

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

Investors should note that this Prospectus relates to Sub-Fund(s) which may offer both exchange-traded class of Shares and unlisted (not exchange-traded) class of Shares.

ChinaAMC Select OFC

(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorized under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"))

PROSPECTUS

ChinaAMC Bitcoin ETF

HKD Counter Stock Code: 3042

RMB Counter Stock Code: 83042

USD Counter Stock Code: 9042

ChinaAMC Ether ETF

HKD Counter Stock Code: 3046

RMB Counter Stock Code: 83046

USD Counter Stock Code: 9046

Manager

China Asset Management (Hong Kong) Limited

華夏基金(香港)有限公司

Listing Agent

(in respect of Listed Class of Shares only)

Altus Capital Limited

25 April 2024

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

IMPORTANT – while section 112S of the SFO provides for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to section 112S of the SFO.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of shares (the “Shares”) in the ChinaAMC Select OFC (the “Company”) and its sub-fund(s). The Company is a public umbrella open-ended fund company incorporated in Hong Kong on 16 April 2024 with variable capital and limited liability. The Company can have a number of sub-funds (each a “Sub-Fund”) with segregated liability among them and in respect of which a separate class or classes of Shares will be issued. Where specified in the relevant Appendix, a Sub-Fund may issue both exchange-traded classes of Shares (“Listed Class of Shares”) and/or unlisted (not exchange-traded) classes of Shares (“Unlisted Class of Shares”). China Asset Management (Hong Kong) Limited (the “Manager”) has been appointed as the management company of the Company and each Sub-Fund. BOCI-Prudential Trustee Limited has been appointed as the custodian of the Company and each Sub-Fund. ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF are Sub-Funds of the Company.

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

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the Product Key Facts Statement(s) of each Sub-Fund 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 in this Prospectus or any Product Key Facts Statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with (in respect of Listed Class of Shares only) *The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the *Code on Unit Trusts and Mutual Funds* (the “UT Code”), the *Code on Open Ended Fund Companies* and the “Overarching Principles” of the *SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products* for the purposes of giving information with regard to the Shares in each Sub-Fund.

Each Sub-Fund is a fund falling within Chapter 8.6 of the UT Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the UT Code. The Company has been registered with the SFC as an open-ended fund company under Section 112D of the SFO. The Company and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the SFO. The SFC takes no responsibility for the financial soundness of the Company, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of a scheme or its performance. They do not mean the Company or the Sub-Funds are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

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

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

No action has been taken to permit an offering of Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or any other United States Federal or State law and, except in a transaction which does not violate the Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of the Securities Act). The Company and each Sub-Fund have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Shares may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (the “Internal

Revenue Code”), that is subject to Section 4975 of the Internal Revenue Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the Internal Revenue Code (“Similar Law”) or (iv) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of Shares will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

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

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

Questions and Complaints

Investors may raise any questions on or make any complaints about the Company (including the Sub-Fund(s)) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on +852 3406 8686 during normal office hours.

DIRECTORY

Directors
GAN Tian
LI Fung Ming

Company
ChinaAMC Select OFC
37/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Manager
China Asset Management (Hong Kong) Limited
華夏基金(香港)有限公司
37/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Custodian
BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Virtual Asset Sub-Custodian
OSL Digital Securities Limited, acting via its associated entity BC Business Management Services (HK) Limited
39/F Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Administrator
BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Registrar
BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Virtual Asset Trading Platform(s)^
OSL Exchange
(operated by OSL Digital Securities Limited
39/F Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong)

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

Auditor
PricewaterhouseCoopers
22/F Prince's Building
10 Chater Road
Central
Hong Kong

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

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

*Participating Dealers***
Victory Securities Company Limited
Room 1101-3, 11/F
Yardley Commercial Building
3 Connaught Road West
Sheung Wan

Market Maker(s)
(for HKD, RMB and USD counters) *#
Vivienne Court Trading Pty. Ltd.
Level 1, 188 Oxford St
Paddington, NSW 2021
Australia

Hong Kong

Mirae Asset Securities (HK) Limited
Units 8501, 8507-08
Level 85, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Solomon JFZ (Asia) Holdings Limited
Room 1910-1912A, Tower 3
China Hong Kong City
33 Canton Road, Tsim Sha Tsui
Kowloon
Hong Kong

Eddid Securities and Futures Limited
21/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Valuable Capital Limited
RM 3601-06 & 3617-19, 36/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

** Applicable in respect of Listed Class of Shares only.*

^ Please refer to the Manager's website for the latest list of Virtual Asset Trading Platform(s) for each Sub-Fund.

Please refer to the Manager's website for the latest list of Participating Dealer(s) for each Sub-Fund. Please refer to the Manager's website and the website of the HKEX for the latest lists of Market Maker(s) for each Sub-Fund.

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

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

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

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below.

“Administrator” means BOCI-Prudential Trustee Limited, or such other person or persons for the time being duly appointed as administrators hereof in succession thereto.

“AFRC” means the Accounting and Financial Reporting Council or its successors.

“After Listing” means, in respect of Listed Class of Shares, the period which commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

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

“Application” means, in respect of Listed Class of Shares, an application by a Participating Dealer for the creation or redemption of Shares in accordance with the procedures for creation and redemption of Shares set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Instrument.

“Application Basket” means a portfolio of Virtual Asset, Securities and/or FDIs determined by the Manager at the start of business on the relevant Dealing Day for the purpose of the creation and redemption of Shares in an Application Share size, notified on the relevant date by the Manager to Participating Dealers for the relevant Sub-Fund.

“Application Share” means, in respect of Listed Class of Shares, such number of Shares of such class or whole multiples thereof as specified in this Prospectus for the relevant Sub-Fund or such other number of Shares from time to time determined by the Manager, approved by the Custodian and notified to the Participating Dealers.

“Business Day” in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Virtual Assets and/or Securities and/or FDIs comprised in the relevant Index or Virtual Assets and/or Securities and/or FDIs comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the Custodian may agree from time to time provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager otherwise agrees.

“Cancellation Compensation” means, in respect of Listed Class of Shares, an amount payable by a Participating Dealer for the account of the relevant Sub-Fund in respect of a Default or a cancellation of Creation Application or Redemption Application in accordance with the Instrument, the Participation Agreement and/or the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

“Cash Component” means the difference between the aggregate Net Asset Value of the Shares comprising an Application Share and the aggregate value of the Virtual Asset, Securities and/or FDIs constituting the Application Basket as at the Valuation Point on the relevant Dealing Day.

