entitled to any portion of the Final Distribution for the relevant Sub-Fund, in respect of any Units of a Sub-Fund so disposed. Investors should therefore exercise caution and consult with their professional and financial advisers before dealing in their Units in a Sub-Fund or otherwise deciding on any course of action to be taken in relation to their Units in such Sub-Fund.

4. Consequences of the commencement of the cessation of trading

4.1. Continued existence of the Sub-Funds

Each of the Sub-Funds will maintain its SFC authorisation status and its SEHK listing status, until the Deauthorisation and Delisting. Deauthorisation and Delisting will follow as soon as possible after the termination of each Sub-Fund.

By the time the Trustee and the Manager form an opinion that each of the Sub-Funds cease to have any contingent or actual assets and liabilities, the Manager and the Trustee will complete the proposed termination process and the Manager will proceed with applying to the SFC for Deauthorisation, and to the SEHK to complete the Delisting of each Sub-Fund respectively.

4.2. Limited operation of the Sub-Funds

During the period from the Trading Cessation Date until the Deauthorisation, each Sub-Fund will only be operated in a limited manner as there will not be any trading of Units in each Sub-Fund and the Sub-Funds will have no investment activities from the Trading Cessation Date onwards.

Investors are reminded to contact their stockbrokers or financial intermediaries to check whether there will be any fees or charges including custody fees that they may need to bear with regard to their unitholding in the Sub-Funds during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

5. Non-applicability of certain provisions of the Code

5.1. Background

As set out in section 2.2 above, while the Units in each of the Sub-Funds will cease trading effective from the Trading Cessation Date, because of certain outstanding actual or contingent assets or liabilities in relation to the Sub-Funds, each of the Sub-Funds will remain in existence after the Trading Cessation Date until the Termination Date. During such period, the Sub-Funds will maintain their SFC authorised status and their SEHK listed status, until the completion of the proposed termination, Deauthorisation and Delisting.

However, the last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019, and from the Trading Cessation Date onwards: (i) there will be no further trading of Units and no further redemption of Units in each Sub-Fund; (ii) the Manager will start to realise all the assets of each Sub-Fund and each Sub-Fund will therefore cease to track its relevant Index. Therefore each Sub-Fund will not be able to meet its respective investment objective of tracking the performance of its relevant Index; (iii) the Sub-Funds will no longer be marketed to the public; and (iv) the Sub-Funds will mainly hold cash, and will only be operated in a limited manner.

Accordingly, pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Funds will continue to maintain their authorisation status with the SFC without the need to strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in this section 5.

5.2. Publishing of the suspension of dealing

Under Chapter 10.7 of the Code, the Manager is required to: (a) immediately notify the SFC if dealing in Units of a Sub-Fund ceases or is suspended; and (b) publish the fact that dealing is suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner.

The Manager will continue to manage the Sub-Funds without strict compliance with Chapter 10.7 of the Code (for the period from the Trading Cessation Date to the Deauthorisation date), subject to the condition that a statement shall be posted in a prominent position of the relevant Sub-Fund's website from the Trading Cessation Date until the date of Deauthorisation to notify investors that the Units of each of the Sub-Funds have ceased trading on the SEHK from 29 November 2019, and draw investors' attention to this Announcement and Notice and all other relevant announcements.

Because each of the Sub-Funds will retain their SEHK listing status after the Last Trading Day (28 November 2019) until the date of Deauthorisation, investors may continue to access further announcements in relation to the Sub- Funds via the HKEX's website and the relevant Sub-Fund's website during such period.

5.3. Provision of real time or near-real time indicative Net Asset Value per Unit and last Net Asset Value

Under 8.6(u)(i) and (ii) of the Code, the Manager is required to provide real time or near-real time indicative Net Asset Value per Unit of the Sub-Funds (updated at least every 15 seconds during trading hours) and last Net Asset Value per Unit and last Net Asset Value of the Sub-Funds (updated on a daily basis) on the Sub-Funds' website or such other channels as the SFC considers appropriate.

The Manager will continue to manage the Sub-Funds without strict compliance with 8.6(u)(i) and (ii) of the Code from the Trading Cessation Date to the Deauthorisation date, subject to the following conditions and requirements imposed by the SFC and which the Manager has undertaken to meet:

(A) the Net Asset Value per Unit of each Sub-Fund as of 28 November 2019 (i.e. the Last Trading Date), which will be the latest Net Asset Value per Unit of each Sub-Fund, will be published on the relevant Sub-Fund's website;

(B) the Manager shall update the latest available Net Asset Value per Unit of each Sub-Fund on the relevant Sub-Fund's website as soon as practicable should there be any other change to the Net Asset Value of each Sub-Fund including but not limited to changes arising from (i) the Final Distribution (please see further in section 3.2 above); (ii) further distribution (if any); (iii) any change in the market value of any scrip dividend receivable by the Sub-Fund concerned; and (iv) any deduction of transaction costs or taxes relating to the realisation of assets of the Sub-Fund.

5.4. Updating of the Prospectus and the KFS

Under Chapters 6.1 and 11.1B of the Code, the Prospectus and the KFS in respect of the Sub-Funds must be up-to-date and must be updated to incorporate any relevant changes to the relevant Sub-Fund.

The Manager will continue to manage the Sub-Funds without updating the Prospectus and the KFS in respect of the Sub-Funds as required under 6.1 and 11.1B of the Code from the Trading Cessation Date to the Deauthorisation date, subject to the following conditions and requirements imposed by the SFC and which the Manager has undertaken to meet:

(A) the Manager shall promptly notify investors of any changes to the Sub-Funds or to the Prospectus or the KFS by means of publishing the announcement(s) on its and the HKEX's websites (each, a "**Relevant Future Announcement**");

(B) the Manager shall ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement and Notice together with the Prospectus, the KFS and any other Relevant Future Announcement(s); and

(C) the Manager shall issue an updated Prospectus on the Deauthorisation date to remove all references to the Sub-Funds.

5.5. Other related matter

The Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations in respect of the Sub-Funds.

6. Costs

As indicated in section 3.1 above, investors' stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units in a Sub-Fund on or before the Last Trading Day.

All creations and redemptions of Units in a Sub-Fund by the Participating Dealers will be subject to the fees and costs as set out in the Sub-Funds' Prospectus. The Participating Dealers may pass on to the relevant investors such fees and costs. The Participating Dealers may also impose fees and charges in handling any redemption request which would also increase the cost of redemption. Investors are advised to check with the Participating Dealers as to the relevant fees, costs and charges.

The Manager will bear all costs and expenses associated with the termination of each Sub-Fund (other than normal operating expenses such as transaction costs, any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and any taxes relating to the liquidation of assets of a Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date. The Manager will continue to charge a Management Fee up to and including the Distribution Record Date.

For your information, the ongoing charges over a year* as disclosed in the KFS for each Sub-Fund is as follows:

- iShares DAX Index ETF: 0.22%
- iShares EURO STOXX 50 Index ETF: 0.25%
- iShares FTSE 100 Index ETF: 0.26%

* *The ongoing charges figures are based on expenses for the year ended 31 December 2018 for each Sub-Fund.*

The Manager does not expect that the termination of the Sub-Funds will impact the figures disclosed above for ongoing charges. Please note for completeness the ongoing charges figures shown above are calculated in accordance with the guidance under the relevant SFC circular, and exclude the following costs and expenses associated with the termination of the Sub-Funds (which are to be borne by each relevant Sub-Fund): (i) normal operating expenses such as transaction costs, (ii) any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and (iii) any taxes relating to the liquidation of assets of the Sub-Funds.

Each of the Sub-Funds does not have any unamortised preliminary expense or contingent liabilities (such as outstanding litigation) as at the date of this Announcement and Notice.

7. Other matters

7.1. Other implications of the proposed cessation of trading, the proposed termination of the Sub-Funds and the proposed Deauthorisation and Delisting

In consequence of this Announcement and Notice and the proposed cessation of trading, the proposed termination of the Sub-Funds and the proposed Deauthorisation and Delisting, investors should note and consider the following risks:

Liquidity risk – Trading of Units in each of the Sub-Funds on the SEHK from the date of this Announcement and Notice may become less liquid.

Units trading at a discount or premium and Market Makers' inefficiency risk – Although up to (and including) the Last Trading Day, the Market Makers will continue to perform their market making functions in respect of the relevant Sub-Funds in accordance with the Trading Rules of the SEHK, Units in each of the Sub-Funds may trade on the secondary market at a discount compared to their Net Asset Value per Unit in extreme market situations. This is because many investors may want to sell their Units in the Sub-Funds after the Proposal has been announced but there may not be many investors in the market who are willing to purchase such Units. On the other hand, it is also possible that the Units of each of the Sub-Funds may trade at a premium because there will be no creation of new Units from 28 November 2019 and consequently the divergence between the supply of and demand for such Units may be larger than usual. The Market Makers may not be able to effectively perform its market making activities to provide liquidity of the trading of Units in each Sub-Fund on the SEHK in these extreme market situations. As a result, the price volatility of the Units in each Sub-Fund may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day.

Fluctuation of base currency and HKD exchange rate risk – The liquidation proceeds of each Sub-Fund will be paid to Unitholders in HKD and not the base currency of the Sub-Funds. Accordingly, Unitholders will be exposed to exchange rate risk between the base currency of the Sub-Funds and HKD.

Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk – It is possible that the size of the relevant Sub-Funds may drop drastically before the Last Trading Day. This may impair the Manager's ability to fulfill the investment objectives of a Sub-Fund and result in significant tracking error. In the extreme situation where the size of the relevant Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the relevant Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the relevant Sub-Fund into cash or deposits in order to protect the interest of the investors of that Sub-Fund.

Net Asset Value downward adjustment risk – Changes in economic environment, consumption pattern and investors' expectations may have significant impact on the value of the investments and there may be significant drop in value of the securities.

Failure to track the Sub-Fund Index risk – The Manager will aim to realise all securities held by the Sub-Funds with effect from the Trading Cessation Date. Thereafter, the Sub-Funds' assets will mainly be in cash. The Sub-Funds will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, each of the Sub-Funds will cease to track their relevant Index, and will not be able to meet its investment objective of tracking the performance of its relevant Index.

Delay in distribution risk – The Manager will aim to realise all of the assets of the Sub-Funds and then proceed with the Final Distributions as soon as practicable. However, the Manager may not be able to realise all the assets of the Sub-Funds in a timely manner during certain periods of time, for example, when the trading on the relevant stock exchanges is restricted or suspended or when the official clearing and settlement depositary of the relevant market is closed. In this case, the payment of the Final Distributions to the Relevant Investors may be delayed.

Investors attention is also drawn to the risks disclosed in the Prospectus for the Sub-Funds (see "Risk Factors" section in the Prospectus), including "Investors Buying at a Premium Risk".

7.2. Tax implications

Based on the Manager's understanding of the law and practice in force at the date of this Announcement and Notice, as the Trust and the Sub-Funds are collective investment schemes authorised under Section 104 of the SFO, profits of the Sub-Funds derived from realisation of their assets are exempt from Hong Kong profits tax. Notwithstanding that profits of the Sub-Funds derived from realisation of their assets are exempt from Hong Kong profits tax, the Sub-Funds may be subject to tax in certain jurisdictions where investments are made on income or capital gains derived from such investments.

No Hong Kong profits tax shall generally be payable by investors in respect of the Final Distributions to the extent of distribution of profits and/or capital of the Sub-Funds. For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business are sourced in Hong Kong and the Units are revenue assets of the investors.

Investors should consult their professional tax advisers as to their particular tax position.

7.3. Connected party transaction

None of the connected persons of the Manager and/or the Trustee* is involved in any transaction in relation to the Sub-Funds, nor holds any interest in the Sub-Funds.

* *Please note The Hongkong and Shanghai Banking Corporation Limited ("**HSBC Limited**"), a Participating Dealer, is a connected person of the Trustee and may hold a substantial amount of Units in the Sub-Funds from time to time. HSBC Limited may decide to dispose of all or part of their Units, either by selling the Units on the SEHK or by redeeming the Units in the primary market, after being informed of the Proposal via this Announcement and Notice. Any disposal of Units by HSBC Limited, which is beyond the control of the Manager, may significantly reduce the size of the relevant Sub-Fund and impair the Manager's ability to fulfill the investment objectives of the relevant Sub-Funds and result in significant tracking error. Please refer to "Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk" in section 7.1 above.*

8. **Documents available for inspection**

A copy of the Trust Deed is available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager at a cost of HK$150 per set. Copies of the (i) audited accounts and the half-yearly unaudited reports of the Trust and the Sub-Funds and (ii) the Prospectus and the KFS are available from the Manager free of charge.

9. **Enquiries**

If you have any queries concerning this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Manager at (852) 3903 2823 during office hours (except Hong Kong statutory holidays) or by email: iSharesAsiaEnquiry@blackrock.com.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice 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.

BlackRock Asset Management North Asia Limited
as Manager of the Trust and the Sub-Funds
28 October 2019

DEFINITIONS

In this Announcement and Notice, unless the context otherwise requires, the following terms shall have the following meanings:

CCASS	The Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.
Code	The Code on Unit Trusts and Mutual Funds issued by the SFC (as amended or replaced from time to time).
Deauthorisation	The deauthorisation of each Sub-Fund and their respective offering documents by the SFC under section 106 of the SFO.
Delisting	The delisting of each Sub-Fund from the SEHK.
Distribution Record Date	6 December 2019, being the date for the purpose of determining the beneficial owners of Units in each of the Sub-Funds who are entitled to the Final Distribution in respect of that Sub-Fund and further distribution (if any) in respect of that Sub-Fund.
ETF FAQs	Frequently Asked Questions on Exchange Traded Funds and Listed Funds issued by the SFC.
Final Distribution	Has the meaning given to that term in section 3.2 above.
Final Distribution Date	On or around 30 December 2019, being the date on which the Final Distribution of the relevant Sub-Fund will take place.
HKSCC	Hong Kong Securities Clearing Company Limited or its successors.
Index	In respect of each Sub-Fund, the index (as disclosed in the Prospectus for the Sub-Fund) against which that Sub-Fund is benchmarked.
KFS	The product key facts statement in respect of each Sub-Fund, each dated 30 April 2019.
Last Trading Day	28 November 2019, being the last day for dealings in the Units in a Sub-Fund on the SEHK and last day for redemption of Units in a Sub-Fund by Participating Dealers.
Management Fee	The management fee as disclosed in the Prospectus.
Manager	BlackRock Asset Management North Asia Limited or its successors.
Market Maker	a broker or dealer permitted by the SEHK to act as such by making a market for the Units of the Sub-Funds in the secondary market on the SEHK.
Participating Dealer	any licensed broker or dealer who is (or who has appointed an agent who is) admitted by HKSCC as either a Direct Clearing Participant or a General Clearing Participant (as defined in the General Rules of CCASS) in CCASS and who has entered into a Participation Agreement in respect of each of the Sub-Funds.
Proposal	The proposal to terminate each of the Sub-Funds, and to voluntarily seek the Deauthorisation and the Delisting.

Prospectus	The Sub-Funds' combined prospectus dated 30 April 2019 as supplemented from time to time.
Relevant Future Announcement	Has the meaning given to that term in section 5.4 above.
Relevant Investors	Has the meaning given to that term in section 2.2 above.
SEHK	The Stock Exchange of Hong Kong Limited or its successors.
SFC	The Securities and Futures Commission of Hong Kong or its successors.
SFO	The Securities and Futures Ordinance (Cap.571 Laws of Hong Kong).
Termination Date	The date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any contingent or actual assets and liabilities.
Trading Cessation Date	29 November 2019, being the date on which the dealings in the Units of the Sub-Funds on the SEHK cease.
Trust Deed	The trust deed dated 16 November 2001 between Barclays Global Investors North Asia Limited (now known as BlackRock Asset Management North Asia Limited) and the Trustee constituting the Trust, as amended from time to time.
Trustee	HSBC Institutional Trust Services (Asia) Limited or its successors.
Units	In respect of a Sub-Fund, representing undivided shares in such Sub-Fund.
Unitholder	A holder of Units in respect of a Sub-Fund.

IMPORTANT: Investments involve risks, including the loss of principal. Investors are advised to consider their own investment objectives and circumstances in determining the suitability of an investment in each fund described in this Prospectus (called an "Index Fund"). An investment in an Index Fund may not be suitable for everyone. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent financial advice.

PROSPECTUS

iShares® by BlackRock®

iShares Core KOSPI 200 Index ETF (HKD Counter Stock Code: 03170) (RMB Counter Stock Code: 83170) (USD Counter Stock Code: 09170)
iShares Core MSCI Taiwan Index ETF (HKD Counter Stock Code: 03074) (RMB Counter Stock Code: 83074) (USD Counter Stock Code: 09074)
iShares DAX Index ETF (HKD Counter Stock Code: 03146) (RMB Counter Stock Code: 83146) (USD Counter Stock Code: 09146)
iShares EURO STOXX 50 Index ETF (HKD Counter Stock Code: 03155) (RMB Counter Stock Code: 83155) (USD Counter Stock Code: 09155)
iShares FTSE 100 Index ETF (HKD Counter Stock Code: 02847) (RMB Counter Stock Code: 82847) (USD Counter Stock Code: 09847)
iShares NASDAQ 100 Index ETF (HKD Counter Stock Code: 02834) (RMB Counter Stock Code: 82834) (USD Counter Stock Code: 09834)
(the "Index Funds")

iShares Asia Trust

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

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

The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission 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 iShares Asia Trust and each of the Index Funds have been authorised as collective investment schemes by the Hong Kong Securities and Futures Commission. Authorisation by the Securities and Futures Commission is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

27 November 2019

IMPORTANT INFORMATION

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

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and for the accuracy and fairness of the opinions expressed (at the date of its publication), and confirm that this Prospectus includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK") and the Code on Unit Trusts and Mutual Funds (the "Code") and the Overriding Principles of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Investment Products for the purposes of giving information with regard to the Units of the Index Funds and that having made all reasonable enquiries, the Manager confirms that, to the best of its knowledge and belief that the information contained in this Prospectus is true, accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this Prospectus misleading, whether of fact or opinion; any inferences that might reasonably be drawn from any statement in the Prospectus are true and are not misleading; and all opinions and intents expressed in this Prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself under "Trustee and Registrar".

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

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

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

Dealings in the Units in the Index Funds on the SEHK commenced on 29 June 2016. Units in the Index Funds have been accepted as eligible securities by the Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS") with effect from 29 June 2016.

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 CCASS and CCASS Operational Procedures in effect from time to time.

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

No action has been taken to permit an offering of Units of the Index Funds or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, the Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial report of the Index Funds (where existing) and, if later, its most recent interim financial report, which form a part of this Prospectus.

In particular:

(a) Units in each Index Fund have not been registered under the United States Securities Act of 1933 (as amended) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of such Act);

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

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

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

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

DIRECTORY

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

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

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

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

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

LISTING AGENT
BLACKROCK ASSET MANAGEMNT NORTH ASIA LIMITED
16/F CHAMPION TOWER
3 GARDEN ROAD
CENTRAL
HONG KONG

LEGAL ADVISER TO THE MANAGER
SIMMONS & SIMMONS
30TH FLOOR, ONE TAIKOO PLACE
979 KING'S ROAD
HONG KONG

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INTRODUCTION

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Index Funds. It contains important facts about the Trust as a whole and each of the Index Funds offered in accordance with this Prospectus.

The Trust and the Index Funds

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

This Prospectus relates to the following Index Funds, each of which is an exchange traded fund (or "ETF") authorised by the SFC:

1. iShares Core KOSPI 200 Index ETF;
2. iShares Core MSCI Taiwan Index ETF;
3. iShares DAX Index ETF;
4. iShares EURO STOXX 50 Index ETF;
5. iShares FTSE 100 Index ETF; and
6. iShares NASDAQ 100 Index ETF.

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

PRICES FOR AN INDEX FUND ON THE SEHK ARE BASED ON SECONDARY MARKET TRADING FACTORS AND MAY DEVIATE SIGNIFICANTLY FROM THE NET ASSET VALUE OF THE INDEX FUND.

Investment Objective

The investment objective of each Index Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index relevant to the Index Fund.

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

The investment objective particular to each Index Fund is set out in the "Descriptions of the Index Funds" section of this Prospectus. There can be no assurance that an Index Fund will achieve its investment objective.

The Underlying Index of an Index Fund may be changed by prior approval of the SFC and notice to Unitholders in accordance with the provisions of the Trust Deed for the Index Funds.

Investment Strategy

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

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

Each Index Fund aims to invest at least 90% of its assets in achieving the investment objective. Depending on the Index Fund's investment strategy discussed below, an Index Fund may invest, either directly or indirectly, in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the Index Fund achieve its investment objective. An Index Fund may also invest in other investments including funds, futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the Index Fund achieve its investment objective. As at the date of this Prospectus, an Index Fund's investment in FDIs for non-hedging purposes will not exceed 10% of its NAV. Effective from 5 December 2019, the iShares Core KOSPI 200 Index ETF, iShares Core MSCI Taiwan Index ETF and iShares NASDAQ 100 Index ETF may invest in FDIs for non-hedging purposes subject to the limit that the Index Fund's net derivative exposure does not exceed 50% of Index Fund's total Net Asset Value. The investment strategy of an Index Fund is subject to the investment and borrowing restrictions set out in Schedule 1.

In managing an Index Fund, the Manager may use either a representative sampling investment strategy or a full replication investment strategy as described below. The particular strategy employed for each Index Fund is set out in the section of this Prospectus headed "Descriptions of the Index Funds".

Potential investors should note that the Manager may swap between the two strategies, without prior notice to Unitholders, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the relevant Index Fund.

Representative Sampling Investment Strategy
"Representative sampling" is an indexing strategy that involves investing, directly or indirectly, in a representative sample of the Securities included in the relevant Underlying Index that collectively has an investment profile that reflects the profile of the relevant Underlying Index. An Index Fund adopting a representative sampling investment strategy may or may not hold all of the Securities that are included in the relevant Underlying Index, and may hold Securities which are not included in the Underlying Index, provided that the sample closely reflects the overall characteristics of the Underlying Index.

Full Replication Investment Strategy
Full "replication" is an indexing strategy that involves investing in substantially all of the Securities in the Underlying Index, either directly or indirectly, in substantially the same proportions as those Securities have in the Underlying Index.

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

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

Leverage
The net derivative exposure of each of the Index Funds will not exceed 50% of the NAV of such Index Fund.

Investment and Borrowing Restriction
Each Index Fund must comply with the investment and borrowing restrictions applicable to the relevant Index Fund and summarised in Schedule 1 of this Prospectus (which includes a summary of the investment restrictions set out in the Trust Deed).

Cross-trades

Cross-trades between the Index Funds and other funds managed by the Manager or its affiliates may be undertaken where the Manager considers that, as part of its portfolio management, such cross-trades would be in the best interests of the Unitholders to achieve the investment objective and policy of the relevant Index Fund. By conducting cross-trades, the Manager may achieve trading efficiencies and savings for the benefit of the Unitholders.

In conducting transactions, the Manager will ensure that the trades are executed on arm's length terms at current market value and the reason for such trades shall be documented prior to execution, in accordance with the SFC's Fund Manager Code of Conduct.

DESCRIPTIONS OF THE INDEX FUNDS

iSHARES CORE KOSPI 200 INDEX ETF

Key Information

The following table is a summary of key information in respect of the iShares Core KOSPI 200 Index ETF, and should be read in conjunction with the full text of the Prospectus.

Underlying Index	Index: KOSPI 200 Net Total Return USD Index Launch Date: 11 January 2016[14] Number of constituents: 200 stocks (as at 20 November 2019) Total Market Capitalisation (Free Float): US$810,823.95 billion (as at 20 November 2019) Base Currency: US dollars (USD)
Type of Underlying Index	A net total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends net of tax are reinvested. The Underlying Index is denominated in USD.
Listing Date (SEHK)	29 June 2016
Exchange Listing	SEHK – Main Board
Stock Code	09170 – USD counter 03170 – HKD counter 83170 – RMB counter
Stock Short Names	ISHARESKS200-U – USD counter ISHARESKS200 – HKD counter ISHARESKS200-R – RMB counter
ISIN Numbers	HK0000297827 – USD counter HK0000297801 – HKD counter HK0000297819 – RMB counter
Trading Board Lot Size	100 Units (for each counter)
Base Currency	US dollars (USD)
Trading Currencies	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. **All Units will receive distributions in the Base Currency (USD) only.***
Application Unit size (only Participating Dealers)	Minimum 60,000 Units (or multiples thereof)
Creation/Redemption Deadline	11:30 am. Units will only be created by cash creation and redeemed by cash redemption (in USD)
Management Fee	0.30% p.a. of Net Asset Value calculated daily
Investment strategy	Representative sampling investment strategy (Refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

* Unitholders of the iShares Core KOSPI 200 Index ETF should note that all Units will receive distributions in the Base Currency (USD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from USD to HKD, RMB or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "Other Currencies Distributions Risk".

[14] *Prior to 11 January 2016, the index provider of the KOSPI 200 Net Total Return USD Index only calculated a price return version of the index (i.e. performance is calculated without dividends reinvested) which has an inception date of 15 June 1994, however the Manager has determined to use a net total return version (i.e. performance is calculated with net dividends reinvested) in connection with the iShares Core KOSPI 200 Index ETF which is available from 11 January 2016.*

Investment Objective

The investment objective of the iShares Core KOSPI 200 Index ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the KOSPI 200 Net Total Return USD Index. There can be no assurance that the iShares Core KOSPI 200 Index ETF will achieve its investment objective.

Investment Strategy

To achieve its investment objective, the investment strategy of the iShares Core KOSPI 200 Index ETF is to use a representative sampling investment strategy and invest in a representative sample of Securities with a high correlation to the KOSPI 200 Net Total Return USD Index to approximate to the performance of that index.

The iShares Core KOSPI 200 Index ETF will invest primarily in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the iShares Core KOSPI 200 Index ETF achieve its investment objective including physical ETFs (as discussed below). The iShares Core KOSPI 200 Index ETF may also invest in other investments including, futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the iShares Core KOSPI 200 Index ETF achieve its investment objective. As at the date of this Prospectus, the iShares Core KOSPI 200 Index ETF's investments in FDIs for non-hedging purposes will not exceed 10% of its NAV. Effective from 5 December 2019, the iShares Core KOSPI 200 Index ETF may invest in FDIs for non-hedging purposes subject to the limit that the iShares Core KOSPI 200 Index ETF's net derivative exposure does not exceed 50% of iShares Core KOSPI 200 Index ETF's total Net Asset Value. The investment strategy of the iShares Core KOSPI 200 Index ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

Physical ETFs

The iShares Core KOSPI 200 Index ETF may invest up to 10% of its Net Asset Value in one or more underlying physical exchange traded fund(s) ("ETFs") which are non-eligible schemes or not authorised by the SFC and up to 30% of its Net Asset Value in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The Manager will invest in physical ETFs tracking indices that are closely correlated to the KOSPI 200 Net Total Return USD Index for cash management and for contingency purposes only and where it considers that investing in such ETFs is in the best interests of Unitholders taking into account the costs and benefits of investing into such ETFs.

There are risks associated with investing in other physical ETFs. Please refer to "Physical ETFs Related Risk" on page 50 for further information.

Securities financing transactions and other similar over-the-counter transactions

The iShares Core KOSPI 200 Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

As the iShares Core KOSPI 200 Index ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 3%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the iShares Core KOSPI 200 Index ETF. The annual and semi-annual reports of the iShares Core KOSPI 200 Index ETF shall also disclose whether or not such limit has been complied with during such period.

Underlying Index

The KOSPI 200 Net Total Return USD Index is a free float-adjusted market capitalisation weighted index based on 200 blue chip companies listed on the Korea Stock Market, which are selected on the basis of such factors as their market and sector representation and liquidity. The KOSPI 200 Net Total Return USD Index is compiled and managed by the Korea Exchange ("KRX"). The Manager (and each of its Connected Persons) is independent of KRX. The KOSPI 200 Net Total Return USD Index is a net total return index, meaning that the performance of the index is calculated on the basis that dividends net of tax are reinvested.

The latest closing index level, constituents of the Underlying Index together with their respective weightings can be accessed on http://eng.krx.co.kr (this website has not been reviewed by the SFC).

The Bloomberg code is KSP2NTRU.

Index Methodology

The KOSPI 200 Net Total Return USD Index comprises 200 stocks selected from all issues listed on the KRX-Stock Market Constituents that are chosen based on factors such as liquidity and how well such stocks represent their respective markets and industries. The companies are classified into industry sectors.

Selection Criteria

The KOSPI 200 Net Total Return USD Index is compiled and calculated in the following manner:

- The index universe is identified.
- Stocks eligible as constituents of the index are sorted into eight industry sectors (as defined by the index provider).
- For each industry sector, the stocks are selected until the accumulated market capitalisation of selected stocks reaches 70% of total market capitalisation of the sector.
- Among the stocks meeting the market and industry representation requirements, the stocks of which the trading value is not in the top 85% are excluded.
- The list of constituents is finalised by KRX's index committee after deliberation.
- a 30% weighting limit applies to the constituents of the KOSPI 200 Net Total Return USD Index.

Index Universe

All common stocks listed on KOSPI Market are eligible for inclusion in the KOSPI 200 Net Total Return USD Index. However, preferred shares, foreign stocks, convertible stocks, warrants, mutual funds, real estate investment funds, ship investment funds, administrative issues, issues of disposal sale and issues that have not been listed for more than one year shall be excluded.

Constituent Selection Criteria

- *Market and Industry Representation: Within the top 70% of total market capitalization of the sector.*
  The stocks in the index universe are first classified into industry sectors (as defined by the index provider) and the constituents are selected for each industry sector. Specifically, the selection is made in descending order of market capitalization, until the accumulated market capitalization of selected stocks reaches 70% of the market capitalization of the industry sector.

- *Market liquidity: The trading value must be ranked at the top 85%*
  Among the stocks meeting the market and industry representation criteria, those stocks, of which the trading value is ranked at the top 85% in the industry sector, are selected.

- *Regular rebalancing: Once a year (in June)*
  The stocks in the index universe are reviewed annually to ensure that adequate market capitalization and liquidity are maintained and the constituents are rebalanced when necessary. The change takes effect on the trading day after the last trading day of June contracts of KOSPI 200 futures and options.

- *Special changes*
  Special changes of constituents take place when a constituent is judged to be disqualified as a result of being delisted, designated as an administrative issue, merged into another company, etc. In such case, the concerned constituent is replaced by a stock on the top of the replacement list, which has been prepared in advance at the time of regular rebalancing.

- *Special inclusion of initially listed stocks*
  In general, initially listed stocks are eligible to become a constituent of the KOSPI 200 Net Total Return USD Index only after one year has elapsed since the initial listing. However, an exception is made if the issuer is a large corporation and the issue has abundant liquidity.

- *Index Committee*
  The index committee, which is composed of professors, asset managers, institutional investors, experts from corporate governance or accounting professions etc., deliberates all important matters concerning the calculation and management of the KOSPI 200 Net Total Return USD Index.

Calculation
The KOSPI 200 Net Total Return USD Index is calculated by a free-float market capitalisation weighting scheme.

Additional Information
Additional information and other important news on the KOSPI 200 Net Total Return USD Index and details of the index methodology can be found on http://eng.krx.co.kr.

Index Disclaimer
1. KRX DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE KRX INDEXES OR ANY DATA INCLUDED THEREIN AND KRX SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

2. KRX DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE KRX INDEXES OR ANY DATA INCLUDED THEREIN TO LICENSEES, PURCHASERS OF THE FINANCIAL PRODUCTS LINKED TO KRX INDEXES, OR ANY OTHER PERSON OR ENTITY THAT USES THE KRX INDEXES OR ANY DATA INCLUDED THEREIN.

3. KRX MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE KRX INDEXES OR ANY DATA INCLUDED THEREIN.

4. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL KRX HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

5. KRX makes no representation or warranty, express or implied, to the owners of the financial products linked to KRX indexes or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the KRX indexes to track general stock market performance (profitability).

6. KRX's only relationship to the licensee is the licensing of certain trademarks and trade names of KRX and of the KRX indexes which is determined, composed and calculated by KRX without regard to the licensee or the content of the product.

7. KRX has no obligation to take the needs of the licensee or the owners of the financial products linked to KRX indexes into consideration in determining, composing or calculating the KRX indexes. KRX is not responsible for and has not participated in the determination of the timing of the issuance or sale of the derivative products linked to KRX indexes or in the determination or calculation of the equation by which the derivative products linked to KRX indexes is to be converted into cash.

8. KRX has no obligation or liability to the owners of the financial products linked to KRX indexes in connection with the administration, marketing or trading of the Product.

9. The disclaimers of KRX under this section shall continue to be effective even after the termination of the Index license agreement.

Index Licence
The initial term of the licence of the KOSPI 200 Net Total Return USD Index commenced on 20 June 2016 for a term of one year, at the expiry of which the licence will be automatically renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least ninety days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Distribution Policy
Income net of withholding tax earned by the iShares Core KOSPI 200 Index ETF will, at the discretion of the Manager, be distributed by way of an annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-distribution payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

Information relating to the composition of any distributions paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be available from the Manager on request. Investors should also refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis. All Units in the iShares Core KOSPI 200 Index ETF will receive distributions in the Base Currency (USD) regardless of whether such Units are traded in Units of a different currency counter.

Specific Risks
In addition to the general risks identified in the section of this Prospectus called "Risk Factors", the iShares Core KOSPI 200 Index ETF is subject to the following additional specific risks:

- *Concentration risk and risks associated with investments in South Korea.* The iShares Core KOSPI 200 Index ETF's investments are concentrated in South Korea and a greater portion of its assets may be represented in a single Security or smaller group of Securities. The value of an individual Security or particular type of Security can be more volatile than, and can perform differently from, the market as a whole. This leads to a higher concentration risk than funds following a more diversified policy and cause greater fluctuations in the value of the iShares Core KOSPI 200 Index ETF. Investments in South Korea may involve risks associated with potential intervention by the South Korean government on foreign exchange rates, counterparty risks, a more volatile market and the risk that some assets in the portfolio have a limited liquidity. Investments in South Korea may also involve risks associated with the restrictions imposed on foreign investors, for example, foreign ownership limits, which can apply in respect of Korean securities issued by certain types of companies such as public utility companies, state run companies etc. Any such restrictions may have adverse effects on the liquidity and performance of the iShares Core KOSPI 200 Index ETF as compared to the performance of the KOSPI 200 Net Total Return USD Index. This may increase the risk of tracking error and, at the worst, the iShares Core KOSPI 200 Index ETF may not be able to achieve its investment objective.

- *Foreign exchange risk*. The majority of the iShares Core KOSPI 200 Index ETF's assets will be invested in Securities that are denominated in KRW. Currency hedging will not be undertaken to reduce the iShares Core KOSPI 200 Index ETF's exposure to the fluctuations of KRW against the Base Currency. Accordingly, the iShares Core KOSPI 200 Index ETF may be subject to exchange rate fluctuations between US dollar and KRW given that the iShares Core KOSPI 200 Index ETF is denominated in US dollar. Investors may suffer loss if the KRW depreciates against US dollar, even if the KRW value of the iShares Core KOSPI 200 Index ETF's holdings goes up.