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

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

“Class Currency” means, in relation to a class of Shares, the base currency of the Sub-Fund relating

thereto or such other currency of account as specified for such class of Shares in accordance with the Instrument.

“Code of Conduct” means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

“Company” means ChinaAMC Select OFC.

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

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or
- (c) any member of the group of which that company forms part; or
- (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

“Conversion Agency Agreement” means the agreement by which the Conversion Agent agrees with the Manager to provide its services in respect of Listed Class of Shares of a Sub-Fund, as may from time to time be entered amongst the Company, the Manager, the Conversion Agent and HKSCC.

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

“Creation Application” means, in respect of Listed Class of Shares, an application by a Participating Dealer for the creation and issue of Shares in an Application Share size in accordance with the Operating Guidelines and the Instrument.

“CSRC” means China Securities Regulatory Commission.

“Custodian” means BOCI-Prudential Trustee Limited unless otherwise specified in Part 2 of this Prospectus.

“Custody Agreement” means the custody agreement between the Company for itself and each Sub-Fund and the Custodian by which the Custodian is appointed.

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

“Dealing Deadline” means, in respect of a Sub-Fund, in relation to any Dealing Day, such time or times as the Manager may from time to time in consultation with the Custodian determine generally or in relation to any particular place for (in respect of Listed Class of Shares) submission of Application(s) by a Participating Dealer, or (in respect of Unlisted Class(es) of Shares) submission of application for subscription or redemption of Unlisted Class(es) of Shares, as specified in the relevant Appendix.

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

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

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

“Directors” means the directors of the Company for the time being or the directors of the Company present at a meeting of directors at which a quorum is present and includes any committee of the Directors duly constituted for the purposes relevant in the context in which any reference to the Directors appears or the members of such committee present at a meeting of such committee at which a quorum is present, and “Director” shall be construed accordingly.

“Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Scheme Property or the increase or decrease of the Scheme Property or the creation, issue, transfer, cancellation or redemption of Shares or the acquisition or disposal of Virtual Asset, Securities and/or FDIs (as the case may be) or, unless otherwise specified in the relevant Appendix, the entering into or termination of any FDIs (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such FDIs, or any costs associated with any collateral arrangements in respect of such Virtual Asset, Securities, Futures Contracts or Swaps), or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Shares or redemption of Shares, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Sub-Fund for the difference between (a) the prices used when valuing the Virtual Asset, Securities and/or FDIs (as the case may be) held for the Sub-Fund for the purpose of such issue or redemption of Shares and (b) (in the case of an issue of Shares) the prices which would be used when acquiring the same Virtual Asset, Securities and/or FDIs (as the case may be) if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares and (in the case of a redemption of Shares) the prices which would be used when selling the same Virtual Asset, Securities and/or FDIs (as the case may be) if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

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

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

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

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

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

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

“Government and other Public Securities” has the meaning as set out in the UT Code which at the date of this Prospectus means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

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

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

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

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

“IFRS” means International Financial Reporting Standards.

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

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

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

“Initial Issue Date” means, in respect of Listed Class of Shares of a Sub-Fund, the date of the first issue of Shares, which shall be the Business Day immediately before the Listing Date.

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

“Insolvency Event” occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person’s assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

“Instrument” means the instrument of incorporation of the Company filed to the Companies Registry of Hong Kong on, and effective as of, 16 April 2024, including its Schedules and Appendices, as amended from time to time.

“Issue Price” means, in respect of Listed Class of Shares of a Sub-Fund, the price at which Shares may be issued, determined in accordance with the Instrument.

“Laws and Regulations” means all applicable laws and regulations including the SFO, Securities and Futures (Open-ended Fund Companies) Rules (Chapter 571AQ of the Laws of Hong Kong), (as amended from time to time), the OFC Code, the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (including the UT Code, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC) and the SFC Fund Manager Code of Conduct (as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC).

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

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

“Mainland China” means all the customs territories of the PRC excluding Hong Kong, Macau and Taiwan of the PRC for purpose of interpretation of this Prospectus only.

“Management Agreement” means the discretionary management agreement between the Company for itself and each Sub-Fund and the Manager by which the Manager is appointed.

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

“Market” means in any part of the world:

- (a) in relation to any Security: the SEHK or such other stock exchange from time to time determined by the Manager;
- (b) in relation to any Futures Contract: the Hong Kong Futures Exchange Limited or such other futures exchange from time to time determined by the Manager; and
- (c) in relation to any Virtual Asset: any such exchange or market from time to time determined by the Manager.

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

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

“Multi-Counter” means, in respect of Listed Class of Shares, the facility by which the Shares of a Sub-Fund traded in more than one currency (HKD, RMB and/or USD) are each assigned separate stock codes on the SEHK and are accepted for deposit, clearance and settlement in CCASS in more than one eligible currency (HKD, RMB and/or USD) as described in the relevant Appendix of this Prospectus.

“Net Asset Value” means the net asset value of a Sub-Fund or, as the context may require, the net asset value of a class of Shares or a Share calculated under the Instrument.

“OFC Code” means the Code on Open Ended Fund Companies issued by the SFC (as amended, or replaced, from time to time).

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

“Participating Dealer” means, in respect of Listed Class of Shares, a licensed broker or dealer who is (or who has appointed an agent or delegate who is) a person admitted for the time being by HKSCC as a participant of CCASS and who has entered into a Participation Agreement in form and substance acceptable to the Company, the Manager and the Custodian, and any reference in this

Prospectus to “Participating Dealer” shall include a reference to any agent or delegate so appointed by the Participating Dealer.

“Participation Agreement” means an agreement entered into between, among others, the Company, the Manager, the Custodian and a Participating Dealer (and its agent, if applicable), and if determined necessary by the Manager (in its absolute discretion), each of HKSCC and the Conversion Agent, setting out, (amongst other things), the arrangements in respect of the issue of Listed Class of Shares and the redemption and cancellation of Listed Class of Shares. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

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

“PRC” means The People’s Republic of China.

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

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

“Redemption Application” means, in respect of Listed Class of Shares, an application by a Participating Dealer for the redemption of Shares in Application Share size in accordance with the Operating Guidelines and the Instrument.

“Redemption Price” means, in respect of Unlisted Class(es) of Shares, the price per Share at which such Share is redeemed, calculated in accordance with the Instrument.

“Redemption Value” means, in respect of Listed Class of Shares, the price per Share at which such Share is redeemed, calculated in accordance with the Instrument.

“Registrar” means BOCI-Prudential Trustee Limited or such person as may from time to time be appointed by the Company (and acceptable to the Manager) as registrar in respect of each Sub-Fund (or a class of Shares thereof) to keep the register of the Shareholders of the Sub-Fund (or a class of Shares thereof).