- *Political and economic risk*. Uncertainty in any change to social conditions, government policies or legislation, including the increasing domination by large conglomerate entities known as Chaebol, in Korea in which the iShares Core KOSPI 200 Index ETF invests may adversely affect the political or economic stability of Korea. The value of the assets of the iShares Core KOSPI 200 Index ETF may be affected by uncertainties such as international political developments, changes in social conditions, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, currency fluctuations, and other developments in the legal, regulatory and political climate in the countries in which investments may be made, which may or may not occur without prior notice. Any such changes or developments may affect the value and marketability of the iShares Core KOSPI 200 Index ETF's investments.

  Among South Korea's structural issues are the country's underdeveloped financial markets and a general lack of regulatory transparency. The restructuring of the South Korean economy and the need to create a more liberalised economy with a mechanism for bankrupt firms to exit the market, remain important unfinished economic reform tasks. These factors may adversely affect the South Korean economy and cause a diversion of corporate investment to China and other lower wage countries.

  South Korea's economic growth potential is susceptible to problems from large scale emigration, rigid labor regulations and ongoing labor relations issues. In addition, the average age of South Korea's workforce is rapidly increasing.

  The South Korean economy is dependent on the economies of Asia and the United States. Reduction in spending by these economies on South Korean products and services or negative changes in any of these economies, mainly in China or Southeast Asia, may cause an adverse impact on the South Korean economy.

  Moreover, North and South Korea each have substantial military capabilities, and historical tensions between the two present the ongoing risk of war. Any outbreak of hostilities between the two countries could have a severe adverse effect on the South Korean economy and its securities markets.

- *Information Technology risk*. A number of the large conglomerate entities in South Korea are information technology companies. Information technology companies face intense competition and potentially rapid product obsolescence. They are also heavily dependent on intellectual property rights and may be adversely affected by the loss or impairment to those rights.

- *Trading hour's differences risk*. Due to differences in trading hours between the SEHK and KRX, market prices of the constituents of KOSPI 200 Net Total Return USD Index may not be available during certain periods when the SEHK is open for trading, and the value of the constituents will change during such hours when the SEHK is closed for trading and investors will not be able to purchase or sell the Units of the Index Fund during such hours. This may result in deviations of the iShares Core KOSPI 200 Index ETF's Unit price from its Net Asset Value. Differences in trading hours between the KRX and the SEHK may increase the level of premium or discount of the Unit price to its NAV.

Further Information

Further information in relation to the iShares Core KOSPI 200 Index ETF (including details of its Net Asset Value) is available at the iShares website (www.blackrock.com/hk). Investors should refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

iSHARES CORE MSCI TAIWAN INDEX ETF

Key Information

The following table is a summary of key information in respect of the iShares Core MSCI Taiwan Index ETF, and should be read in conjunction with the full text of the Prospectus.

Underlying Index	Index: MSCI Taiwan 20/35 Index Launch Date: 15 October 2019 Number of constituents: 87 stocks (as at 20 November 2019) Total Market Capitalisation (Free Float): US$686,126.85 million (as at 20 November 2019) Base Currency: US dollars (USD)
Type of Underlying Index	A net total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends net of tax are reinvested. The Underlying Index is denominated in USD.
Listing Date (SEHK)	29 June 2016
Exchange Listing	SEHK – Main Board
Stock Code	09074 – USD counter 03074 – HKD counter 83074 – RMB counter
Stock Short Names	ISHARESMSCITW-U – USD counter ISHARESMSCITW – HKD counter ISHARESMSCITW-R – RMB counter
ISIN Numbers	HK0000297793 – USD counter HK0000297777 – HKD counter HK0000297785 – RMB counter
Trading Board Lot Size	100 Units (for each counter)
Base Currency	US dollars (USD)
Trading Currencies	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. **All Units will receive distributions in the Base Currency (USD) only.***
Application Unit size (only Participating Dealers)	Minimum 20,000 Units (or multiples thereof)
Creation/Redemption Deadline	11:30 am. Units will only be created by cash creation and redeemed by cash redemption (in USD)
Management Fee	0.30% p.a. of Net Asset Value calculated daily
Investment strategy	Representative sampling investment strategy (Refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

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

Investment Objective

The investment objective of the iShares Core MSCI Taiwan Index ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Taiwan 20/35 Index. There can be no assurance that the iShares Core MSCI Taiwan Index ETF will achieve its investment objective.

Investment Strategy

To achieve its investment objective, the investment strategy of the iShares Core MSCI Taiwan Index ETF is to use a representative sampling investment strategy and invest in a representative sample of Securities with a high correlation to the MSCI Taiwan 20/35 Index to approximate to the performance of that index.

The iShares Core MSCI Taiwan Index ETF will invest primarily in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the iShares Core MSCI Taiwan Index ETF achieve its investment objective including physical ETFs (as discussed below). The iShares Core MSCI Taiwan Index ETF may also invest in other investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the iShares Core MSCI Taiwan Index ETF achieve its investment objective. As at the date of this Prospectus, the iShares Core MSCI Taiwan Index ETF's investments in FDIs for non-hedging purposes will not exceed 10% of its NAV. Effective from 5 December 2019, the iShares Core MSCI Taiwan Index ETF may invest in FDIs for non-hedging purposes subject to the limit that the iShares Core MSCI Taiwan Index ETF's net derivative exposure does not exceed 50% of iShares Core MSCI Taiwan Index ETF's total Net Asset Value. The investment strategy of the iShares Core MSCI Taiwan Index ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

Physical ETFs

The iShares Core MSCI Taiwan Index ETF may invest up to 10% of its Net Asset Value in one or more underlying physical exchange traded fund(s) ("ETFs") which are non-eligible schemes or not authorised by the SFC and up to 30% of its Net Asset Value in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The Manager will invest in physical ETFs tracking indices that are closely correlated to the MSCI Taiwan 20/35 Index (or part of it) for cash management and for contingency purposes only and where it considers that investing in such ETFs is in the best interests of Unitholders taking into account the costs and benefits of investing into such ETFs.

There are risks associated with investing in other physical ETFs. Please refer to "Physical ETFs Related Risk" on page 50 for further information.

Securities financing transactions or other similar over-the-counter transactions

The iShares Core MSCI Taiwan Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

As the iShares Core MSCI Taiwan Index ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 3%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the iShares Core MSCI Taiwan Index ETF. The annual and semi-annual reports of the iShares Core MSCI Taiwan Index ETF shall also disclose whether or not such limit has been complied with during such period.

Underlying Index

The MSCI Taiwan 20/35 Index is calculated and maintained by MSCI INC. (“MSCI”). The Manager (and each of its Connected Persons) is independent of MSCI. The MSCI Taiwan 20/35 Index is a net total return index, meaning that its performance is calculated on the basis that dividends net of tax are reinvested.

The MSCI Taiwan 20/35 Index is designed to measure the performance of the large and mid capitalisation segments of the Taiwanese market. It is a free float-adjusted market capitalisation index covering approximately 85% of the Taiwan investable equity universe.

The base date of the MSCI Taiwan 20/35 Index is 25 November 2008. The last closing index level, constituents of the MSCI Taiwan 20/35 Index together with their respective weightings can be accessed on http://www.msci.com/constituents (this website has not been reviewed by the SFC).

The Bloomberg ticker of the MSCI Taiwan 20/35 Index is NU727318 and the Reuters ticker of the MSCI Taiwan 20/35 Index is .MITW00003NUS.

Index Methodology

The MSCI Taiwan 20/35 Index consists of stocks traded primarily on the Taiwan Stock Exchange. It is a single country index constructed based on the MSCI Taiwan Index (the “Parent Index”) pursuant to the Global Investable Market Index Methodology, subject to the maximum weight applicable to the index constituents based on the free float-adjusted market capitalisation. The MSCI Taiwan 20/35 Index constrains the weight of the largest constituent at 35%, and all other constituents at 20%, with a buffer of 10% applied on these limits at each index rebalancing.

If at the end of any day,

– the largest constituent security’s weight exceeds 35%, it will be capped at 31.5% and any excess weight is distributed proportionately among the remaining constituent securities; and

– any remaining constituent security’s weight exceeds 20%, it will be capped at 18% and the excess weight is distributed proportionately among the remaining constituent securities.

As at the date of this Prospectus, the MSCI Taiwan 20/35 Index provides an exhaustive coverage of the large and mid-cap segments by targeting around 85% of the free float-adjusted market capitalisation of the Taiwanese market. As at the date of this Prospectus, MSCI categorizes large, mid and small cap, ranked by the free float-adjusted market cap of the securities:

- Large-cap: top 70% (+/-5%) in the Investable Equity Universe of the market
- Mid-cap: from 70 to 85% (+/-5%) in the Investable Equity Universe of the market
- Small-cap: from 85 to 99% (+1%/-0.5%) in the Investable Equity Universe of the market

The index is reviewed quarterly – in February, May, August and November – to coincide with the quarterly index review of the Parent Index. The MSCI Taiwan 20/35 Index is also rebalanced on an “as needed” basis. This means that the MSCI Taiwan 20/35 Index is rebalanced at the end of any day on which the constraints as specified above are breached. The rebalancing will take place as of the end of the day when the MSCI Taiwan 20/35 Index breaches the constraints, so that the MSCI Taiwan 20/35 Index will always be within the constraints before the opening of the following trading day.

Additional information and other important news on the MSCI Taiwan 20/35 Index and the general methodology behind the MSCI indices can be found on www.msci.com.

Index Disclaimer

The iShares Core MSCI Taiwan Index ETF 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 Taiwan 20/35 Index is 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 BlackRock. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or unitholders of the Index Fund or any other person or entity regarding the advisability of investing in Index Fund generally or in the Index 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 Taiwan 20/35 Index which is determined, composed and calculated by MSCI without regard to the Index Fund or the issuer or unitholders of the Index Fund or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or unitholders of the Index Fund or any other person or entity into consideration in determining, composing or calculating the MSCI Taiwan 20/35 Index. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Index Fund to be issued or in the determination or calculation of the equation by or the consideration into which the Index Fund are redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or unitholders of the Index Fund or any other person or entity in connection with the administration, marketing or offering of the Index Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Taiwan 20/35 Index 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 Index Fund, unitholders of the Index 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.

No purchaser, seller, owner or holder of this security, account, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security, account, product or fund without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

Index Licence

The Manager has been granted a licence by MSCI to use the MSCI Taiwan 20/35 Index as the basis for determining the composition of the iShares Core MSCI Taiwan Index ETF and to sponsor, issue, establish, organize, structure, operate, manage, offer, sell, market, promote, write, list, exchange and distribute the iShares Core MSCI Taiwan Index ETF pursuant to a licence agreement. The initial term of the licence of the MSCI Taiwan 20/35 Index commenced on 10 September 2019 for a term of 1 year and will be automatically renewed for successive terms of 1 year unless either party to the licence agreement serves a written notice of termination of at least ninety days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Distribution Policy

Income net of withholding tax earned by the iShares Core MSCI Taiwan Index ETF will, at the discretion of the Manager, be distributed by way of an annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-distribution payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

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

Specific Risks

In addition to the general risks identified in the section of this Prospectus called "Risk Factors", the iShares Core MSCI Taiwan Index ETF is subject to the following additional specific risks:

- *Risks associated with investments in Taiwan.* The iShares Core MSCI Taiwan Index ETF's investments are concentrated in Taiwan and a greater portion of its assets may be represented in a single Security or smaller group of Securities. The value of an individual Security or particular type of Security can be more volatile than, and can perform differently from, the market as a whole. This leads to a higher concentration risk than funds following a more diversified policy and cause greater fluctuations in the value of the iShares Core MSCI Taiwan Index ETF. Investments in Taiwan may involve risks associated with the restrictions imposed on foreign investors, potential intervention by the Taiwanese government on foreign exchange rates, counterparty risks, a more volatile market and the risk that some assets in the portfolio have a limited liquidity.

- *Foreign exchange risk.* The majority of the iShares Core MSCI Taiwan Index ETF's assets will be invested in Securities that are denominated in TWD. Currency hedging will not be undertaken to reduce the iShares Core MSCI Taiwan Index ETF's exposure to the fluctuations of TWD against the Base Currency. As the iShares Core MSCI Taiwan Index ETF's Net Asset Value is determined on the basis of US dollars, investors may suffer loss if the TWD depreciates against US dollar, even if the TWD value of the iShares Core MSCI Taiwan Index ETF's holdings goes up.

- *Political and economic risk.* There is a lower level of government supervision and enforcement activity in the regulation of the Taiwan securities market compared to those in more developed markets. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the iShares Core MSCI Taiwan Index ETF. The performance of the iShares Core MSCI Taiwan Index ETF may be affected by uncertainties such as changes in the government in Taiwan or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of Taiwan.

  Taiwan has few natural resources. Any fluctuation or shortage in the commodity markets could have a negative impact on the Taiwanese economy. Appreciation of the New Taiwan dollar, rising labor costs, and increasing environmental consciousness have led some labor-intensive industries to relocate to other countries with cheaper work forces. Continued labor outsourcing may adversely affect the Taiwanese economy. Taiwanese firms are among the world's largest suppliers of computer monitors and leaders in personal computer manufacturing. A slowdown in global demand for these products will likely have an adverse impact on the Taiwanese economy.

  Each of the government in Taiwan and in the PRC claims to be the only legitimate government for Taiwan. There can be no guarantee that the PRC will not use forcible means, which it has refused to forego, to gain control of Taiwan. The outbreak of hostilities between the two nations, or even the threat of an outbreak of hostilities will likely adversely impact the Taiwanese economy.

  Taiwan's economy is dependent on the economies of Asia, mainly those of Japan and the PRC, and the United States. Reduction in spending by these economies on Taiwanese products and services or negative changes in any of these economies, mainly in China or Southeast Asia, may cause an adverse impact on the Taiwanese economy.

  The iShares Core MSCI Taiwan Index ETF's assets maybe affected by other political or diplomatic uncertainty or developments, social and religious instability, higher inflation and other considerations.

- *Government intervention.* There may be substantial government intervention in the economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests. Foreign investment made directly into Taiwan is permitted under the "Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals" and relevant foreign exchange settlement procedures. Foreign institutional investors are required to register with the Taiwan Stock Exchange and obtain an investment ID as Foreign Institutional Investors ("FINI"). So far, except for certain investment threshold limitation in the restricted industries, there should be no more investment quotas applicable to FINI.

- *Information Technology risk*. A number of large corporations in Taiwan are information technology companies. Information technology companies face intense competition and potentially rapid product obsolescence. They are also heavily dependent on intellectual property rights and may be adversely affected by the loss or impairment of those rights.

- Trading hour's difference. Due to differences in trading hours between the SEHK and the Taiwan Stock Exchange, market prices of the constituents of MSCI Taiwan 20/35 Index may not be available during certain periods when the SEHK is open for trading, and the value of the constituents will change during such hours when the SEHK is closed for trading and investors will not be able to purchase or sell the Units of the Index Fund during such hours. This may result in deviations of the iShares Core MSCI Taiwan Index ETF's trading price from its Net Asset Value. Differences in trading hours between the Taiwan Stock Exchange and the SEHK may increase the level of premium or discount of the Unit price to its NAV.

Further Information

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

iSHARES DAX INDEX ETF

Key Information

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

Underlying Index	Index: DAX Index Launch Date: 1 July 1988 Number of constituents: 30 stocks (as at 20 November 2019) Total Market Capitalisation (Free Float): EUR1,222.72 billion (as at 20 November 2019) Base Currency: Euro (EUR)
Type of Underlying Index	A gross total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends gross of tax are reinvested. The Underlying Index is denominated in EUR.
Listing Date (SEHK)	29 June 2016
Exchange Listing	SEHK – Main Board
Stock Code	09146 – USD counter 03146 – HKD counter 83146 – RMB counter
Stock Short Names	ISHARESDAX-U – USD counter ISHARESDAX – HKD counter ISHARESDAX-R – RMB counter
ISIN Numbers	HK0000297769 – USD counter HK0000297744 – HKD counter HK0000297751 – RMB counter
Trading Board Lot Size	100 Units (for each counter)
Base Currency	Euro (EUR)
Trading Currencies	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. **All Units will receive distributions in the Base Currency (EUR) only.***
Application Unit size (only Participating Dealers)	Minimum 20,000 Units (or multiples thereof)
Creation/Redemption Deadline	4:00 pm. Units will only be created by cash creation and redeemed by cash redemption (in EUR)
Management Fee	0.20% p.a. of Net Asset Value calculated daily
Investment strategy	Representative sampling investment strategy (Refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

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

Investment Objective

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

Investment Strategy

To achieve its investment objective, the investment strategy of the iShares DAX Index ETF is to use a representative sampling investment strategy and invest in a representative sample of Securities with a high correlation to the DAX Index to approximate to the performance of that index.

The iShares DAX Index ETF will invest primarily in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the iShares DAX Index ETF achieve its investment objective including physical ETFs (as discussed below). The iShares DAX Index ETF may also invest in other investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the iShares DAX Index ETF achieve its investment objective. The iShares DAX Index ETF's investments in FDIs for non-hedging purposes will not exceed 10% of its NAV. The investment strategy of the iShares DAX Index ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

Physical ETFs

The iShares DAX Index ETF may invest up to 10% of its Net Asset Value in one or more underlying physical exchange traded fund(s) ("ETFs") which are non-eligible schemes or not authorised by the SFC and up to 30% of its Net Asset Value in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The Manager will invest in physical ETFs tracking indices that are closely correlated to the DAX Index for cash management and for contingency purposes only and where it considers that investing in such ETFs is in the best interests of Unitholders taking into account the costs and benefits of investing into such ETFs.

There are risks associated with investing in other physical ETFs. Please refer to "Physical ETFs Related Risk" on page 50 for further information.

Securities financing transactions or other similar over the counter transactions

The iShares DAX Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

As the iShares DAX Index ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 3%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the iShares DAX Index ETF. The annual and semi-annual reports of the iShares DAX Index ETF shall also disclose whether or not such limit has been complied with during such period.

Underlying Index

The DAX Index is calculated and maintained by Deutsche Börse AG ("Deutsche Börse"). The Manager (and each of its Connected Persons) is independent of Deutsche Börse. The DAX Index is a gross total return index, meaning that its performance is calculated on the basis that dividends gross of tax are reinvested.

The DAX Index is a free float-adjusted market capitalisation index that tracks the segment of the largest and most important companies – known as blue chips – on the German equities market. The DAX Index measures the performance of the 30 largest companies (based on free-float market capitalisation) with the highest turnover on the Primary Standard segment of the Frankfurt Stock Exchange. The DAX represents about 80% of the aggregated prime standard's market capitalisation.

The base date of the DAX Index is 30 December 1987.

The latest closing index level, constituents of the Underlying Index together with their respective weightings can be accessed on http://www.dax-indices.com (this website has not been reviewed by the SFC).

The Reuters code is .GDAXI and the Bloomberg code is DAX.

Index Methodology

The DAX Index measures the performance of the 30 largest companies (based on free-float market capitalisation) with the highest turnover on the Primary Standard segment of the Frankfurt Stock Exchange.

Security Inclusion Criteria for DAX

To be included or to remain in the DAX Index, companies must satisfy certain prerequisites, including the following:

– be listed on the Primary Standard segment of the Frankfurt Stock Exchange

– be traded continuously on the Xetra electronic trading system, and

– show a free float portion of at least 10%.

In addition, to qualify for inclusion, companies must have their registered office or operating headquarters in Germany or generate a significant proportion of their trading turnover at the Frankfurt Stock Exchange and have their headquarters in a member state of the EU or European Free Trade Association ("EFTA").

Selection Criteria for DAX

The selection of securities for the DAX Index is exclusively based on two quantitative criteria: exchange turnover and market capitalisation. The index is reviewed and adjusted annually by ranking securities by exchange turnover and market capitalisation, in September.

Each component security's weight is subject to a 10% cap in the index based on market capitalisation.

Inclusion and exclusion of stocks can be accelerated subject to certain "Fast Entry" and "Fast Exit" signals respectively (in regards to both criteria), in March, June, September and December of each year.

Further details regarding the DAX Index (including its methodology) and other important news are available on the index provider's website http://www.dax-indices.com.

Index Disclaimer

The iShares DAX Index ETF is not sponsored, promoted, sold or distributed by Deutsche Börse AG. Aside from the licensing of the Underlying Index and the permitted use of the trademark in connection with naming the iShares DAX Index ETF, BlackRock has no connection whatsoever with the Deutsche Börse AG (hereinafter referred to as "Licensor"). The Licensor gives no guarantee of the accuracy or the completeness of the Underlying Index and the data contained therein. It assumes no liability for errors, omissions or interruptions to the Underlying Index. The Licensor gives no direct or indirect guarantee concerning the results achieved by BlackRock through the use of the Underlying Index or of the other data contained therein. The Licensor provides no direct or indirect guarantee and assumes no liability as regards the marketability, suitability or use for a specific purpose of the Underlying Index or the data contained therein. Notwithstanding any of the above, the Licensor shall under no circumstances accept responsibility for any damages caused by or in connection with the Underlying Index or the Index Fund it underlies. This disclaimer of liability also applies to indirect losses, special damages or consequential losses (including loss of profits) in relation to the Underlying Index or the Index Fund it underlies, even if the Licensor has been made aware of the assertion of such a claim. No third party shall benefit from any contracts or agreements between the Licensor and BlackRock. The DAX Index is a registered trademark of Deutsche Börse AG and is thus protected against unauthorised use. The Licensor grants licences for the use of the Underlying Index as a benchmark for capital market products.

Index Licence

The initial term of the licence of the DAX Index commenced on 1 January 2016 and will continue until terminated by either party with at least ninety days prior written notice to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Distribution Policy

Income net of withholding tax earned by the iShares DAX Index ETF will, at the discretion of the Manager, be distributed by way of an annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-distribution payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

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

Specific Risks

In addition to the general risks identified in the section of this Prospectus called "Risk Factors", the iShares DAX Index ETF is subject to the following additional specific risks:

- *Concentration risk*. The iShares DAX Index ETF's investments are concentrated in Germany and a greater portion of its assets may be represented in a smaller group of Securities. This leads to a higher concentration risk than funds following a more diversified policy and cause greater fluctuations in the value of the iShares DAX Index ETF.

- *Trading hour's differences risk*. Due to differences in trading sessions between the SEHK and the Frankfurt Stock Exchange, market prices of the constituents of DAX Index may not be available during certain periods when the SEHK is open for trading, and the value of the constituents will change during such hours when the SEHK is closed for trading and investors will not be able to purchase or sell the Units of the iShares DAX Index ETF during such hours. This may result in deviations of the iShares DAX Index ETF's trading price from its Net Asset Value. Differences in trading hours between the Frankfurt Stock Exchange and the SEHK may increase the level of premium or discount of the Unit price to its NAV.

- *European Union and Eurozone risks*. Changes in governmental or EU regulations on trade, changes in the exchange rate of the Euro, decreasing imports or exports, 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. Further, the Economic and Monetary Union of the EU requires compliance with interest rates, debt levels, restrictions on inflation rates, deficits and fiscal and monetary controls, each of which may significantly affect every country in Europe, which could result in negative impact to the Net Asset Value of the iShares DAX Index ETF and/or substantial loss to the iShares DAX Index ETF.

  The current economic situation in the Eurozone has created significant pressure on certain European countries regarding their membership of the Euro. Some economists advocate the exit of certain countries from the Eurozone, and political movements in some Eurozone countries also promote their country's exit from the Eurozone for economic or political reasons, or both. It is possible that one or more countries may leave the Eurozone and return to a national currency (which may also result in them leaving the EU) and/or that the Euro will cease to exist in its current form, or entirely, and/or lose its legal status in one or more of the current Eurozone countries. Please also refer to the risk factor "Eurozone Crisis Risks" under the section "Risk Factors" – "Investment Risk".

Further Information

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

iSHARES EURO STOXX 50 INDEX ETF

Key Information

The following table is a summary of key information in respect of the iShares EURO STOXX 50 Index ETF, and should be read in conjunction with the full text of the Prospectus.

Underlying Index	Index: EURO STOXX 50 Index Launch Date: 26 February 1998 Number of constituents: 50 stocks (as at 20 November 2019) Total Market Capitalisation (Free Float): EUR 3,239.45 billion (as at 20 November 2019) Base Currency: Euro (EUR)
Type of Underlying Index	A net total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends net of tax are reinvested. The Underlying Index is denominated in EUR.
Listing Date (SEHK)	29 June 2016
Exchange Listing	SEHK – Main Board
Stock Code	09155 – USD counter 03155 – HKD counter 83155 – RMB counter
Stock Short Names	ISHARESES50-U – USD counter ISHARESES50 – HKD counter ISHARESES50-R – RMB counter
ISIN Numbers	HK0000297736 – USD counter HK0000297710 – HKD counter HK0000297728 – RMB counter
Trading Board Lot Size	100 Units (for each counter)
Base Currency	Euro (EUR)
Trading Currencies	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. **All Units will receive distributions in the Base Currency (EUR) only.***
Application Unit size (only Participating Dealers)	Minimum 20,000 Units (or multiples thereof)
Creation/Redemption Deadline	4:00 pm. Units will only be created by cash creation and redeemed by cash redemption (in EUR)
Management Fee	0.20% p.a. of Net Asset Value calculated daily
Investment strategy	Representative sampling investment strategy (Refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

* Unitholders of the iShares EURO STOXX 50 Index ETF should note that all Units will receive distributions in the Base Currency (EUR) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from EUR to USD, HKD, RMB or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "Other Currencies Distributions Risk".

Investment Objective
The investment objective of the iShares EURO STOXX 50 Index ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the EURO STOXX 50 Index. There can be no assurance that the iShares EURO STOXX 50 Index ETF will achieve its investment objective.

Investment Strategy
To achieve its investment objective, the investment strategy of the iShares EURO STOXX 50 Index ETF is to use a representative sampling investment strategy and invest in a representative sample of Securities with a high correlation to the EURO STOXX 50 Index to approximate to the performance of that index.

The iShares EURO STOXX 50 Index ETF will invest primarily in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the iShares EURO STOXX 50 Index ETF achieve its investment objective including physical ETFs (as discussed below). The iShares EURO STOXX 50 Index ETF may also invest in other investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the iShares EURO STOXX 50 Index ETF achieve its investment objective. The iShares EURO STOXX 50 Index ETF's investments in FDIs for non-hedging purposes will not exceed 10% of its NAV. The investment strategy of the iShares EURO STOXX 50 Index ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

Physical ETFs

The iShares EURO STOXX 50 Index ETF may invest up to 10% of its Net Asset Value in one or more underlying physical exchange traded fund(s) ("ETFs") which are non-eligible schemes or not authorised by the SFC and up to 30% of its Net Asset Value in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The Manager will invest in physical ETFs tracking indices that are closely correlated to the EURO STOXX 50 Index for cash management and for contingency purposes only and where it considers that investing in such ETFs is in the best interests of Unitholders taking into account the costs and benefits of investing into such ETFs.

There are risks associated with investing in other physical ETFs. Please refer to "Physical ETFs Related Risk" on page 50 for further information.

Securities financing transactions and other similar over-the-counter transactions

The iShares EURO STOXX 50 Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

As the iShares EURO STOXX 50 Index ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 3%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the iShares EURO STOXX 50 Index ETF. The annual and semi-annual reports of the iShares EURO STOXX 50 Index ETF shall also disclose whether or not such limit has been complied with during such period.

Underlying Index

The EURO STOXX 50 Index is a free float-adjusted market capitalisation weighted index. It is calculated and maintained by STOXX Limited. The Manager (and each of its Connected Persons) is independent of STOXX Limited. The EURO STOXX 50 Index represents the 50 largest companies in terms of free-float market capitalisation in 11 Eurozone countries. It is one of the most liquid indices for the Eurozone. The EURO STOXX 50 Index is a net total return index, meaning that its performance is calculated on the basis that dividends net of tax are reinvested.

The base date of the Underlying Index is 31 December 1986.

The latest closing index level, constituents of the Underlying Index together with their respective weightings can be accessed on https://www.stoxx.com/indices (this website has not been reviewed by the SFC).

The Reuters code is .STOXX50ER and the Bloomberg code is SX5T.

Index Methodology

The EURO STOXX 50 Index measures the performance of 50 European companies with the objective of reflecting the market sector leaders in the Eurozone.

Component selection

Target coverage of EURO STOXX 50 Index: 50 Supersector leaders across components of the 19 EURO STOXX Supersector Indexes. The EURO STOXX Supersector Indexes are subsets of the EURO STOXX Index and represent the Eurozone portion of the broader STOXX Europe 600 Index. The 11 Eurozone countries currently represented are Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

1. For each of the 19 EURO STOXX Supersector indices, the securities are ranked in terms of free-float market capitalisation. The largest securities are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalisation of the corresponding EURO STOXX TMI Supersector Index. If the next highest-ranked stock brings the coverage closer to 60% in absolute terms, then it is also added to the selection list. All current EURO STOXX 50 Index securities are added to the selection list.

2. All the securities on the selection list are then ranked in terms of free-float market capitalisation to produce the final index selection list.

3. The 40 largest securities (ranked by free-float market capitalisation) on the selection list are selected; the remaining 10 securities are selected from the largest remaining securities currently in the Index, and ranked between 41 and 60 ; if the number of securities selected is still below 50, then the largest remaining securities are selected until there are 50 securities.

To be eligible for inclusion, each component security must meet a 3 -month average daily trading volume of at least EUR 1 million.

Each component security's weight is capped at 10% of the index's free float market capitalisation.

The index is reviewed annually in September. Components may also be revised, based on certain "Fast Entry" / "Fast Exit" criteria linked to their free-float market capitalisation ranking, on a quarterly and monthly basis respectively.

Further details regarding the EURO STOXX 50 Index (including its methodology) and other important news are available on the index provider's website https://www.stoxx.com/indices.

Index Disclaimer

The iShares EURO STOXX 50 Index ETF is not sponsored, endorsed, sold or promoted by STOXX Limited ("STOXX"). STOXX makes no representation or warranty, express or implied, to the owners of the Index Fund or any member of the public regarding the advisability of trading in the Index Fund. STOXX's only relationship to the licensee is the licensing of certain trademarks and trade names and of the EURO STOXX 50 Index which is determined, composed and calculated by STOXX without regard to the licensee or the Index Fund. STOXX has no obligation to take the needs of the licensee or the owners of the Index Fund into consideration in determining, composing or calculating the EURO STOXX 50 Index. STOXX is not responsible for nor has it participated in the determination of the timing of, prices at, or quantities of the Index Fund to be listed or in the determination or calculation of the equation by which the Index Fund is to be converted into cash. STOXX has no obligation or liability in connection with the administration, marketing or trading of the Index Fund.

STOXX DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE EURO STOXX 50 INDEX OR ANY DATA INCLUDED THEREIN AND STOXX SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. STOXX DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE LICENSEE, OWNERS OF THE INDEX FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE EURO STOXX 50 INDEX OR ANY DATA INCLUDED THEREIN. STOXX DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, AND STOXX EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH TO THE EURO STOXX 50 INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL STOXX HAVE ANY LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THE EURO STOXX 50 INDEX OR THE INDEX FUND, INCLUDING, WITHOUT LIMTATION, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN STOXX AND THE LICENSEE.

Index Licence

The initial term of the licence of the EURO STOXX 50 Index commenced on 1 August 2011 for a term of five years, at the expiry of which the licence should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least ninety days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Distribution Policy

Income net of withholding tax earned by the iShares EURO STOXX 50 Index ETF will, at the discretion of the Manager, be distributed by way of an annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-distribution payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

Information relating to the composition of any distributions paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be available from the Manager on request. Investors should also refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis. All Units in the iShares EURO STOXX 50 Index ETF will receive distributions in the Base Currency (EUR) regardless of whether such Units are traded in Units of a different currency counter.

Specific Risks

In addition to the general risks identified in the section of this Prospectus called "Risk Factors", the iShares EURO STOXX 50 Index ETF is subject to the following additional specific risks:

- *Trading hour's differences risk*. Due to differences in trading sessions between the SEHK and the relevant European stock exchanges, market prices of the constituents of EURO STOXX 50 Index may not be available during certain periods when the SEHK is open for trading, and the value of the constituents will change during such hours when the SEHK is closed for trading and investors will not be able to purchase or sell the Units of the iShares EURO STOXX 50 Index ETF during such hours. This may result in deviations of the iShares EURO STOXX 50 Index ETF's trading price from its Net Asset Value. Differences in trading hours between the European stock exchanges and the SEHK may increase the level of premium or discount of the Unit price to its NAV.

- *European Union and Eurozone risks*. Changes in governmental or EU regulations on trade, changes in the exchange rate of the Euro, decreasing imports or exports, 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. Further, the Economic and Monetary Union of the EU requires compliance with interest rates, debt levels, restrictions on inflation rates, deficits and fiscal and monetary controls, each of which may significantly affect every country in Europe, which could result in negative impact to the Net Asset Value of the iShares EURO STOXX 50 Index ETF and/or substantial loss to the iShares EURO STOXX 50 Index ETF.

  The current economic situation in the Eurozone has created significant pressure on certain European countries regarding their membership of the Euro. Some economists advocate the exit of certain countries from the Eurozone, and political movements in some Eurozone countries also promote their country's exit from the Eurozone for economic or political reasons, or both. It is possible that one or more countries may leave the Eurozone and return to a national currency (which may also result in them leaving the EU) and/or that the Euro will cease to exist in its current form, or entirely, and/or lose its legal status in one or more of the current Eurozone countries. Please also refer to the risk factor "Eurozone Crisis Risks" under the section "Risk Factors" – "Investment Risk".

Further Information

Further information in relation to the iShares EURO STOXX 50 Index ETF (including details of its Net Asset Value) is available at the iShares website (www.blackrock.com/hk). Investors should refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

iSHARES FTSE 100 INDEX ETF

Key Information

The following table is a summary of key information in respect of the iShares FTSE 100 Index ETF, and should be read in conjunction with the full text of the Prospectus.

Underlying Index	Index: FTSE 100 Index Launch Date: 3 January 1984 Number of constituents: 101 stocks (as at 20 November 2019) Total Market Capitalisation (Free Float): GBP 1,937.54 billion (as at 20 November 2019) Base Currency: British Pound (GBP)
Type of Underlying Index	A net total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends net of tax are reinvested. The Underlying Index is denominated in GBP.
Listing Date (SEHK)	29 June 2016
Exchange Listing	SEHK – Main Board
Stock Code	09847 – USD counter 02847 – HKD counter 82847 – RMB counter
Stock Short Names	ISHARESFS100-U – USD counter ISHARESFS100 – HKD counter ISHARESFS100-R – RMB counter
ISIN Numbers	HK0000297702 – USD counter HK0000297686 – HKD counter HK0000297694 – RMB counter
Trading Board Lot Size	100 Units (for each counter)
Base Currency	British Pound (GBP)
Trading Currencies	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. **All Units will receive distributions in the Base Currency (GBP) only.***
Application Unit size (only Participating Dealers)	Minimum 20,000 Units (or multiples thereof)
Creation/Redemption Deadline	4:00 pm. Units will only be created by cash creation and redeemed by cash redemption (in GBP)
Management Fee	0.20% p.a. of Net Asset Value calculated daily
Investment strategy	Representative sampling investment strategy (Refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

* Unitholders of the iShares FTSE 100 Index ETF should note that all Units will receive distributions in the Base Currency (GBP) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from GBP to USD, HKD, RMB or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "Other Currencies Distributions Risk".

Investment Objective
The investment objective of the iShares FTSE 100 Index ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE 100 Index. There can be no assurance that the iShares FTSE 100 Index ETF will achieve its investment objective.