“Reverse Repurchase Transactions” means transactions whereby a Sub-Fund purchases Securities from a counterparty of Sale and Repurchase Transactions and agrees to sell such Securities back at an agreed price in the future.

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

“Sale and Repurchase Transactions” means transactions whereby a Sub-Fund sells its Securities to a counterparty of Reverse Repurchase Transactions and agrees to buy such Securities back at an agreed price with a financing cost in the future.

“Scheme Property” means all the property of the Company.

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

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing,

including units in any unit trust;

- (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; and
- (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.

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

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

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

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

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

“Settlement Day” means, in respect of Listed Class of Shares, the Business Day which is two Business Days after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Custodian from time to time and notified to the relevant Participating Dealers, either generally or for a particular class or classes of Shares, pursuant to the Operating Guidelines or as otherwise described in the relevant Appendix.

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

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

“Share” means such number of undivided shares or such fraction of an undivided share of a Sub-Fund to which a Share relates as is represented by a Share of the relevant class and, except where used in relation to a particular class of Share, a reference to Shares means and includes Shares of all classes.

“Share Cancellation Fee” means, in respect of Listed Class of Shares, the fee charged by the Conversion Agent in respect of the cancellation of Shares in connection with an accepted Redemption Application of a Sub-Fund.

“Shareholder” means the person for the time being entered on the Register as the holder of a Share or Shares including, where the context so admits, persons jointly so registered.

“Sub-Fund” means a segregated pool of assets and liabilities into which the Scheme Property is divided, established under the Instrument and as described in the relevant Appendix.

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

“Swap” means a swap agreement to be entered by the Company on behalf of a Sub-Fund which may, subject to the terms of the Instrument, take such form as determined or agreed by the Manager, including an International Swaps and Derivatives Association master agreement, schedules, annexes and confirmations as well as related documents.

“Swap Counterparty” means a counterparty of each Sub-Fund pursuant to a Swap.

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

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

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

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

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

“Valuation Point” means, in respect of a Sub-Fund (or class), unless otherwise specified in the relevant Appendix of a Sub-Fund, the official close of trading on the Market on which the Virtual Asset, Securities or FDIs constituting the Index or comprising the portfolio of the Sub-Fund, as the case may be, are listed on each Dealing Day or if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation, issue, switching and redemption of Shares.

“Virtual Asset” means any virtual asset as defined in Section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong).

“Virtual Asset Sub-Custodian” means OSL Digital Securities Limited, acting via its associated entity BC Business Management Services (HK) Limited, or such person as may from time to time be appointed by the Custodian (and acceptable to the Manager) to take custody of holdings of Virtual Asset in respect of a Sub-Fund.

“Virtual Asset Trading Platform” means a centralised platform providing trading services in Virtual Asset operated by a corporation which is granted a licence for Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under section 116 of the SFO.

INTRODUCTION

The Company

The Company is a public umbrella open-ended fund company with variable capital with limited liability, which was incorporated in Hong Kong under the SFO on 16 April 2024 with the business registration number 76444721. It is constituted by way of its Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 16 April 2024.

The Company is registered with the SFC under Section 112D of the SFO. The Company and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 of the UT Code. SFC registration or authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of the Company, any Sub-Fund or their performance. It does not mean that the Company or a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Fund(s)

The Company may issue different classes of Shares and the Company shall establish a separate pool of assets in respect of each Sub-Fund (each such separate pool of assets a "Sub-Fund") to which one or more class of Shares shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Company. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Funds, and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund. Each Sub-Fund will have its own Appendix in Part 2 of this Prospectus.

Each Sub-Fund will be an exchange traded fund listed on the SEHK, but it may issue both Listed Class of Shares (which will be listed on the SEHK and, where indicated in the relevant Appendix, may be available for trading on the SEHK using a Multi Counter) and Unlisted Class(es) of Shares.

The Company reserves the right to establish other Sub-Funds and/or issue further classes of Shares relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Instrument.

INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS, SECURITIES LENDING AND BORROWING

Investment Objective

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

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

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

Investment Strategy

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

For a Sub-Fund which is a feeder fund, the Sub-Fund will seek to achieve its investment objective by investing at least 90% of its Net Asset Value in a single underlying fund.

Index Tracking Sub-Funds

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

Full Replication Strategy

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

Representative Sampling Strategy

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

Switching Between Strategies

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

Investors should note that the Manager may switch between the above investment strategies,

without prior notice to investors, in its absolute discretion as it believes appropriate in order to achieve the investment objective of the relevant Index Tracking Sub-Fund by tracking the relevant Index as closely (or efficiently) as possible for the benefit of investors.

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

Actively managed Sub-Funds

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

Investment Restrictions

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

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

For the purpose of this sub-paragraph (c), cash deposits generally refer to those that are

repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

- (d) ordinary shares issued by any single entity (other than Government and other Public Securities) held for the account of a Sub-Fund, when aggregated with other holdings of ordinary shares of the same entity held for the account of all other Sub-Funds under the Company collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;
- (e) not more than 15% of the total Net Asset Value of a Sub-Fund may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;
- (f) notwithstanding (a), (b), (d) and (e), where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:
 - (1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the UT Code;
 - (2) any increase in the overall fees and charges directly or indirectly borne by the Shareholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and
 - (3) the Sub-Fund must produce the financial reports as required under 5.10(b) of the UT Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund;
- (g) notwithstanding (a), (b) and (d), not more than 30% of the total Net Asset Value of a Sub-Fund may be invested in Government and other Public Securities of the same issue, except, for an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund, such limit may be exceeded with the approval of the SFC;
- (h) subject to (g), a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues;
- (i) unless otherwise approved by the SFC, a Sub-Fund may not invest in physical commodities;
- (j) for the avoidance of doubt, exchange traded funds that are:
 - (1) authorised by the SFC under Chapter 8.6 or 8.10 of the UT 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 UT 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 UT Code,

may either be considered and treated as (i) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above

and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

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

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

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

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

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

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

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

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

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

(l) a Sub-Fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme and may be authorised as a feeder fund by the SFC. In this case:

(1) the underlying scheme (“master fund”) must be authorised by the SFC;

(2) the relevant Appendix must state that:

(i) the Sub-Fund is a feeder fund into the master fund;