Investment Strategy
To achieve its investment objective, the investment strategy of the iShares FTSE 100 Index ETF is to use a representative sampling investment strategy and invest in a representative sample of Securities with a high correlation to the FTSE 100 Index to approximate to the performance of that index.

The iShares FTSE 100 Index ETF will invest primarily in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the iShares FTSE 100 Index ETF achieve its investment objective including physical ETFs (as discussed below). The iShares FTSE 100 Index ETF may also invest in other investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the iShares FTSE 100 Index ETF achieve its investment objective. The iShares FTSE 100 Index ETF's investments in FDIs for non-hedging purposes will not exceed 10% of its NAV. The investment strategy of the iShares FTSE 100 Index ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

Physical ETFs

The iShares FTSE 100 Index ETF may invest up to 10% of its Net Asset Value in one or more underlying physical exchange traded fund(s) ("ETFs") which are non-eligible schemes or not authorised by the SFC and up to 30% of its Net Asset Value in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The Manager will invest in physical ETFs tracking indices that are closely correlated to the FTSE 100 Index for cash management and for contingency purposes only and where it considers that investing in such ETFs is in the best interests of Unitholders taking into account the costs and benefits of investing into such ETFs.

There are risks associated with investing in other physical ETFs. Please refer to "Physical ETFs Related Risk" on page 50 for further information.

Securities financing transactions or other similar over-the-counter transactions

The iShares FTSE 100 Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

As the iShares FTSE 100 Index ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 3%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the iShares FTSE 100 Index ETF. The annual and semi-annual reports of the iShares FTSE 100 Index ETF shall also disclose whether or not such limit has been complied with during such period.

Underlying Index
The FTSE 100 Index is calculated and maintained by FTSE International Limited ("FTSE"). The Manager (and each of its Connected Persons) is independent of FTSE.

The FTSE 100 Index is a free float market capitalisation weighted index of UK-listed blue chips companies. The FTSE 100 Index is designed to measure the performance of the 100 largest UK companies listed on the London Stock Exchange ("LSE") by full market capitalisation, i.e. before the application of any investability weightings. The FTSE 100 Index is a net total return index, meaning its performance is calculated on the basis that dividends net of tax are reinvested.

The base date of the FTSE 100 Index is 30 December 1983.

The last closing index level, constituents of the Underlying Index together with their respective weightings can be accessed on http://www.ftse.com/Indices (this website has not been reviewed by the SFC).

The Reuters code is .TRIUKXNUK and the Bloomberg code is UKXNUK.

Index Methodology

The FTSE 100 index measures the performance of the 100 largest UK companies listed on the LSE by full market capitalisation. Only Premium Listed Equity Shares, as defined by the Financial Conduct Authority in its Listing Rules Sourcebook, which have been admitted to trading to the LSE with a Sterling denominated price on SETS, are eligible for inclusion in the FTSE 100 index. Companies which are premium listed on the LSE which are non-UK incorporated are only eligible for the FTSE 100 index if they are assigned UK nationality. Eligible securities are required to pass screens for liquidity and free float before inclusion in the FTSE 100 index.

Free-float

Constituents of the FTSE 100 index are adjusted for free float. Free float restrictions will be calculated using available published information. To be eligible for inclusion in the FTSE 100 index, a security must have a minimum free float of 25% if the issuing company is UK incorporated and 50% if it is non-UK incorporated. The Underlying Index will be periodically reviewed for changes in free float. A new company may be initially included with a free float below the above parameters (provided it is over 5%) where the free float is expected to meet the minimum requirements within 12 months of the company's first day of trading. New companies with an initial free float of 5% or below are not eligible for inclusion in the FTSE 100 index.

Liquidity

Each security will be tested for liquidity annually in June by calculation of its monthly median of daily trading volume. Securities which do not meet the relevant thresholds will not be eligible or will be removed if they are existing constituents.

The index rebalances on a quarterly basis in March, June, September and December.

Further details regarding the FTSE 100 Index (including its methodology) and other important news are available on the Index Provider's website at http://www.ftse.com/Indices.

Index Disclaimer

The iShares FTSE 100 Index ETF is not in any way sponsored, endorsed, sold or promoted by FTSE, the London Stock Exchange Plc (the "Exchange") or by The Financial Times Limited ("FT") and none of FTSE, Exchange or FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 100 Index and/or the figure at which the FTSE 100 Index stands at any particular time on any particular day or otherwise. The FTSE 100 Index is compiled and calculated by or on behalf of FTSE. All rights in the FTSE 100 Index vest in FTSE. However, none of FTSE, Exchange or FT shall be liable (whether in negligence or otherwise) to any person for any error in the Indices and none of FTSE, Exchange or FT shall be under any obligation to advise any person of any error therein. BlackRock has obtained a licence from FTSE to use such copyright and database rights in the creation of the Index Fund.

"FTSE®", "FT-SE®" and "Footsie®", are trade marks of the Exchange and FT and are used by FTSE under licence.

Index Licence

The initial term of the licence of the FTSE 100 Index commenced on 1 July 2012 for a term of five years, at the expiry of which the licence should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 180 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Distribution Policy

Income net of withholding tax earned by the iShares FTSE 100 Index ETF will, at the discretion of the Manager, be distributed by way of an annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-distribution payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

Information relating to the composition of any distributions paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be available from the Manager on request. Investors should also refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis. All Units in the iShares FTSE 100 Index ETF will receive distributions in the Base Currency (GBP) regardless of whether such Units are traded in Units of a different currency counter.

Specific Risks

In addition to the general risks identified in the section of this Prospectus called "Risk Factors", the iShares FTSE 100 Index ETF is subject to the following additional specific risks:

- *Concentration risk*. The iShares FTSE 100 Index ETF's investments are concentrated in the United Kingdom and a greater portion of its assets may be represented in a smaller group of Securities. This leads to a higher concentration risk than funds following a more diversified policy and cause greater fluctuations in the value of the iShares FTSE 100 Index ETF.

- *Trading hour's difference*. Due to differences in trading sessions between the SEHK and the LSE, market prices of the constituents of FTSE 100 Index may not be available during certain periods when the SEHK is open for trading, and the value of the constituents will change during such hours when the SEHK is closed for trading and investors will not be able to purchase or sell the Units of the iShares FTSE 100 Index ETF during such hours. This may result in deviations of the iShares FTSE 100 Index ETF's trading price from its Net Asset Value. Differences in trading hours between the LSE and the SEHK may increase the level of premium or discount of the Unit price to its NAV.

- *European Union risks*. Changes in governmental or EU regulations on trade, changes in the exchange rate of the Euro, decreasing imports or exports, 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. Further, the Economic and Monetary Union of the EU requires compliance with interest rates, debt levels, restrictions on inflation rates, deficits and fiscal and monetary controls, each of which may significantly affect every country in Europe, which could result in negative impact to the Net Asset Value of the iShares FTSE 100 Index ETF and/or substantial loss to the iShares FTSE 100 Index ETF.

Further Information

Further information in relation to the iShares FTSE 100 Index ETF (including details of its Net Asset Value) is available at the iShares website (www.blackrock.com/hk). Investors should refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

iSHARES NASDAQ 100 INDEX ETF

Key Information

The following table is a summary of key information in respect of the iShares NASDAQ 100 Index ETF, and should be read in conjunction with the full text of the Prospectus.

Underlying Index	Index: NASDAQ 100 Index Launch Date: 31 January 1985 Number of constituents: 103 stocks (as at 20 November 2019) Total Market Capitalisation (Free Float): US$9,287.20 billion (as at 20 November 2019) Base Currency: US dollars (USD)
Type of Underlying Index	A net total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends net of tax are reinvested. The Underlying Index is denominated in USD.
Listing Date (SEHK)	29 June 2016
Exchange Listing	SEHK – Main Board
Stock Code	09834 – USD counter 02834 – HKD counter 82834 – RMB counter
Stock Short Names	ISHARESND100-U – USD counter ISHARESND100 – HKD counter ISHARESND100-R – RMB counter
ISIN Numbers	HK0000297678 – USD counter HK0000297652 – HKD counter HK0000297660 – RMB counter
Trading Board Lot Size	100 Units (for each counter)
Base Currency	US dollars (USD)
Trading Currencies	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution Policy	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. **All Units will receive distributions in the Base Currency (USD) only.***
Application Unit size (only Participating Dealers)	Minimum 20,000 Units (or multiples thereof)
Creation/Redemption Deadline	4:00 pm. Units will only be created by cash creation and redeemed by cash redemption (in USD)
Management Fee	0.28% p.a. of Net Asset Value calculated daily
Investment strategy	Representative sampling investment strategy (Refer to the Introduction above and the "Investment Strategy" section below)
Financial year end	31 December
Website	www.blackrock.com/hk

* Unitholders of the iShares NASDAQ 100 Index ETF should note that all Units will receive distributions in the Base Currency (USD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from USD to HKD, RMB or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "Other Currencies Distributions Risk".

Investment Objective
The investment objective of the iShares NASDAQ 100 Index ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the NASDAQ 100 Index. There can be no assurance that the iShares NASDAQ 100 Index ETF will achieve its investment objective.

Investment Strategy
To achieve its investment objective, the investment strategy of the iShares NASDAQ 100 Index ETF is to use a representative sampling investment strategy and invest in a representative sample of Securities with a high correlation to the NASDAQ 100 Index to approximate to the performance of that index.

The iShares NASDAQ 100 Index ETF will invest primarily in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the iShares NASDAQ 100 Index ETF achieve its investment objective including physical ETFs (as discussed below). The iShares NASDAQ 100 Index ETF may also invest in other investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the iShares NASDAQ 100 Index ETF achieve its investment objective. As at the date of this Prospectus, the iShares NASDAQ 100 Index ETF's investments in FDIs for non-hedging purposes will not exceed 10% of its NAV. Effective from 5 December 2019, the iShares NASDAQ 100 Index ETF may invest in FDIs for non-hedging purposes subject to the limit that the iShares NASDAQ 100 Index ETF's net derivative exposure does not exceed 50% of iShares NASDAQ 100 Index ETF's total Net Asset Value. The investment strategy of the iShares NASDAQ 100 Index ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

Physical ETFs

The iShares NASDAQ 100 Index ETF may invest up to 10% of its Net Asset Value in one or more underlying physical exchange traded fund(s) ("ETFs") which are non-eligible schemes or not authorised by the SFC and up to 30% of its Net Asset Value in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The Manager will invest in physical ETFs tracking indices that are closely correlated to the NASDAQ 100 Index for cash management and for contingency purposes only and where it considers that investing in such ETFs is in the best interests of Unitholders taking into account the costs and benefits of investing into such ETFs.

There are risks associated with investing in other physical ETFs. Please refer to "Physical ETFs Related Risk" on page 50 for further information.

Securities financing transactions or other similar over-the-counter transactions

The iShares NASDAQ 100 Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

As the iShares NASDAQ 100 Index ETF employs a representative sampling investment strategy, it may overweight holdings of Securities relative to the respective weightings of the constituents in the Underlying Index, provided that the maximum extra weighting in any Security relative to the respective constituent in the Underlying Index will not exceed 3%. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit during such period by the iShares NASDAQ 100 Index ETF. The annual and semi-annual reports of the iShares NASDAQ 100 Index ETF shall also disclose whether or not such limit has been complied with during such period.

Underlying Index

The NASDAQ 100 Index is calculated and maintained by NASDAQ OMX. The Manager (and each of its Connected Persons) is independent of NASDAQ OMX.

The NASDAQ 100 Index includes 100 of the largest U.S. and international non-financial companies listed on the NASDAQ Stock Market based on market capitalisation. The NASDAQ 100 Index is a net total return index, meaning its performance is calculated on the basis that dividends net of tax are reinvested.

The base date of the NASDAQ 100 Index is 31 January 1985.

The last closing index level, constituents of the Underlying Index together with their respective weightings can be accessed on https://indexes.nasdaqomx.com (this website has not been reviewed by the SFC).

The Reuters code is .XNDXNNR and the Bloomberg code is NXDXNNR.

Index Methodology

The NASDAQ 100 Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies. To be eligible for initial inclusion in the NASDAQ 100 Index, a security must meet the following criteria:

- the issuer of the security's primary U.S. listing must be exclusively listed on the NASDAQ Global Select Market or the NASDAQ Global Market (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- a security must be issued by a non-financial company;
- a security may not be issued by an issuer currently in bankruptcy proceedings;
- a security must have average daily trading volume of at least 200,000 shares (measured annually during the Ranking Review process);
- if the issuer of the security is organised under the laws of a jurisdiction outside the U.S., then such security must have listed options on a recognised options market in the U.S. or be eligible for listed-options trading on a recognised options market in the U.S. (measured annually during the Ranking Review process);
- 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;
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn;
- the security must be "seasoned" on NASDAQ , NYSE or NYSE Amex. Generally, a company is considered to be seasoned if it has been listed on a market for at least three full months (excluding the first month of initial listing).

The NASDAQ 100 Index is a modified market capitalisation-weighted index and is rebalanced on a quarterly basis, coinciding with the quarterly rebalancing schedule. The weights of the securities in the index will be reviewed and the index will be rebalanced if it is determined that:

o the current weight of the single largest index security is greater than 24%; and

o the collective weight of index securities whose individual weights are each in excess of 4.5%, when added together, exceeds 48% of the index.

In addition, a special rebalancing of the index may be conducted at any time if it is determined necessary to maintain the integrity of the index. If either one or both of the above weight distribution requirements are met upon quarterly review or it is determined that a special rebalancing is required, a weight rebalancing will be performed.

During the rebalancing process, the weights of all securities with individual weights greater than 1% will be scaled down proportionately such that the adjusted weight of the single largest index security is 20% and the collective weight of individual securities exceeding 4.5% does not exceed 40%.

The index securities are reviewed annually in December. The above eligibility criteria are applied and all eligible securities are ranked (based on market capitalisation) using market data through the end of October. During the annual review process, those index securities that are ranked within the top 100 of all eligible companies at the annual review are retained in the index, while those ranked between 101 and 125 are retained only if they were in the top 100 at the previous annual review or were added subsequent to the previous annual review. Index issuers ranked at 126 or greater are not retained. Companies not retained in the index are replaced by those who have the largest market capitalisation and are not existing constituents in the index.

Additional information and other important news on the NASDAQ 100 Index and the general methodology can be found on https://indexes.nasdaqomx.com.

Index Disclaimer

The NASDAQ 100 Index ETF (the "Fund") is not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates (The NASDAQ OMX Group, Inc., with its affiliates, is referred to as "NASDAQ OMX"). NASDAQ OMX has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Fund. NASDAQ OMX makes no representation or warranty, express or implied, to the owners of shares of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Underlying Index to track general stock market performance. NASDAQ OMX's only relationship to the Fund and BlackRock is in the licensing of certain trademarks and trade names of NASDAQ OMX and of the Underlying Index which is determined, composed and calculated by NASDAQ OMX without regard to the BlackRock or the Fund. NASDAQ OMX has no obligation to take the needs of BlackRock or its affiliates or the owners of shares of the Fund into consideration in determining, composing or calculating the Underlying Index. NASDAQ OMX is not responsible for and has not participated in the determination of the prices and amount of shares of the Fund, or the timing of the issuance or sale of such shares or in the determination or calculation of the equation by which shares of the Fund are to be converted into cash. NASDAQ OMX has no obligation or liability in connection with the administration, marketing or trading of the Fund.

NASDAQ OMX DOES NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE UNDERLYING INDEX OR ANY DATA INCLUDED THEREIN. NASDAQ OMX MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE TRUST ON BEHALF OF THE FUND AS LICENSEE, LICENSEE'S CUSTOMERS AND COUNTERPARTIES, OWNERS OF THE SHARES OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE SUBJECT INDEX OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE RIGHTS LICENSED AS DESCRIBED HEREIN OR FOR ANY OTHER USE. NASDAQ OMX MAKES NO EXPRESS OR IMPLIED WARRANTIES AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE UNDERLYING INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NASDAQ OMX 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

The initial term of the licence of the NASDAQ 100 Index commenced on 28 March 2016 for a term of three years and will automatically renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least ninety days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Distribution Policy

Income net of withholding tax earned by the iShares NASDAQ 100 Index ETF will, at the discretion of the Manager, be distributed by way of annual cash distribution in December (if any) and details of the distribution declaration dates, distribution amounts and ex-distribution payment dates will be published on the iShares website (www.blackrock.com/hk). There can be no assurance that a distribution will be paid. Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

Information relating to the composition of any distributions paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be available from the Manager on request. Investors should also refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis. All Units in the iShares NASDAQ 100 Index ETF will receive distributions in the Base Currency (USD) regardless of whether such Units are traded in Units of a different currency counter.

Specific Risks

In addition to the general risks identified in the section of this Prospectus called "Risk Factors", the iShares NASDAQ 100 Index ETF is subject to the following additional specific risks:

- *NASDAQ 100 constituents risks*. Due to the concentration of the Underlying Index in the technology sector, which is characterised by relatively higher volatility in price performance when compared to other economic sectors, the performance of the Underlying Index may be more volatile when compared to other broad-based stock indexes. The price volatility of the iShares NASDAQ 100 Index ETF may be greater than the price volatility of other ETFs tracking more broad-based indices.

  Technology companies are characterised by periodic new product introductions, innovations and evolving industry standards, and, as a result, face intense competition, which may have an adverse effect on profit margins. Companies in the technology sector are often smaller and less experienced companies and may be subject to greater risks than larger companies; these risks may be heightened for technology companies in non-U.S. markets. Technology companies may have limited product lines, markets, financial resources or personnel. The products of technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, changes in consumer and business purchasing patterns, unpredictable changes in growth rates and competition for the services of qualified personnel. In addition, a rising interest rate environment tends to negatively affect companies in the technology sector because, in such an environment, those companies with high market valuations may appear less attractive to investors, which may cause sharp decreases in the companies' market prices. Companies in the technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies. The technology sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors. Finally, while all companies may be susceptible to network security breaches, certain companies in the technology sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

- *Trading hour's difference*. Due to differences in trading hours between the SEHK and the NASDAQ, market prices of the constituents of NASDAQ 100 Index may not be available during certain periods when the SEHK is open for trading, and the value of the constituents will change during such hours when the SEHK is closed for trading and investors will not be able to purchase or sell the Units of the iShares NASDAQ 100 Index ETF during such hours. This may result in deviations of the iShares NASDAQ 100 Index ETF's trading price from its Net Asset Value.

Further Information

Further information in relation to the iShares NASDAQ 100 Index ETF (including details of its Net Asset) is available at the iShares website (www.blackrock.com/hk). Investors should refer to "Information Available on the Internet" for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in an Index Fund

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

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

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

Creation by Participating Dealers

Only Participating Dealers may apply for Units directly from an Index Fund. Units in an Index Fund are continuously offered to Participating Dealers who may apply for them on any Dealing Day on their own account or for the account of their clients, in the minimum Application Unit size in accordance with Operating Guidelines. The Manager expects that Participating Dealers will generally accept and submit creation requests received from third parties, subject to normal market conditions and their client acceptance procedures. Participating Dealers may impose fees and charges in handling any creation request which would increase the cost of investment. Investors are advised to check with the Participating Dealers as to relevant fees and charges. You should note although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

The Application Unit size for each Index Fund is set out in the "Descriptions of the Index Funds". Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum holding of an Index Fund is one Application Unit.

Creation Applications may only be made in cash. The Manager shall instruct the Trustee to effect, for the account of the Trust, the creation of Units in Application Unit size in exchange for cash in accordance with the Operating Guidelines and the Trust Deed. Notwithstanding a Multi-Counter being adopted, all cash Creation Applications must be made in the Base Currency of the Index Fund.

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

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

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

Units of each Index Fund are denominated in the Base Currency of such Index Fund and no fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on Settlement Day or the Dealing Day immediately following Settlement Day if the settlement period is extended. (An extension fee may be payable in relation to such an extension. See the section on "Fees and Expenses" for further details).

If a Creation Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline (see "Descriptions of the Index Funds") 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.

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

The Manager may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee it charges (but not as between different Participating Dealers in respect of the same Index Fund). The Manager may, at its discretion, waive the charging of Transaction Fee and any Duties and Charges in respect of certain Creation Applications on any dividend ex-date, where such Creation Applications directly facilitate the partial or full payment of the pending dividend distribution to Unitholders at that time in accordance with the distribution policy. Such waiver will be offered in respect of Creation Applications on a "first come, first served" basis. The Transaction Fee (if any) shall be paid by or on behalf of the Participating Dealer applying for such Units for the benefit of the Trustee and/or the Service Agent. See the section on "Fees and Expenses" for further details.

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

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the register if at any time the Trustee is of the opinion that the provisions, in regard to the issue of Units, are being infringed.

Evidence of Unitholding

Units will be deposited, cleared and settled by the CCASS. Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Units deposited with the CCASS and is holding such Units for the participants in accordance with the General Rules of CCASS. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of CCASS neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Units. Investors owning Units in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be).

Restrictions on Unitholders

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

- a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the relevant Index Fund being adversely affected which the Trust or the relevant Index Fund might not otherwise have suffered; or

- in the circumstances which, in the Manager's opinion, may result in the Trust or the relevant Index Fund incurring any withholding or any tax liability or suffering any other pecuniary disadvantage which the Trust or the relevant Index 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.

Cancellation of Units

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

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

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

- the Manager may at its discretion require the Participating Dealer to pay to the Trustee for the account of the relevant Index 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 a Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, plus any charges, expenses and losses incurred by the relevant Index Fund as a result of such cancellation;

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

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

Redemption of Units

Redemption Applications may only be made by a Participating Dealer in respect of an Application Unit size or whole multiple thereof. Participating Dealer may redeem Units on any Dealing Day in accordance with the Operating Guidelines, by submitting a Redemption Application to the Trustee. The Manager may charge a Transaction Fee in respect of Redemption Applications. The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee and/or the Service Agent. See the section on “Fees and Expenses” for further details.

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

If a Redemption Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline (see the "Descriptions of the Index Funds") on a Dealing Day, the Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day. 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.

Redemption Applications may only be made in cash. The Manager shall, on receipt of an effective Redemption Application for a particular Index Fund from a Participating Dealer, effect the redemption of the relevant Units and shall require the Trustee to transfer to the Participating Dealer cash in accordance with the Operating Guidelines.

To be effective, a Redemption Application must:

- be given by a Participating Dealer in accordance with the Operating Guidelines;
- specify the number and class of Units which is the subject of the Redemption Application; and
- include the certifications required in the Operating Guidelines in respect of redemptions of Units, together with such certifications and opinions of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable Securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

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

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

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

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

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

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

Redemption Gate

The Manager may, in consultation with the Trustee, limit the total number of Units of an Index Fund which Participating Dealers may redeem on any Dealing Day to 10% of the total number of Units then in issue of the relevant Index Fund (disregarding any Units which have been agreed to be issued), such limitation to be applied pro rata to all Participating Dealers who have validly made Redemption Applications for Units on such Dealing Day. Any Units which, by virtue of the powers conferred by the Trust Deed, are not redeemed shall be redeemed (subject to any further application of the provisions of the Trust Deed) on the next succeeding Dealing Day provided that if on such next succeeding Dealing Day the total number of Units to be redeemed, including those carried forward from any earlier Dealing Day, exceeds such limit, the Manager shall be entitled to further carry forward the Redemptions of Units until such time as the total number of Units to be redeemed on a Dealing Day falls within such limit and provided further that any Units which have been carried over as aforesaid shall on any such succeeding Dealing Day be redeemed in priority to any new Units due to be redeemed on that Dealing Day. If redemptions of Units are carried forward as aforesaid, the Manager shall, within 7 Business Days of such carrying forward, give notice to the Participating Dealers affected thereby that such Units have not been redeemed and that (subject as aforesaid) they shall be redeemed on the next succeeding Dealing Day.

Directed Cash Dealing

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

Suspension of Creations and Redemptions

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

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

- any period when a market on which a Security (being a component of the relevant Underlying Index) has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed; or
- any period when dealings on a market on which a Security (being a component of the relevant Underlying Index) has its primary listing is restricted or suspended; or
- any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depositary (if any) of such market is disrupted; or
- the existence of any state of affairs as a result of which delivery or purchase of Securities or disposal of investments for the time being comprised in the relevant Index Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Index Fund; or
- any period when the Underlying Index for the relevant Index Fund is not compiled or published; or

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

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

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

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

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

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

Transfer of Units

A Unitholder may transfer Units using the standard transfer form issued by SEHK or by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the Unitholders of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. Each instrument of transfer must relate to a single Index Fund only. No Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the minimum holding in the relevant Index Fund. HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a participant of CCASS and to whose account any Units are for the time being allocated in accordance with the General Rules of CCASS.

Multi-Counter

Units created and issued pursuant to a Creation Application may be deposited in CCASS as HKD traded Units, RMB traded Units or USD traded Units initially. Similarly, units redeemed pursuant to a Redemption Application may be withdrawn from any trading counter (i.e. USD, HKD or RMB trading counter).

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

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

Units trade on the SEHK in board lots of 100 Units or in such other board lots as may be specified in respect of a particular Index Fund in the "Descriptions of the Index Funds".

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

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit of the Index Fund. Any transactions in the Units of an Index Fund 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 the Units will remain listed on the SEHK.

It is the Manager's expectation that at least one Market Maker will maintain a market for the Units of each Index Fund. For an Index Fund with Multi-Counter arrangement, the Manager will use its best endeavours to put in placement arrangements so that at least one Market Maker will maintain a market for the Units traded in each counter and that at least one Market Maker to each counter gives not less than 3 months notice prior to termination of the market making arrangement. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager will make available to the Market Maker, the portfolio composition information made available to Participating Dealers.

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

Investors wishing to purchase or sell Units on the secondary market should contact their broker.

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

The Units have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in 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 CCASS and CCASS Operational Procedures in effect from time to time.

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

Multi-Counter

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

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

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

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

Renminbi Equity Trading Support Facility

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

DETERMINATION OF NET ASSET VALUE

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

Set out below is a summary of how various Securities held by the Index Funds are valued:

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

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

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

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

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

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

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

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

Suspension of Net Asset Value

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

(a) there exists any state of affairs prohibiting the normal disposal of the relevant Index Fund's investments; or

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

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

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

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

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

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at www.blackrock.com/hk or in such publications as it decides.

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

Issue Price and Redemption Value

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

The Redemption Value of a Unit on a Dealing Day shall be the Net Asset Value of the relevant Index Fund divided by the total number of Units in issue for that Index Fund rounded to the nearest 4 decimal places.

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

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

FEES AND EXPENSES

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

iShares Core KOSPI 200 Index ETF, iShares Core MSCI Taiwan Index ETF and iShares NASDAQ 100 Index ETF

Fees and expenses payable by Participating Dealers on creation and redemption of Units (primary market)	Amount
Transaction Fee	USD2,000 and HK$1000 per Application[1]
Application Cancellation Fee	USD1,300[2] per Application
Extension Fee	USD1,300[3] per Application
Partial Delivery Request Fee	USD1,300[4] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil

iShares DAX Index ETF and iShares EURO STOXX 50 Index ETF

Fees and expenses payable by Participating Dealers on creation and redemption of Units (primary market)	Amount
Transaction Fee	EUR1,900 and HK$1000 per Application[1]
Application Cancellation Fee	EUR1,180[2] per Application
Extension Fee	EUR1,180[3] per Application
Partial Delivery Request Fee	EUR1,180[4] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil

iShares FTSE 100 Index ETF

Fees and expenses payable by Participating Dealers on creation and redemption of Units (primary market)	Amount
Transaction Fee	GBP1,300 and HK$1000 per Application[1]
Application Cancellation Fee	GBP850[2] per Application
Extension Fee	GBP850[3] per Application
Partial Delivery Request Fee	GBP850[4] per Application
Stamp duty	Nil
Transaction levy and trading fee	Nil

All Index Funds

Fees and expenses payable by investors on SEHK (secondary market)	Amount
Brokerage	Market rates
Transaction levy	0.0027%[5] of the trading price
Trading fee	0.005%[6] of the trading price
Stamp Duty	Nil
Inter-counter transfer fee	HK$5 per instruction[7]

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

Fees and expenses payable by Index Funds (see further disclosure below)	Amount
Management Fee[8]	% of Net Asset Value as set out in "Descriptions of the Index Funds"

[1] *HK$1,000 per book-entry deposit and book-entry withdrawal is payable to the Service Agent.*
[2] *An Application Cancellation fee is payable to the Trustee and/or Registrar by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.*
[3] *An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Creation or Redemption Application.*
[4] *A partial delivery request fee is payable by the Participating Dealer for the benefit of the Trustee or Registrar on each occasion the Manager grants the Participation Dealer's request for partial settlement.*
[5] *Transaction levy of 0.0027% of the price of the Units payable by the buyer and the seller.*
[6] *Trading fee of 0.005% of the price of the Units, payable by the buyer and the seller.*
[7] *HKSCC will charge each CCASS participant a fee of HKD 5 per instruction for effecting an inter-counter transfer of Units from one counter to another counter. Investors should check with their brokers regarding any additional fees.*
[8] *Accrued daily and payable monthly in arrears.*

Fees and Expenses Payable by the Index Funds

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

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

If an Index Fund invests in another ETF managed by the Manager, the Manager shall ensure that neither the Index Fund nor its Unitholders suffer an increase in the overall total of initial charges, management fees and other costs and charges payable to the Manager or any Connected Person by investing in the other ETF.

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

Establishment Costs

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

Increase in fees

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

RISK FACTORS

An investment in the Trust carries various risks referred to below. Each of these risks may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of an Index Fund will be achieved. Prospective investors should carefully evaluate the merits and risks of an investment in a particular Index Fund in the context of their overall financial circumstances, knowledge and experience as an investor. The summary risk factors set forth below are intended merely to highlight certain risks of the Index Funds. Each Index Fund has particular risks that are specifically identified in the section of this Prospectus titled "Descriptions of the Index Funds".

Investment Risk

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

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

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

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

Market Risk. Past performance is not indicative of future performance. The Net Asset Value of an Index 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 Index Fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Index Fund is based on the capital appreciation and income on the Securities it holds, less expenses incurred. Each Index Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Index Fund may experience volatility and decline in a manner that broadly corresponds with its Underlying Index. Investors in an Index Fund are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Underlying Index).

Asset Class Risk. Although the Manager is responsible for the continuous supervision of the investment portfolio of each Index Fund, the returns from the types of Securities in which an Index 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 outperformance and underperformance when compared with other general Securities markets.

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

Derivatives Risk. Each Index Fund may invest in stock index future contracts and other FDIs. Investing in a FDI is not the same as investing directly in an underlying constituent Security which is part of the relevant Underlying Index.

A FDI is a form of contract. Under the terms of a derivative contract the relevant Index Fund and its counterparty (i.e. the person(s) with whom the Index Fund has made the agreement) agree to make certain payments to the other party under particular circumstances or on the occurrence of particular events specified in the contract. The value of the FDI depends on, or is derived from, or determined by reference to, the value of an underlying asset such as a Security or an index. Certain FDIs may give rise to a form of leverage and may expose an Index Fund to greater risk and increase its costs. FDIs may be more sensitive to factors which affects the value of investments. Accordingly FDIs have a high degree of price variability and are subject to occasional rapid and substantial price changes. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the Index Fund. An Index Fund's losses may be greater and potentially equal to the full value of the FDIs, if it invests in FDIs than if it invests only in conventional Securities.

In addition, many FDIs are not traded on exchanges. This means that it may be difficult for an Index Fund to sell its investments in FDIs in order to raise cash and/or to realise a gain or loss or value such FDIs accurately. The sale and purchase of FDIs, which are not traded on an exchange, are privately negotiated and are generally not subject to central clearing agency guarantees, daily marking-to-market, settlement, and segregation, minimum capital requirements applicable to intermediaries, or regulation by government authorities and it may be difficult to find a willing buyer/seller because there is no regulatory requirement for a market maker to ensure that there is continuous market for such FDIs.

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

Futures Trading Risk. Futures are highly leveraged which means that a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Trading in many futures contracts is subject to daily price fluctuation restrictions which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day's closing prices. This may create liquidity risk, as it may be costly or impossible for the Manager to liquidate a futures position against which the market is moving.

Physical ETFs Related Risk. The Index Funds may invest in physical ETFs. The fees and costs charged in respect of such physical ETFs will be borne by the relevant Index Fund. Although the Manager will only invest in these physical ETFs if it considers that doing so is in the best interest of the relevant Index Fund and its Unitholders, there is no guarantee that these physical ETFs will achieve their respective investment objectives and any tracking error of these physical ETFs will also contribute to the tracking error of the relevant Index Fund. Further, although the Manager will only invest in physical ETFs that track indices that have a high correlation with the relevant Underlying Index, the difference of the underlying constituents between the indices tracked by the relevant physical ETFs and the relevant Underlying Index may also contribute to tracking error.

Passive Investments Risks. The Index Funds are passively managed. The aim of each Index Fund is to track the performance of the relevant Underlying Index. The Index Funds do not try to beat or perform better than the relevant Underlying Index. Each Index Funds invests (either directly or indirectly) in the Securities included in or representative of its Underlying Index regardless of their investment merit, except to the extent of any representative sampling investment strategy. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of Index Funds will mean that falls in the relevant Underlying Index are expected to result in corresponding falls in the value of the Index Funds.

Management Risk. Because there can be no guarantee that an Index Fund will fully replicate its Underlying Index and may hold non-index stocks, it is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Securities comprising the Index Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Index Fund being achieved. Investors should also note that none of the Unitholders has any voting rights with respect to Securities held by the Index Funds.

Tracking Error Risk. The NAV of an Index Fund may not have exactly the same Net Asset Value of its Underlying Index. Factors such as the fees and expenses of an Index Fund, the investments of an Index Fund not matching exactly the Securities which make up the its Underlying Index (e.g. where it uses representative sampling), an inability to rebalance an Index Fund's holdings of Securities in response to changes in the constituents of the Underlying Index, an Index Fund holding uninvested cash, differences in timing of the accrual of dividends or interest, tax (including gains or losses and / or withholding), rounding of Security prices, changes to the Underlying Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the relevant Underlying Index. This may cause each Index Fund's returns to deviate from its Underlying Index. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

Concentration Risk. To the extent that an Underlying Index is concentrated in the Security in a particular Security, group of Securities, market, industry, group of industries, sectors, asset class or geographical region, the relevant Index Fund may be adversely affected by the performance of those Securities. It may be subject to price volatility and may be more susceptible to adverse economic, market, political or regulatory event affecting that Security, group of Securities, market, industry, group of industries, sector, asset class or geographical region.

Foreign Exchange Risk. The assets and Securities of an Index Fund may not be denominated in the relevant Base Currency of the Index Fund. As a result, a substantial portion of the revenue and income of the Index Funds may be received in currencies other than the Base Currency. Accordingly, any fluctuation in the relevant exchange rates will affect the value of Securities as well as the NAV of the relevant Index Fund. In addition, because Securities may be denominated in currencies other than the Base Currency of the Index Fund, investors may lose money depending on fluctuations between the Base Currency and currency of the investments. Further, the Base Currency of an Index Fund may be different than the trading counters available for Units of the Index Fund meaning investors trading in the secondary market may be subject to additional costs or losses associated with foreign currency fluctuations when trading in Units of an Index Fund. Significant changes, including changes in liquidity, may occur in foreign exchange markets within very short periods of time, often within minutes. An Index Fund may experience losses if the values of its currency forwards and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid market. Some of the risks associated with foreign exchange transactions include but are not limited to:

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

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

Eurozone Crisis Risk. In light of recent market developments, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the European Union and/or that the Euro will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status.