(ii) for the purpose of complying with the investment restrictions, the Sub-Fund

- (i.e. feeder fund) and its master fund will be deemed a single entity;
- (iii) the Sub-Fund (i.e. feeder fund)'s annual report must include the investment portfolio of the master fund as at the financial year end date; and
 - (iv) the aggregate amount of all the fees and charges of the Sub-Fund (i.e. feeder fund) and its underlying master fund must be clearly disclosed;
- (3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, the Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Shareholders or by the Sub-Fund (i.e. feeder fund) may result, if the master fund in which the Sub-Fund (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and
- (4) notwithstanding paragraph (k)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (k); and
- (m) if the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

Investment Prohibitions

A Sub-Fund shall not:

- (a) invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or the directors and officers of the Manager collectively own more than 5% of those securities;
- (b) invest in any type of real estate (including buildings) or interests in real estate, including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs) and in the case of investments in such shares and REITs, they shall comply with the investment restrictions and limitations set out in sub-paragraphs (a), (b), (d), (e) and (k) under the section entitled "Investment Restrictions" above where applicable. For the avoidance of doubt, where investments are made in listed REITs, Chapters 7.1, 7.1A and 7.2 of the UT Code apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then Chapters 7.3 and 7.11 of the UT Code apply respectively;
- (c) make short sales if as a result a Sub-Fund would be required to deliver Securities exceeding 10% of the total Net Asset Value of the Sub-Fund (for this purpose Securities sold short must be actively traded on a market where short selling is permitted, and for the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations);
- (d) lend or make a loan out of the assets of a Sub-Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;
- (e) subject to Chapter 7.3 of the UT Code, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for Reverse Repurchase Transactions in compliance with the UT Code;

- (f) enter into any obligation in respect of a Sub-Fund or acquire any asset or engage in any transaction for the account of a Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Shareholders is limited to their investment in the relevant Sub-Fund; or
- (g) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of a Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of Chapters 7.29 and 7.30 of the UT Code.

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

However, the restrictions in 8.6(h)(i) and (ii) (as described above) do not apply in relation to an Index Tracking Sub-Fund if:

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

Securities Financing Transactions

Where indicated in the relevant Appendix, a Sub-Fund may enter into Securities Lending Transactions, Sale and Repurchase Transactions and Reverse Repurchase Transactions or other similar over-the-counter transactions ("Securities Financing Transactions"), provided that they are

in the best interests of the Shareholders, the associated risks have been properly mitigated and addressed, and the counterparties to the Securities Financing Transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

A Sub-Fund which engages in Securities Financing Transactions is subject to the following requirements:

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

Further, details of the arrangements in respect of a Sub-Fund are as follows:

- Revenues and Expenses

All revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, shall be returned to the Sub-Fund. Such direct and indirect expenses shall include brokerage fees, stamp duty, and tax levies associated with securities financing transactions, as well as fees and expenses payable to securities lending agents engaged for the Sub-Fund from time to time. Such fees and expenses of any securities lending agents engaged for the Sub-Fund, will be at normal commercial rates and will be borne by the Sub-Fund in respect of which the relevant party has been engaged.

Information on the revenues generated under such transactions shall be disclosed in the annual and interim financial reports of the Sub-Fund, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. These entities may include the Manager or its Connected Persons (if any).

- Eligible Counterparties

The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of securities financing transactions which shall include amongst other considerations, fundamental creditworthiness (e.g. ownership structure, financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

The counterparties of securities financing transactions will be entities with legal personality typically located in Organisation for Economic Co-operation and Development jurisdictions (but may also be located outside such jurisdictions), and be subject to ongoing supervision by a regulatory authority.

The counterparty to a securities financing transaction must have a good credit rating, either assigned by an internationally recognized credit agency or assessed by the Manager according to its internal credit rating mechanism.

- Form and nature of collateral to be received

The Custodian, upon the instruction of the Manager, will take collateral, which can be cash or

non-cash assets fulfilling the requirements under section “Collateral” below.

- Maximum and expected level of assets available to securities financing transactions

The maximum and expected level of the Sub-Fund’s assets available for these transactions will be as set out under section “Investment Strategy” above.

- Types of assets that may be subject to securities financing transactions

The types of assets that may be subject to securities financing transactions include equity securities, fixed income securities, collective investment schemes, money market instruments and cash. Use of such assets is subject to the Sub-Fund’s investment objective and policy.

- Connected person(s) arrangement

Where any securities financing transaction is arranged through the Custodian or a Connected Person of the Custodian or the Manager, such transactions carried out by or on behalf of a Sub-Fund will be executed at arm’s length, on the best available terms and in the best interest of the Shareholders.

- Safekeeping arrangement

Assets received: Assets (including any collateral) received by the Sub-Fund under a title-transfer arrangement should be held by the Custodian.

Assets provided: Assets (including any collateral) provided to a counterparty under a title-transfer arrangement shall no longer belong to the Sub-Fund and the Custodian shall not be liable for the acts and omissions of such counterparty in whose name such collateral transferred to it. Assets (including any collateral) provided to a counterparty other than under a title-transfer arrangement shall be in the name of or to the order of the Custodian. Upon the exercise of a right of re-use by a counterparty, such assets will not be safe-kept by the Custodian or a correspondent and such counterparty may use the assets at its absolute discretion.

Borrowing

Subject always to the provisions of the Instrument and the UT Code, unless otherwise specified in the Appendix, borrowing against the assets of each Sub-Fund is allowed up to a maximum of 10% of its total Net Asset Value. For this purpose, back-to-back loans do not count as borrowing. Where the Manager so determines, a Sub-Fund’s permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Company may borrow for the account of a Sub-Fund any currency, and charge or pledge assets of that Sub-Fund for securing such borrowing for the account of that Sub-Fund, and interest thereon and expenses thereof, for the following purposes:

- (a) facilitating the creation or redemption of Shares or defraying operating expenses;
- (b) enabling the Manager to acquire Securities or other investments for the account of such Sub-Fund; or
- (c) for any other proper purpose as may be agreed by the Manager from time to time, except to enhance the performance of any Sub-Fund.

Financial Derivative Instruments

Subject always to the provisions of the Instrument and the UT Code, the Manager may on behalf of a Sub-Fund enter into any transactions in relation to swaps or other FDIs, for hedging or non-hedging (investment) purposes.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for hedging purposes. FDIs are considered as being acquired for hedging purpose if they meet all of the following criteria:

- (a) they are not aimed at generating any investment return;
- (b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;
- (c) they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and
- (d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions. Hedging arrangement should be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for non-hedging purposes (“investment purposes”), subject to the limit that the Sub-Fund’s net exposure relating to these FDIs (“net derivative exposure”) does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for a Sub-Fund pursuant to Chapter 8.8 or Chapter 8.9 of the UT Code). For the avoidance of doubt:

- (a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a Sub-Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position;
- (b) the net derivative exposure should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time; and
- (c) FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

Subject to Chapter 7.26 and 7.28 of the UT Code, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the UT Code.