There are no historical precedents, and the effect of any such event on an Index Fund investing in the Eurozone is impossible to predict. However, any of these events might, for example: cause a significant rise or fall in the value of the Euro against other currencies; significantly affect the volatility of currency exchange rates (particularly for the Euro) and of the prices of other assets; significantly reduce the liquidity of some or all of an Index Fund's investments (whether denominated in the Euro or another currency) or prevent an Index Fund from disposing of them at all; change, through operation of law, the currency denomination of cash, securities, transactions and/or other assets of an Index Fund that are denominated in the Euro to the detriment of an Index Fund or at an exchange rate that the Manager considers unreasonable or wrong; adversely affect an Index Fund's ability to enter into currency hedging transactions and/or increase the costs of such transactions; affect the validity or interpretation of legal contracts on which an Index Fund relies; adversely affect the ability of an Index Fund to make payments of any kind or to transfer any of its funds between accounts; increase the probability of insolvency of, and/or default by its counterparties; and/or result in action by national governments or regulators which may be detrimental or which may serve to protect certain types of market participants at the expense of others. Such factors could, individually or in combination with each other, impair an Index Fund's profitability or ability to track the Underlying Index or result in significant losses, prevent or delay an Index Fund from being able to value its assets and/or calculate the Net Asset Value and affect the ability of an Index Fund to redeem Units and make payments of amounts due to investors. Although the Manager might be able to identify some of the risks relating to the possible events described above, there might be no practicable measures available to them that would reduce the impact of such events on an Index Fund.

Operational Risk. Trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. Such trade errors may have adverse consequences (for example, due to an inability to correct effectively such an error when detected). The Manager and an Index Fund's service providers may experience disruptions or operating errors that could negatively impact the Index Funds. While service providers are required to have appropriate operational risk management policies and procedures, their methods of operational risk management may differ from an Index Fund's in the setting of priorities, the personnel and resources available or the effectiveness of relevant controls. The Manager, through its monitoring and oversight of service providers, seeks to ensure that service providers take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors. However, it is not possible for the Manager or the other Index Fund service providers to identify all of the operational risks that may affect an Index Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

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

Distributions Payable Out of Capital or Effectively Out of Capital Risk. The Manager may at its discretion pay distributions out of the capital of the Index Funds. The Manager may also, at its discretion, pay distribution out of gross income while all or part of the fees and expenses of the relevant Index Fund are charged to/paid out of the capital of such Index Fund, resulting in an increase in distributable income for the payment of distributions by the relevant Index Fund and therefore, the Index Fund may effectively pay distribution out of 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 an Index Fund's capital may result in an immediate reduction of the Net Asset Value per Unit.

All Investments Risk Loss of Capital. There is no guarantee that a particular Index Fund's investments will be successful. In addition, trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. Such trade errors may have adverse consequences of a magnitude that they would not have in the case of securities trading (for example, due to an inability to efficiently correct such an error when detected).

No Trading Market in the Units. Although the Units are listed on the SEHK and one or more Market Makers have been appointed (in respect of each Index Fund or, where appropriate, each counter), investors should be aware that there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of 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 Underlying Index.

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

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

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

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

Market Trading Risks Associated with an Index Fund

Dependence upon Trading Market for Index Shares. The existence of a liquid trading market for the Index Fund's investments will depend on whether there is supply of, and demand for, such investments. There can be no assurance that there will be active trading in any of the Index Fund's investments (including for example where there is a suspension of trading of an Index Fund's investments due to trading band limits or circuit breaker mechanisms operating in the relevant trading market of such investments). The price at which an Index Fund's investments may be purchased or sold by the Index Fund upon any rebalancing activities or otherwise and the net asset value of the Index Fund may be adversely affected if trading markets for the Index Fund's investments are limited or absent.

Absence of Active Market and Liquidity Risks. Although Units of each Index 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 an Index Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Units and the ability of an investor to dispose of its Units at the desired price. If a Unitholder needs to sell its Units at a time when no active market for them exists, the price it receives for its Units – assuming it is able to sell them – is likely to be lower than the price received if an active market did exist.

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

In addition, to the extent an Index Fund invests in illiquid securities or securities that become less liquid, such investments may have a negative effect on the returns of the Index Fund because the Index Fund may be unable to sell the illiquid securities at an advantageous time or price. Liquid investments may become illiquid or less liquid after purchase by an Index Fund, particularly during periods of market turmoil or economic uncertainty. Illiquid and relatively less liquid investments may be harder to value, especially in changing markets. If an Index Fund is forced to sell underlying Securities at reduced prices or under unfavorable conditions to meet redemption requests or for other cash needs, the Index Fund may suffer a loss.

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

Reliance on Participating Dealers Risk. The creation and redemption of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of securities through the CCASS is disrupted or the Underlying Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the NAV of an Index Fund or disposal of an Index Fund's Securities cannot be effected. Where a Participating Dealer appoints an agent (who is a CCASS participant) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent, or if the agent ceases to be a CCASS participant, the creation or redemption of Units by such Participating Dealer may also be affected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

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

Investors Buying at a Premium Risk. The Index Funds may be terminated early under certain circumstances as set out in the section "Termination". Upon an Index Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in such Index Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder. A Unitholder who purchases Units at a time when the market price is at a premium to Net Asset Value may therefore be unable to recover the premium in the event any Index Fund is terminated.

Differences Between Primary and Secondary Market Trading Hours Risk. Units of an Index Fund may trade on the SEHK even when the Index Fund does not accept orders to create or redeem Units. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Index Fund accepts creation and redemption orders. Additionally, as foreign stock exchanges may be open when Units in an Index Fund are not priced, the value of the Securities in an Index Fund's portfolio may change on days when investors will not be able to purchase or sell an Index Fund's Units.

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

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

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

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

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

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

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

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

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

Risks Associated with the Underlying Index

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

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

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

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

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

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

Composition of the Underlying Index May Change Risk. The Securities constituting the relevant Underlying Index will change as the Securities of the Underlying Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the relevant Underlying Index. When this happens the weightings or composition of the Securities owned by an Index Fund will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the relevant Underlying Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that a particular Index Fund will, at any given time accurately reflect the composition of the relevant Underlying Index (refer to “Tracking Error Risk”).

Regulatory Risks

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

Units May be Delisted from the SEHK Risk. The SEHK imposes certain requirements for the continued listing of Securities, including the Units, on the SEHK. Investors cannot be assured that the Index Funds will continue to meet the requirements necessary to maintain the listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Units of an Index Fund are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the relevant Index Fund. Where the Index Fund remains authorised by the SFC, such procedures required by the Code will be observed by the Manager.

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

Changes in Tax Legislation. Tax legislation, the tax status of the Index Funds, the taxation of investors and any tax relief, and the consequences of such tax status and tax relief, may change from time to time. Any change in the taxation legislation in any jurisdiction where an Index Fund is registered, cross-listed, marketed or invested could affect the tax status of the relevant Index Fund, the value of the relevant Index Fund’s investments in the affected jurisdiction, and/or the relevant Index Fund’s ability to achieve its investment objective, and/or alter the post tax returns to Unitholders.

Taxation in Overseas Jurisdictions Risk. The Index Funds will make investments in a number of different jurisdictions. Interest, dividend and other income realised by an Index Fund from sources in these jurisdictions, and capital gains realised on the sale of assets may be subject to substantial withholding and other taxes (e.g. stamp duty, securities transaction tax, financial transaction tax, etc.) levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located. Where the Index Funds invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Index Fund may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the relevant Index Funds. The availability and value of any tax relief available to investors depend on the individual circumstances of Unitholders. It is impossible to predict the rate of foreign tax that the Index Funds may be required to pay since the nature and amounts of assets to be invested in any particular jurisdiction, the tax treatment of the activities of the Index Funds in any particular jurisdiction, and the ability of the Index Funds to reduce such taxes in any particular jurisdiction are not known. It is not practical to provide more specific disclosure of tax consequences for a Unitholder that might result from an investment in an Index Fund. Prospective investors should seek professional tax advice on the possible consequences of investing in an Index Fund.

Foreign Account Tax Compliance Act ("FATCA") Risk. Although the Manager will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA withholding tax, no assurance can be given that the Trust or any Index Fund will be able to achieve this and/or satisfy such FATCA obligations. If any Index Fund becomes subject to a 30% FATCA penalty withholding on most types of income from US investments (further described under the sub-section headed "FATCA" in the section headed "Taxes" on page 77) as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material loss. Any withholding will be conducted by the Manager acting in good faith and on reasonable grounds, as permitted by applicable laws and regulations.

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

Termination of the Trust or Index Fund. Under the terms of the Trust Deed and as summarised under the section headed "Statutory and General Information – Termination" of this Prospectus, the Manager or Trustee may terminate the Trust (or in the case of the Manager, an Index Fund in addition to the Trust). All Index Funds will terminate upon the termination of the Trust. Notice of any termination of an Index Fund or the Trust will be given to the Unitholders after the SFC has approved release of the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Index Fund or Trust and the alternatives available to them, and any other information required by the Code. Upon the Trust or an Index Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realization of the investments comprised in the Trust or the relevant Index Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be less than the capital invested by the Unitholder. In that event, a Unitholder may suffer a loss.

MANAGEMENT OF THE TRUST

The Manager

The Manager is BlackRock Asset Management North Asia Limited (the "Manager"). The Manager is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services internationally for institutional, retail and private clients.

The Manager was incorporated in Hong Kong with limited liability on 10 August 1998 and is licensed by the SFC to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

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

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

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

The Directors of the Manager

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

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

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

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

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

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

Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited, which is a registered trust company in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England.

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

The Trustee will also act as the Registrar of the Index Funds. In addition to the amount paid by the Manager out of the Management Fee, the Trustee will be entitled to other fees described in the section headed "Fees and Expenses".

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

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

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

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or each Index Fund and provided that the Trustee has taken reasonable care (to the extent as required by the Trust Deed, and any applicable law and regulation, including the Code) to ensure that the investment and borrowing limitations set out in the Trust Deed and the conditions under which the Trust and each Index Fund were authorised are complied with, the Trustee (including its delegate) is not responsible or has no liability for any investment decision made by the Manager or for monitoring the investment performance (with respect to investment decisions) of the Manager or any delegate or agent appointed by the Manager. Neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or the Index Funds. Neither the Trustee nor its delegate is responsible for the preparation of this Prospectus and therefore they accept no responsibility for any information contained in this Prospectus other than information relating to themselves and the HSBC Group.

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

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

Service Agent

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

Auditor

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

Conflicts of Interest

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

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

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

Personal Accounts Dealing

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

Employee Relationships

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

Significant Shareholder – PNC

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

Conflicts of interest of the Manager

Provider Aladdin

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

Distribution Relationships

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

Commissions & Research

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

Timing of Competing Orders

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

Concurrent Long and Short Positions

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

MNPI

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

BlackRock's Investment Constraints or Limitations and its Related Parties

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

Investment in Related Party Products

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

Investment Allocation and Order Priority

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

Side-by-Side Management: Performance fee

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

General

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

In addition:–

- the Manager, its delegate or any Connected Persons may enter into investments for the Trust and may, with the consent of the Trustee, deal with the Trust as principal provided that such transactions are executed at arm's length and in the best interests of the Unitholders and are executed on the best available terms;

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

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

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

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

Conflicts of interest may arise due to the widespread business operations of the Trustee, the Manager, the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Trust (or any Index Fund) will be on arm's length terms. No more than 50% in aggregate of an Index Fund's transactions in any one financial period shall be carried out with or through a broker or dealer connected to the Manager or any Connected Person of the Manager.

Soft Dollars

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

STATUTORY AND GENERAL INFORMATION

Reports and Accounts

The financial year-end of the Trust and each Index Fund is 31 December every year. Audited financial reports are to be prepared according to International Financial Reporting Standards and half-yearly unaudited financial reports are also to be prepared up to the last Dealing Day in June of each year. The first audited accounts will be prepared for the financial year ended 31 December 2016. The first half-yearly unaudited report will be prepared for the half-year period from 1 January 2017 to 30 June 2017.

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

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

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

Trust Deed

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

Modification of Trust Deed

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

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

Provision of Information

Subject to all applicable laws/regulations and to the extent legally permissible, the Manager or the Trustee may, if requested by a regulatory body or department of any government or administration in any jurisdiction, provide such regulatory body or department in any jurisdiction with any information regarding the Trust Fund, the Unitholders and/or beneficial owners of Units, the investments and income of the Trust Fund and/or the provisions of the Trust Deed. Neither the Trustee nor the

Manager shall incur any liability to the Unitholders and/or beneficial owners of Units or any of them or to any other person as a result of or in connection with such compliance to the extent the Trustee or the Manager is legally required to do so.

Voting Rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing one-tenth or more of the current Units in issue. These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Trustee or terminating the Trust at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by a 75% majority of the votes cast. Unitholders will be given not less than 21 days' notice of such meeting.

Termination

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

The Manager may terminate the Trust (or in the case of (iii) any Index Fund) if: (i) after 3 years from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Index Fund is less than HK$150 million; (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Trust; (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects an Index Fund and which renders such Index Fund illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue such Index Fund; or (iv) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate any Index Fund if: (i) after 1 year from the date of the creation of such Index Fund, the Net Asset Value of such Index Fund is less than HK$150 million; (ii) at any time the Net Asset Value of such Index Fund is less than the Hong Kong dollar equivalent of US$10 million; (iii) its Underlying Index is no longer available for benchmarking or if the Units of the relevant Index Fund are no longer listed on the SEHK or any other Recognised Stock Exchange; (iv) at any time, the Index Fund ceases to have any Participating Dealer; or (v) if, the Manager is unable to implement its investment strategy. In such circumstances, unless the Manager and the Trustee agree that another strategy is: (a) possible, feasible as well as practicable; and (b) in the best interests of the Unitholders, the Units then in issue shall be compulsorily redeemed at the Net Asset Value of the Index Fund. The Manager shall, in such event, notify the SFC in advance in such circumstance and agree with the SFC appropriate methods of notification of Unitholders in the Index Fund prior to such redemption and termination. Further, the Unitholders may at any time authorise termination of the Trust or any Index Fund by extraordinary resolution.

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

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

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

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

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

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

Inspection of Documents

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

Part XV of the Securities and Futures Ordinance

Part XV of the Securities and Futures Ordinance sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Index Funds. Consequently, Unitholders are not obliged to disclose their interest in an Index Fund. Further, pursuant to section 323(1)(c)(i) of the Securities and Futures Ordinance, Unitholders are not considered to hold an interest in the underlying shares of a Hong Kong listed company held by the Index Fund.

Anti-Money Laundering Regulations

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

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

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

Liquidity Risk Management

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

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

Tools to Manage Liquidity Risk

Under the LRM Policy, tools available to each Index Fund to manage liquidity risk include some or all of the following:

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

- An Index Fund may borrow up to 10% of its total Net Asset Value.

- The Manager may, in consultation with the Trustee, limit the total number of Units of an Index Fund which Participating Dealers may redeem on any Dealing Day to 10% of the total number of Units then in issue of an Index Fund.

- The Manager, with the approval of the Trustee, may at its discretion extend the settlement period beyond the Settlement Day, such extension to be on such terms and conditions as the Manager may determine but, in any event, not later than one month from the receipt of an effective Redemption Application unless the Market(s) in which a substantial portion of investments of the Index Fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable.

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

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

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

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

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

Takeovers Code

Unitholders are advised that any shareholding resulting from redemption of Units will normally be subject to the application of the Takeovers Code. Furthermore, where a Unitholder holds one million Units or more, while one or more of the companies whose shares constitute Index Shares are subject to the governance of the Takeovers Code (such as during an offer period) and the Unitholder is acting in concert with the relevant parties (such as an offeror or offeree company), the Takeovers Code will be applicable. In these circumstances, a Unitholder should consult a solicitor or financial adviser to ensure compliance with the Takeovers Code.

Change of Underlying Index

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

(a) the Underlying Index ceasing to exist;

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

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

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

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

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

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

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

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

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

Information Available on the Internet

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

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

For the iShares Core KOSPI 200 Index ETF, iShares Core MSCI Taiwan Index ETF and iShares NASDAQ 100 Index ETF, please note that the near real time indicative NAV per Unit (in each of the trading currencies i.e. USD, HKD and RMB) and the last closing NAV per Unit in HKD and RMB are for reference only. The near real time indicative NAV per Unit in HKD and RMB does not use a real time exchange rate between the Base Currency (i.e. USD) and each of the trading currencies (i.e. HKD and RMB). It is calculated using the indicative NAV per Unit in USD multiplied by the WM Reuters 4:00p.m (London time)* rate for HKD and RMB (CNH) respectively for the previous Dealing Day. The last closing NAV per Unit in HKD and RMB is calculated using the last NAV per Unit in the Base Currency (i.e. USD) multiplied by the WM Reuters 4:00p.m (London time)* rate for HKD and RMB (CNH) respectively for that Dealing Day.

For the iShares DAX Index ETF and the iShares EUROSTOXX 50 Index ETF, please note that the near real time indicative NAV per Unit (in each of the trading currencies i.e. USD, HKD and RMB) and the last closing NAV per Unit in USD, HKD and RMB are for reference only. The near real time indicative NAV per Unit in USD, HKD and RMB does not use a real time exchange rate between the Base Currency (i.e. EUR) and each of the trading currencies (i.e. USD, HKD and RMB). It is calculated using the indicative NAV per Unit in EUR multiplied by the WM Reuters 4:00p.m (London time)* rate for USD, HKD and RMB (CNH) respectively for the previous Dealing Day. The last closing NAV per Unit in USD, HKD and RMB is calculated using the last NAV per Unit in the Base Currency (i.e. EUR) multiplied by the WM Reuters 4:00p.m (London time)* rate for USD, HKD and RMB (CNH) respectively for that Dealing Day.

For the iShares FTSE 100 Index ETF, please note that the near real time indicative NAV per Unit (in each of the trading currencies i.e. USD, HKD and RMB) and the last closing NAV per Unit in USD, HKD and RMB are for reference only. The near real time indicative NAV per Unit in USD, HKD and RMB does not use a real time exchange rate between the Base Currency (i.e. GBP) and each of the trading currencies (i.e. USD, HKD and RMB). It is calculated using the indicative NAV per Unit in GBP multiplied by the WM Reuters 4:00p.m (London time)* rate for USD, HKD and RMB (CNH) respectively for the previous Dealing Day. The last NAV per Unit in USD, HKD and RMB is calculated using the last NAV per Unit in the Base Currency (i.e. GBP) multiplied by the WM Reuters 4:00p.m (London time)* rate for USD, HKD and RMB (CNH) respectively for that Dealing Day.

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

All of the information outlined above can be found on the product webpage of the Index Funds. The product webpage of the Index Funds can be located by using the search function and inserting the stock codes of the iShares Core KOSPI 200 Index ETF (i.e. 03170, 83170 or 09170), the iShares Core MSCI Taiwan Index ETF (i.e. 03074, 83074 or 09074), the iShares DAX Index ETF (i.e. 03146, 83146 or 09146), the iShares EURO STOXX 50 Index ETF (i.e. 03155, 83155 or 09155), the iShares FTSE 100 Index ETF (i.e. 02847, 82847 or 09847) and the iShares NASDAQ 100 Index ETF (i.e. 02834, 82834 or 09834) at www.blackrock.com/hk. This website has not been reviewed by the SFC. The product webpage also provides a link to the announcements and notices section of the website where public announcements and notices can be found.

Notices

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

Manager

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

Trustee

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

Queries and Complaints

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

TAXES

The following summary of Hong Kong and FATCA 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.

Hong Kong

The Index Funds

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

Other taxes: Profits or income of each Index Fund are exempt from Hong Kong profits tax. Although it is intended that each Index Fund will be managed and operated such that they would not be considered a tax resident or to have a tax establishment in any underlying investment jurisdiction, each Index Fund may however be subject to tax in certain jurisdictions where investments are made on income or capital gains derived from such investments. To the extent that an Index Fund receives income distributions, withholding taxes may be applied on such income distributions in accordance with local law in the relevant underlying investment jurisdiction (examples as at the date of this Prospectus include the United Kingdom, Taiwan, and the U.S., where in general, no tax will be withheld in the United Kingdom in respect of United Kingdom dividends, a 21% tax will be withheld in Taiwan for Taiwanese dividends, and a 30% tax will be withheld on U.S. dividends). In certain cases an Index Fund may be eligible for reduced rates under the terms of a relevant double tax treaty or reductions available under local law in the relevant underlying investment jurisdiction (examples as at the date of this Prospectus include Germany and Spain – in both of these jurisdictions, the withholding tax on income distributions may be reduced to 15% and 10% from the statutory rates of 26.375% and 19% respectively). The existence of reduced rates in some jurisdictions does not, however, mean that an Index Fund would be eligible for reduced rates of withholding tax (an example as at the date of this Prospectus is Korea, where notwithstanding the existence of a double tax treaty between Hong Kong and Korea, there is no reduced treaty rate available and accordingly the statutory 22% rate will be withheld on distributions from Korean investments). Taxes withheld on income or capital gains derived from investments in underlying jurisdictions can be substantial and the Index Funds may not be able to recover those taxes, which could adversely impact the Net Asset Value of the Index Funds.

Stamp Duty: Pursuant to a remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty on the sale and purchase and transfer of Securities upon allotment and redemption of Units to or by any Index Fund by or to a Participating Dealer will be remitted or refunded upon application under section 52 of the Stamp Duty Ordinance (Cap.117).

No Hong Kong stamp duty is payable by any Index Fund on an issue or redemption of Units.

The Unitholders	Profits Tax: Hong Kong profits tax will not be payable by the Unitholder (other than Unitholders carrying on a trade, profession or business of investing in securities in Hong Kong) on any gains or profits made on the sale, redemption or other disposal of the Units and on any distributions made by any Index Fund. In accordance with the practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus) tax should not be payable in Hong Kong in respect of distributions payable to Unitholders. Stamp Duty: Pursuant to the Stamp Duty (Amendment) Ordinance 2015, no stamp duty is payable on the transfer (purchase or sale) of units of all exchange traded funds on the SEHK. No stamp duty is therefore payable on the transfer of Units of the Index Funds.

Automatic Exchange of Financial Account Information

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

Each Index Fund is required to comply with the requirements of the Ordinance, which means that each Index Fund and/or its agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors.

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

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

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

FATCA

General Information	The Foreign Account Tax Compliance Act ("FATCA") is a US tax law enacted in March 2010 with the withholding requirements for new accounts scheduled effective 1 July 2014 (1 January 2019 for gross proceeds). FATCA attempts to minimise tax avoidance by US persons investing in foreign assets both through their own accounts and through their investments in foreign entities. Unless an intergovernmental agreement (an "IGA") is in place, FATCA requires foreign financial institutions ("FFIs") to provide information to the US tax authority, the Internal Revenue Service (the "IRS"), regarding their US account holders including substantial US owners of certain non-financial foreign entities ("NFFEs"). FFIs who fail to commit to meeting certain due diligence, withholding and reporting requirements and certain NFFEs who fail to provide required information on their substantial US owners will be subject to 30% FATCA withholding on most types of income from US investments (as further described below). Payments of U.S. source fixed, determinable, annual, or periodic income ("FDAP"), such as dividends and interest, are subject to withholding beginning on 1 July 2014 when paid to nonparticipating FFIs ("NPFFIs"), non-compliant NFFEs, recalcitrant account holders at participating FFIs ("PFFIs"), and electing PFFIs. Payments made in the ordinary course of business for nonfinancial services are excluded from withholding. U.S. tax law has detailed rules for determining the source of income. Different rules apply for each type of income. Interest and dividends, two of the most important types of income for investors, are generally sourced by reference to the residence of the obligor. Specifically, dividends are generally treated as U.S. source income when paid by a U.S. corporation with respect to its stock, and interest is generally treated as U.S. source income when paid by a U.S. borrower of money. If an IGA is in place between the US and the country where the FFI is domiciled, then the terms of the IGA replace FATCA, meaning that all FFIs in the IGA country will generally be able to apply simpler, less burdensome due diligence and tax information sharing requirements, with generally no FATCA tax withholding. The United States Department of the Treasury and Hong Kong has on 13 November 2014 entered into an IGA based on the Model 2 type ("Model 2 IGA"). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS.
FATCA Registration Status	The Trust and/or the Index Funds are classified as "Qualifying Institutions" under the Model 2 IGA. As such they are a non-reporting Hong Kong Financial Institutions and are certified deemed compliant. No registration is required with the IRS.
Impact to the Index Funds and Unitholders	In the event that any of the Index Funds holds US securities and is not FATCA compliant, the relevant Index Fund may become subject to a 30% FATCA withholding as a result of the FATCA regime, and the value of the Units held by Unitholders may suffer material losses. The Manager does not support US tax evasion or any request to help investors avoid detection under FATCA. The Manager is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or an applicable IGA for investors' business activities. The Manager strongly encourages Unitholders and prospective holders to seek the advice of an experienced tax adviser to determine what actions Unitholders may need to take and on FATCA.

Certification for Compliance with FATCA or Other Applicable Laws	Each investor (i) shall be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the relevant Index Fund (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the relevant Index Fund receives payments and/or (b) to satisfy reporting or other obligations under the IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction, (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including any law, rule and requirement relating to AEOI) and reporting obligations that may be imposed by future legislation.
Power to Disclose Information to Authorities	Subject to applicable laws and regulations in Hong Kong, the Manager, the Trustee or any of their authorised person (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS and the IRD), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, jurisdiction of birth, tax residence, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the relevant Index Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any law, rule, requirement, regulation or agreement relating to AEOI and FATCA).

DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

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

“Base Currency” means the specified base currency for an Index Fund which the Manager may determine from time to time in its discretion.

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

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

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

“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 the Prospectus means in relation to a company:

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

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

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

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

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

“Dealing Day” means:

(a) for all Index Funds except the iShares Euro STOXX 50 Index ETF, each Business Day during the continuance of the Trust, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee either generally or for a particular Index Fund. In addition, for the purposes of a Creation Application and Redemption Application, a particular Business Day will not be a Dealing Day if, (i) the market(s) on which more than 30% of the Securities by value of the relevant Underlying Index are listed, are not open for normal trading, unless the Manager determines otherwise with the approval of the Trustee or (ii) the market(s) on which the Securities of the relevant Underlying Index are listed, are closed for normal trading (e.g. public holiday);

(b) for the iShares Euro STOXX 50 Index ETF, each Business Day during the continuance of the Trust, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee. In addition, for the purposes of a Creation Application and Redemption Application in the iShares Euro STOXX 50 Index ETF, a particular Business Day will not be a Dealing Day if, the market(s) on which more than 30% of the Securities by value of the relevant Underlying Index are listed, are not open for normal trading, unless the Manager determines otherwise with the approval of the Trustee.

"Dealing Deadline" in relation to any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the "Descriptions of the Index Funds" section of this Prospectus.

"Duties and Charges" in relation to any Index Fund means, for any of its particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the deposited property (as that term is defined in the Trust Deed) or the increase or decrease of the deposited property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, any transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing an Index Fund for the difference between (a) the prices used when valuing the Securities of that Index 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 Index Fund with the amount of cash received by the Index Fund upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Index Fund in order to realise the amount of cash required to be paid out of the Index Fund upon such redemption of Units.

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

"EU" means the European Union.

"FDI" means financial derivative instrument.

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

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

"Index Fund" means one segregated pool of assets and liabilities into which the Trust Fund is divided in accordance with the Trust Deed. The relevant Index Funds relating to this Prospectus are listed in the section headed "Introduction".

"Index Provider" means, in respect of each Index Fund, the person responsible for compiling the Underlying Index against which the relevant Index Fund benchmarks its investments and who holds the right to licence the use of such Underlying Index to the relevant Index Fund.

"Issue Price" means, in respect of each Index Fund, the price at which Units in that Index Fund may be issued, determined in accordance with the Trust Deed.

"Listing Date" means, in respect of each Index Fund, the date specified in the "Description of the Index Funds" section of this Prospectus.

"LSE" means the London Stock Exchange or its successors.

“Market” means the following, in any part of the world:–

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

(b) in relation to any futures contract: the Hong Kong Futures Exchange or any international futures exchange recognised by the SFC or approved by the Manager and the Trustee.

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

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

“NASDAQ” means The NASDAQ Stock Market LLC.

“Net Asset Value” or “NAV” means the net asset value of an Index Fund or, as the context may require, of a Unit calculated pursuant to the Trust Deed.

“Operating Guidelines” means in relation to an Index Fund, the guidelines for the creation and redemption of Units of the relevant class set out in the schedule to the Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the Participating Dealers and as notified in writing to the Participating Dealers (for the avoidance of doubt, different Operating Guidelines may be established for different Index Funds). Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the relevant Index Fund applicable at the time of the relevant Application.

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

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

“PRC” means The People’s Republic of China excluding the Hong Kong Special Administrative Region and the Macau Special Administrative Region.

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

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

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

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

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

"Security" means any share, stock, debenture, loan stock, bond, security, commercial paper, acceptance, trade bill, treasury bill, instrument or note of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):–

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust (as defined in the Trust Deed);

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

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

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

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

"Securities and Futures Ordinance" or "SFO" means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

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

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

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

"Settlement Day" means the number of Business Days after the relevant Dealing Day specified for each Index Fund pursuant to the Operating Guidelines or such other number of Business Days after the relevant Dealing Day as the Manager and the Trustee may from time to time agree and notify to the relevant Participating Dealers, either generally or for a particular Index Fund.

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

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

"Takeovers Code" means The Code on Takeovers and Mergers issued by the SFC (as amended, or replaced, from time to time).

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

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

"Underlying Index" means, in respect of an Index Fund, the index against which the relevant Index Fund is benchmarked.

"Unit" means one undivided share in the Index Fund to which it relates.

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

“Valuation Point” means, in respect of an Index Fund, the official close of trading on the Market on which Securities in question are listed on each Dealing Day and, in the case of an Index Fund investing in Securities trading on more than one Market, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager and the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

SCHEDULE 1

Investment Restrictions

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

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

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

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

(1) investments in Securities issued by such entity;

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

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

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

(1) investments in Securities issued by such entities;

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

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

(c) unless otherwise approved by the SFC, the value of an Index Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the Net Asset Value of such Index Fund, unless:

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

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

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

for the purposes of this paragraph (c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by such Index Fund and not referable to provision of property or services;

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

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

(f) notwithstanding (a), (b), (d) and (e), where direct investment by an Index Fund in a market is not in the best interests of investors, the Index Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case, the underlying investments of the subsidiary, together with the direct investments made by the Index Fund, must in aggregate comply with the requirements of Chapter 7 of the Code;

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

(h) subject to (g), an Index Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, an Index Fund which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues. Government and other Public Securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise;

(i) unless otherwise approved by the SFC, an Index Fund may not invest in physical commodities;

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

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

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

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

(k) where an Index Fund invests in shares or units of other collective investment schemes ("underlying schemes"),

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

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

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

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

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

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

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

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

(l) if the name of an Index Fund indicates a particular objective, investment strategy, geographic region or market, the Index Fund, 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 Index Fund represents.

The Manager shall not on behalf of the Index Fund:–

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

(ii) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs)). In the case of investments in such shares and REITS, they shall comply with the limits set out in paragraphs (a), (b) and (d), (e) and (k)(1) above where applicable. For the avoidance of doubt, where investments are made in listed REITS, paragraphs (a), (b) and (d) apply and where investments are made in unlisted REITS, which are either companies or collective investment schemes, then paragraphs (e) and (k)(1) apply respectively;

(iii) make short sales if as a result the Index Fund would be required to deliver Securities exceeding 10% of the Net Asset Value of the Index Fund (and for this purpose Securities sold short must be actively traded on a market where short selling activity is permitted). For the avoidance of doubt, an Index Fund is prohibited to carry out any naked or uncovered short sale of Securities and short selling should be carried out in accordance with all applicable laws and regulations;

(iv) subject to paragraph (e) above, lend or make a loan out of the assets of the Index Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan, or assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;

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

(vi) include in the portfolio of the Index Fund 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 Index Fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of the section "Cover" below.

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

However, the restrictions in 8.6(h)(i) and (ii) of the Code (as described in the preceding paragraph) do not apply if:

- an Index Fund adopts a representative sampling strategy which does not involve full replication of the constituent securities of the underlying index in the exact weightings of such index;
- the strategy is clearly disclosed in the Prospectus;
- the excess of the weightings of the constituent securities held by the Index Fund over the weightings in the index is caused by the implementation of the representative sampling strategy;
- any excess weightings of the Index Fund's holdings over the weightings in the index must be subject to a maximum limit reasonably determined by the Index Fund after consultation with the SFC. In determining this limit, the Index Fund must consider the characteristics of the underlying constituent securities, their weightings and the investment objectives of the index and any other suitable factors;
- limits laid down by the Index Fund pursuant to the point above must be disclosed in the Prospectus. Please refer to the section "Description of the Index Funds" – "Investment Strategy" for the limit applicable to the relevant Index Fund;
- disclosure must be made in the Index Fund's interim and annual reports as to whether the limits imposed by the Index Fund itself pursuant to the above point have been complied with in full. If there is non-compliance with the said limits during the relevant reporting period, this must be reported to the SFC on a timely basis and an account for such non-compliance should be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to investors.

Securities Financing Transactions

None of the Index Funds intends to engage in any securities lending transactions, sale and repurchase transactions and reverse repurchase transactions ("securities financing transactions"), or other similar over-the-counter transactions. Prior approval from the SFC will be sought in the event the Manager intends to engage in such transactions and at least one month's prior notice will be given to Unitholders, and details of such transactions will be disclosed in this Prospectus in accordance with the Code.

Financial Derivative Instruments

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

Hedging purposes

An Index Fund may acquire FDIs for hedging purpose. The FDIs shall meet all of the following criteria to be considered as being acquired for hedging purposes:

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

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

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions. Hedging arrangement should be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the Index Fund to meet its hedging objective in stressed or extreme market conditions.

Investment purposes

An Index Fund may also acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the Index Fund's net exposure relating to these FDIs ("net derivative exposure") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for a Sub-Fund pursuant to Chapter 8.7 and 8.8 of the Code). For the avoidance of doubt:

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

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

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

Requirements on FDIs

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

(a) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates or currencies or other asset classes acceptable to the SFC, in which an Index Fund may invest according to its investment objectives and policies. Where an Index Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in paragraphs (a), (b), (c) or (g) under "Investment Restrictions" above provided that the index is in compliance with 8.6(e) of the Code;

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

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

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

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

Cover

An Index Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis. For the purposes of this paragraph, assets that are used to cover the Index Fund's payment and delivery obligations incurred under transactions in FDIs should be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a Security, and cannot be applied for any other purposes. A transaction in FDIs which gives rise to a future commitment or contingent commitment of the Index Fund should also be covered as follows:

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

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

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

Collateral

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

Borrowing Policy

Borrowing against the assets of any Index Fund is allowed up to a maximum of 10% of its total Net Asset Value. Back-to-back loans do not count as borrowing. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements in Chapters 7.32 to 7.35 of the Code are not subject to the limitations in this paragraph. The Trustee may at the request of the Manager borrow for the account of any Index Fund any currency, and charge or pledge assets of an Index Fund, for the following purposes:–

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

- enabling the Manager to acquire Securities for the account of any Index Fund;

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

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