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

- (a) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. . Where a Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 of the UT Code provided that the relevant Index is in compliance with Chapter 8.6(e) of the UT Code;
- (b) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;
- (c) subject to paragraphs (a) and (b) under the section entitled “Investment Restrictions” above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund. The exposure of a Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral

received (if applicable) by such Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

- (d) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager, the Custodian or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

A Sub-Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis. Assets that are used to cover the Sub-Fund's obligation should be free from any liens and encumbrances, should exclude any cash or near cash for the purpose of meeting a call on any sum unpaid under a security and cannot be applied for any other purposes. A transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund should also be covered as follows:

- in the case of FDI transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and
- in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. Where it is holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embeds a financial derivative as well. For the purposes herein, an "embedded financial derivative" is a financial derivative instrument that is embedded in another security.

Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid market place with transparent pricing;
- Valuation – collateral should be marked-to-market daily by using independent pricing source;
- Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;
- Haircut – collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. For the avoidance of doubt the price volatility of the asset used as collateral should be taken into account when devising

the haircut policy;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or Entities within the Same Group and a Sub-Fund’s exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the UT Code;
- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or any of their related entities should not be used as collateral;
- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;
- Independent custody – collateral must be held by the Custodian;
- Enforceability – collateral must be readily accessible/enforceable by the Custodian without further recourse to the issuer of the FDIs, or the counterparty of the Securities Financing Transactions;
- Cash collateral – any re-investment of cash collateral received for the account of the Sub-Fund shall be subject to the following requirements:
 - (i) cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the UT Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the UT Code. For this purpose, “money market instruments” refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers’ acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.
 - (ii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and (n) of the UT Code;
 - (iii) cash collateral received is not allowed to be further engaged in any Securities Financing Transactions; and
 - (iv) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any Securities Financing Transactions;

Non-cash collateral received may not be sold, re-invested or pledged;

- Encumbrances – collateral should be free of prior encumbrances; and
- Collateral should generally not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

Subject to the requirements above, below is a summary of the collateral policy and criteria adopted by the Manager:

- eligible collateral include cash, cash equivalents, government bonds, supranational bonds,

corporate bonds, stocks, funds and money market instruments;

- there is no criteria on maturity of eligible collateral;
- the issuer of collateral must be of high quality, good reputation, solid financial status and the rating by a recognised credit rating agency shall be taken into account in the credit assessment process; debt instruments must be rated investment grade or above to be eligible;
- regular stress tests are carried out under normal and exceptional liquidity conditions to enable an adequate assessment of the liquidity risks attached to the collateral;
- the haircut policy takes account of market volatility, the foreign exchange volatility between collateral asset and underlying agreement, liquidity and credit risk of the collateral assets, and the counterparty's credit risk (for each eligible security type). Haircuts shall be set to cover the maximum expected decline in the market price of the collateral asset (over a conservative liquidation horizon) before a transaction can be closed out;
- the non-cash collateral would be sufficiently diversified in terms of different parameter such as countries, markets and issuers;
- the collateral received would be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- collateral must be readily enforceable by the Custodian and may be subject to netting or set-off; and
- cash collateral may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised by the SFC or regulated in a manner generally comparable with the requirements of the SFC. The maximum available for cash collateral re-investment is 100% of the cash value.

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

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

The Custodian will take reasonable care to ensure that the investment and borrowing limitations set out in the Instrument and the conditions under which a Sub-Fund was authorised are complied with.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

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

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

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

- (a) Virtual Assets shall be valued using an indexing approach by reference to an Index or otherwise a benchmark calculated based on the trade volume of the Virtual Assets across major Virtual Asset trading platforms. In the event that the relevant Index or benchmark (as the case may be) is not available on any Valuation Day for valuation purpose, Virtual Assets shall be fair valued in accordance with the fair value policies approved by the Manager in consultation with the Custodian.
- (b) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Custodian) determines that some other method is more appropriate, be valued by reference to the official closing price or, if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager, or, if the Custodian so requires, by the Manager after consultation with the Custodian if the prices on that Market is not available for more than such period of time as may be agreed between the Manager, the Custodian and/or any delegates appointed by the Custodian applicable to the Sub-Fund; (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, the Administrator or its delegates may accept as sufficient evidence of the value of any asset of a Sub-Fund or the cost price or sale price thereof, any market quotation or certification by a calculation agent, broker, any professional person, firm or association qualified in the opinion of the Custodian or its delegates or the Manager to provide such a quotation; and (v) the Manager, the Administrator or its delegates may rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any assets of the Sub-Fund or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters; and (vi) the Manager and the Administrator shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the last traded prices as the case may be;
- (c) 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 latest available bid or offer price for such unit, share or other interest;
- (d) Futures Contracts will be valued based on the formulae set out in the Instrument; The value of the swap invested by a Sub-Fund, which is not listed or quoted on a recognised market, will be determined on each Dealing Day either by reference to electronic pricing systems (e.g. Bloomberg), or by the swap counterparty, which, in doing so, will be acting as the calculating agent. The value of the swap will be calculated based on the mark-to-market value of such swap (excluding any fees, commissions and other expenses in connection with the entry or negotiation of the swap, and initial margin or deposits). Where the value is determined by the swap counterparty, the Manager will carry out an independent verification of this valuation on a

daily basis. In addition, the Administrator will carry out an independent verification of the value of the swap in accordance with its internal policy and the terms of the swaps;

- (e) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may at any time in consultation with the Custodian and shall at such times or at such intervals as the Custodian may request, cause a revaluation to be made on a regular basis by a professional person approved by the Custodian as qualified to value such investments (which may, if the Custodian agrees, be the Manager);
- (f) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager after consultation with the Custodian, any adjustment should be made to reflect the value thereof; and
- (g) notwithstanding the foregoing, the Manager may in consultation with the Custodian adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment is more appropriate to fairly reflect the value of the investment.

Currency conversion will be performed at such rates as determined by the Administrator or its delegates or the Manager (after consultation with the Custodian where the Manager considers appropriate) from time to time.

The value of the Swap invested by a Sub-Fund, which is not listed or quoted on a recognised market, will be determined on each Dealing Day either by reference to electronic pricing systems (e.g. Bloomberg), or by the Swap Counterparty, which, in doing so, will be acting as the calculating agent. The value of the Swap will be calculated based on the mark-to-market value of such swap (excluding any fees, commissions and other expenses in connection with the entry or negotiation of the Swap, and initial margin or deposits). Where the value is determined by the Swap Counterparty, the Manager will carry out an independent verification of this valuation on a daily basis. In addition, the Administrator will carry out an independent verification of the value of the Swap in accordance with its internal policy and the terms of the Swaps.

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

To the extent that the valuation or accounting basis adopted by the Sub-Funds deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS. Any such adjustments will be disclosed in the financial reports, including a reconciliation note to reconcile values arrived at by applying the Company's valuation rules.

Suspension of Determination of Net Asset Value

The Manager may, in consultation with the Custodian, declare a suspension of the determination of the Net Asset Value of any Sub-Fund or of any class of Shares for the whole or any part of any period during which:

- (a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund;
- (b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of the investments held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Shareholders of the relevant Sub-Fund;
- (c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

- (d) there is a breakdown in the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any investments or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, a substantial part of the investments or other property of the relevant Sub-Fund or the subscription or redemption of Shares of the relevant class is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange;
- (f) the business operations of the Company or any delegate of the Company or the Manager in respect of the determination of the Net Asset Value of the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
- (g) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a Swap is linked (if applicable); or
- (h) in the case of a Sub-Fund authorised by the SFC as a feeder fund, the determination of the net asset value of the master fund (as defined in the sub-section “**Investment Restrictions**” of the section “Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing”) is suspended.

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

The Manager shall immediately after declaration of any such suspension by the Manager notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Manager’s website at www.chinaamc.com.hk (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as the Company decides.

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

In respect of Listed Class of Shares, a Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Company. If no such notification of the withdrawal of any such Creation Application or Redemption Application (as the case may be) has been received by the Company before termination of such suspension, the Company shall, subject to and in accordance with the provisions of the Operating Guidelines and/or the Instrument, treat such Creation Application or Redemption Application (as the case may be) as having been received on the next Dealing Day the termination of such suspension.

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

FEES AND EXPENSES

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

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

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

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Shares (applicable both during the Initial Offer Period and After Listing)	Amount
Transaction Fee and Service Agent's Fee	Up to USD350 ¹ per Application and HKD1,000 ¹ per book-entry deposit and book-entry withdrawal transaction
Application cancellation fee	USD1,200 ² per Application
Extension Fee	USD1,200 ³ per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Custodian or the Manager in connection with the creation or redemption	As applicable ⁴

Fees and expenses payable by investors of Listed Class of Shares	Amount
<i>(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)</i>	
Fees and charges imposed by the Participating Dealer ⁵	Such amounts as determined by the relevant Participating Dealer
<i>(ii) Fees payable by all investors in respect of dealings in the Shares on SEHK (applicable After Listing)</i>	

¹ The Transaction Fee of USD350 is payable by a Participating Dealer to the Custodian for the benefit of the Custodian and/or Registrar. The Service Agent's fee of HKD1,000 is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

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

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

⁴ Swap fees (borne by a Sub-Fund, if any) do not form part of "Duties and Charges" payable by a Participating Dealer.

⁵ The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

Brokerage	Market rates
Transaction levy	0.0027% of the trading price ⁶
AFRC transaction levy	0.00015% of the trading price ⁷
SEHK trading fee	0.00565% of the trading price ⁸
Stamp duty	Nil
Inter-counter transfers (if applicable)	Nil

Fees and expenses payable by a Sub-Fund	See the relevant Appendix
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Fees and Expenses Payable in respect of Unlisted Class of Shares Only

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

Subscription fee

Under the Instrument, the Manager is entitled to impose a subscription fee on the issue of any Unlisted Class of Shares of any Sub-Fund of up to a maximum of 5% of the Subscription Price.

The subscription fee is payable in addition to the Subscription Price. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the subscription fee of an Unlisted Class of Shares of a Sub-Fund.

Redemption fee

Under the Instrument, the Manager is entitled to impose a redemption fee on the redemption of any Unlisted Class of Shares of any Sub-Fund of up to a maximum of 5% of the Redemption Price.

The redemption fee is deducted from the redemption proceeds payable to a Shareholder in respect of each Share of an Unlisted Class of Shares redeemed. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the redemption fee of an Unlisted Class of Shares of a Sub-Fund.

Switching fee

Under the Instrument, the Manager is entitled to impose a switching fee on the switching of any Unlisted Class of Shares of up to 5% of the Redemption Price payable in respect of the Existing Class (as defined below) being switched.

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

Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Shares and Unlisted Class(es) of Shares)

Management fee

⁶ Transaction levy of 0.0027% of the trading price of the Shares, payable by each of the buyer and the seller.

⁷ AFRC transaction levy of 0.00015% of the trading price of the Shares, payable by each of the buyer and the seller.

⁸ Trading fee of 0.00565% of the trading price of the Shares, payable by each of the buyer and the seller.

The Instrument provides that the Manager is entitled to a management fee (the “Management Fee”) in respect of each Sub-Fund it manages, the maximum amount of which is equal to 3% per annum of the Net Asset Value of the relevant Sub-Fund. Any increase in the Management Fee in respect of a Sub-Fund (i) up to this maximum level, will only be implemented after giving at least one month’s notice (or such period of notice as the SFC may require) to the affected Shareholders; and (ii) beyond this maximum level, is subject to approval by special resolution (as defined in the Instrument) of the affected Shareholders. The Management Fee will be accrued as at each Dealing Day and will be payable monthly in arrears.

The Manager may share any fees, charges or amounts it is received for its management services as Manager of the Sub-Fund with any persons who distribute or otherwise procure subscriptions to the Sub-Fund. A distributor or intermediary may further re-allocate an amount of such fees, charges or amounts to its sub-distributor(s).

Performance fee

The Manager may also charge a performance fee in respect of any Sub-Fund. Details of performance fee, if any, will be set out in the relevant Appendix.

Custodian fee

The Instrument provides that the Custodian is entitled to a custodian fee (the “Custodian Fee”) in respect of each Sub-Fund, the maximum amount of which is equal to 1% per annum of the Net Asset Value of the Sub-Fund. Any monthly minimum referred to in the Appendix is subject to and does not override the maximum level of Custodian Fee stated above. Any increase in Custodian Fee in respect of a Sub-Fund (i) up to this maximum level, will only be implemented after giving at least one month’s notice (or such period of notice as the SFC may require) to the affected Shareholders; and (ii) beyond this maximum level, is subject to approval by special resolution (as defined in the Instrument) of the affected Shareholders. The Custodian Fee will be accrued as at each Valuation Day and will be payable monthly in arrears.

Virtual Asset Sub-Custodian, Administrator and Registrar fee

Each of the Virtual Asset Sub-Custodian, Administrator and Registrar may be entitled to receive fees out of a Sub-Fund for the performance of its duties to the Sub-Fund. Details of such fees, if any, will be set out in the relevant Appendix.

Directors’ remuneration and expenses

Under the Instrument, the Directors shall be entitled to remuneration for their services as Directors up to an amount per annum equivalent to HKD180,000 per Director and, where payable, such remuneration shall be allocated fairly as between Sub-Funds by reference to their respective Net Asset Values.

The Company may pay any travelling, accommodation and other expenses properly incurred by Directors in connection with their attendance at meetings of Directors, general meetings, separate meetings of the Shareholders or any Sub-Fund or class of Shareholders or the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Estimated ongoing charges

The estimated ongoing charges of any newly established Sub-Fund (or class(es) thereof), which are the sum of anticipated ongoing expenses of the relevant Sub-Fund (or class(es) thereof) expressed as a percentage of its estimated average Net Asset Value, and the actual ongoing charges of any existing Sub-Fund (or class(es) thereof), which are the sum of actual ongoing expenses of the relevant Sub-Fund expressed as a percentage of its actual average Net Asset Value, are set out in the relevant product key facts statement. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund may also be included in the ongoing charges calculation payable by a Sub-Fund. Ongoing expenses may be deducted from the assets of a Sub-

Fund where these are permitted by the Instrument, the UT Code, the OFC Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. In respect of an Index Tracking Sub-Fund, the estimated or actual ongoing charges do not represent the estimated or actual tracking error of the relevant Index Tracking Sub-Fund. Where disclosed in an Appendix of a Sub-Fund, ongoing charges and expenses of that Sub-Fund may be borne by the Manager.

Brokerage rates

A Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account.

Promotional expenses

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

Other expenses

The Sub-Funds will bear all operating costs relating to the administration of the Sub-Funds including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, (for an Index Tracking Sub-Fund only) index licensing fees, the costs in connection with maintaining a listing of the Shares of any Listed Class of Shares on the SEHK or other exchange and maintaining the Company's and the Sub-Funds' authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation and amendment of the Instrument, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Funds by the Custodian, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Shareholders, preparing, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Funds and the expenses of publishing Share prices.

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

Establishment Costs

The cost of establishing the Company and the initial Sub-Funds (namely ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF) including the initial preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, is approximately HKD1,560,000 and will be borne by ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and will be amortised over the first five financial years of ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

The cost of establishing any subsequent Sub-Fund will be borne by the relevant Sub-Fund to which such costs relate and will be amortised over the first five financial years of the relevant Sub-Fund (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

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

Increase in Fees

The current fees in respect of each Sub-Fund payable to the Manager and the Custodian as described in the relevant Appendix may be increased on not less than one month's notice to

Shareholders (or such shorter period as approved by the SFC), subject to the maximum rates set out above. In the event that such fees are to be increased beyond the maximum rates set out in the Prospectus, such increase will be subject to the SFC's approval (if required).

RISK FACTORS

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

General Investment Risks

Investment Objective Risk

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

Market Risk

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

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of each Sub-Fund, the returns from the types of Virtual Asset, Securities and/or FDIs in which the Sub-Fund invests (either directly or indirectly) may underperform or outperform returns from other Virtual Asset, Securities and/or FDIs markets or from investment in other assets. Certain types of Virtual Asset, Securities and/or FDIs may tend to go through cycles of out-performance and underperformance when compared with other general Virtual Asset, Securities and/or FDIs markets.

Possible Business Failure Risk

Global markets may experience very high levels of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the companies in which a Sub-Fund invests or (for an Index Tracking Sub-Fund only) of one or more of the constituents of the relevant Index may have an adverse effect on the Index's (if any) and therefore the relevant Sub-Fund's performance. You may lose money by investing in any Sub-Fund.

Management Risk

Each Sub-Fund is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Shareholders' rights with respect to Virtual Asset, Securities and/or FDIs comprising a Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Sub-Fund being achieved.

Single Country / Concentration Risk

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

Underlying Investment Risk

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

Counterparty Risk

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

A Sub-Fund may be exposed to the counterparty risk of the Custodian and/or Virtual Asset Sub-Custodian with which the Scheme Property is deposited. The Custodian and/or Virtual Asset Sub-Custodian may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the relevant Sub-Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the relevant Sub-Fund's assets.

Difficulties in Valuation of Investments Risk

Investments acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the issuer of the relevant investment, market and economic conditions and regulatory sanctions. In cases where no clear indication of the value of a Sub-Fund's portfolio investments is available (for example, when the secondary markets on which an investment is traded have become illiquid) the Manager may in consultation with the Custodian apply valuation methods to ascertain the fair value of such investments, pursuant to the Instrument.

Loss of Capital Risk

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

Counterparty to Custodian Risk

The Sub-Funds 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. In the event of the insolvency

of the Custodian or other depositaries, a Sub-Fund will be treated as a general creditor of the custodian or other depositaries in relation to cash holdings of the relevant Sub-Fund. The Sub-Fund's investments 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 Custody Agreement and the Management Agreement, the Custodian and the Manager (and their respective directors, officers and employees) shall be entitled, except to the extent of any fraud, negligence, or wilful default on its (or their) part, to be indemnified and held harmless out of the assets of the relevant Sub-Fund in respect of any (in addition to any right of indemnity given by law) action, costs, claims, damages, expenses or liabilities to which it (or they) may be put or which it (or they) may incur by virtue of the proper performance of their respective duties. Any reliance by the Custodian or the Manager on the right of indemnity would reduce the assets of a Sub-Fund and the value of the Shares.

Dividends May Not be Paid Risk (If Applicable)

Whether a Sub-Fund or a class of Shares will pay distributions on its Shares is subject to the Manager's distribution policy (as described in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the constituents comprising the Index or the portfolio of the Sub-Fund. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend payment rates in respect of such investments will depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Distributions out of or Effectively out of Capital Risk (If Applicable)

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by each Sub-Fund and therefore, each Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Shareholders.

Early Termination Risk

A Sub-Fund may be terminated early under certain circumstances as set out in the Instrument and summarised under the section headed "Termination (otherwise than by winding up)" below. Upon a Sub-Fund being terminated, the Company will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Shareholders in accordance with the Instrument. Investors may suffer a loss where a Sub-Fund is terminated because any such amount distributed may be more or less than the capital invested by the Shareholder.

Effect of Redemptions Risk

If significant redemptions of Shares are requested by the Participating Dealers in respect of Listed Class of Shares or by Shareholders of Unlisted Class(es) of Shares, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Shares are requested by the Participating Dealers for Listed Class of Shares or by the Shareholders of Unlisted Class(es) of Shares, the right of Participating Dealers or

Shareholders (as the case may be) to require redemptions in excess of 10% of the of the total Net Asset Value of Shares in a Sub-Fund then in issue (or such higher percentage as the Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended.

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

Borrowing Risk

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

Government Intervention and Restriction Risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the Sub-Fund, and may have an unpredictable impact on the Sub-Funds, including increasing or decreasing the level of premium or discount of the Share price to Net Asset Value or affecting the ability of the Index Tracking Sub-Funds to track the relevant Index. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of an Index (if any) and as a result the performance of the relevant Sub-Fund.

No Right to Control the Sub-Fund’s Operation Risk

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

Reliance on the Manager Risk

In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager’s business operations or in the extreme case of the insolvency of the Manager, the Custodian may not find successor managers with the requisite skills and qualifications quickly or at all and the new appointment may not be on equivalent terms or of similar quality.

Foreign Exchange Risk

If a Sub-Fund’s assets are generally invested (either directly or indirectly) in Virtual Asset, Securities or FDIs denominated other than in its base currency, and if a substantial portion of the revenue and income of a Sub-Fund is received in a currency other than its base currency, any fluctuation in the exchange rate of the base currency relative to the relevant foreign currency will affect the Net Asset Value of a Sub-Fund regardless of the performance of its underlying portfolio. If the relevant Sub-Fund’s Net Asset Value is determined on the basis of HKD, an investor may lose money if he invests in any Sub-Fund if the local currency of a foreign market depreciates against the HKD, even if the local currency value of the Sub-Fund’s holdings goes up.

Liquidity Risk

Some investments held by a Sub-Fund, including derivatives, may be difficult to sell or illiquid, particularly during times of market turmoil. Illiquid investments may also be difficult to value. Markets for the underlying investments could be disrupted by a number of events, including, but not limited to an economic crisis, natural disasters, new legislation or regulatory changes. If a Sub-Fund is

forced to sell an illiquid investment at an unfavourable time or at a price that is lower than Manager's judgment of the investment's true market value, each Sub-Fund may be forced to sell the investment at a loss. Such a situation may prevent each Sub-Fund from limiting losses, realising gains or achieving its investment objective, thus adversely affecting the Sub-Fund's performance.

Equity Risk (If Applicable)

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

Foreign Security Risk (If Applicable)

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

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

Securities Financing Transactions Risks (If Applicable)

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

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

Collateral and FDI Risks (If Applicable)

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

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

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

With respect to the use of Swaps, if the underlying index has a dramatic intraday move in value that causes a material decline in the Sub-Fund's Net Asset Value, the terms of the Swap agreement between each Sub-Fund and its Swap Counterparty may allow the Swap Counterparty to immediately close out of the transaction with the Sub-Fund. In such circumstances, each Sub-Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the Sub-Fund's investment objective. Any financing, borrowing or other costs associated with using derivatives may also have the effect of lowering the Sub-Fund's return. In addition, the Sub-Fund's investments in derivatives are subject to the following risks:

- Swaps. Swaps are entered into primarily with major global financial institutions for a specified period which may range from one day to more than one year. In a standard swap transaction, two parties agree to exchange the return (or differentials in rates of return) earned or realised on particular predetermined reference or underlying Securities or instruments. The gross return to be exchanged or swapped between the parties is calculated based on a notional amount or the return on or change in value of a particular dollar amount invested in a basket of Securities representing a particular index. Total return swaps are subject to counterparty risk, which relates to credit risk of the Swap Counterparty and liquidity risk of the Swaps themselves.

- **Futures Contracts.** A futures contract is a contract to purchase or sell a particular security, or the cash value of an index, at a specified future date at a price agreed upon when the contract is made. Under such contracts, no delivery of the actual Securities is required. Rather, upon the expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of a security or index at expiration, net of the variation margin that was previously paid.

Counterparty Risk (If Applicable)

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

Risks Associated with Investment in an Index Tracking Sub-Fund

Passive Investment Risk

An Index Tracking Sub-Fund is not actively managed. Accordingly, an Index Tracking Sub-Fund may be affected by a decline in the market segments relating to the relevant Index or Indices. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Index Tracking Sub-Fund invests (either directly or indirectly) in the Virtual Asset, Securities and/or FDIs included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to take defensive positions unless under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Index Tracking Sub-Fund. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes in general due to the inherent investment nature of an Index Tracking Sub-Fund will mean a decline in the Index or Indices are expected to result in corresponding falls in the Net Asset Values of the Index Tracking Sub-Fund, and investors may lose substantially all of their investment.

Representative Sampling Risk (If Applicable)

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

Tracking Error Risk

An Index Tracking Sub-Fund's returns may deviate from the Index due to a number of factors. For example, the fees and expenses of an Index Tracking Sub-Fund, any adoption of a representative sampling strategy, costs of using FDIs, liquidity of the market, imperfect correlation of returns between an Index Tracking Sub-Fund's assets and the Virtual Asset, Securities or FDIs constituting its Index, inability to rebalance an Index Tracking Sub-Fund's holdings of Virtual Asset, Securities

or FDIs in response to high portfolio turnover, transaction costs, a temporary lack of liquidity in the markets for the Virtual Asset, Securities or FDIs held by an Index Tracking Sub-Fund, changes in the constituents of the Index, rounding of Virtual Asset, Security or FDIs prices, inability to acquire the required number of Virtual Asset, Securities or FDIs due to limited Sub-Fund size, changes to the Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the relevant Index. The level of fees, taxes and expenses payable by an Index Tracking Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of each Index Tracking Sub-Fund can be estimated, the growth rate of an Index Tracking Sub-Fund, and hence its Net Asset Value, cannot be anticipated. The above factors may cause an Index Tracking Sub-Fund's returns to deviate from the performance of its Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time to achieve the performance of the relevant Index.

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

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

In addition, investors should note that different cost mechanisms apply to Listed Class of Shares and Unlisted Class(es) of Shares. For Listed Class of Shares, the Transaction Fee and Duties and Charges in respect of Creation and Redemption Applications are paid by the Participating Dealer applying for or redeeming such Shares and/or the Manager. Investors of Listed Class of Shares in the secondary market will not bear such Transaction Fees and Duties and Charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees, as described under the section "Fees and Expenses"). On the other hand, the subscription and redemption of Unlisted Class(es) of Shares may be subject to a subscription fee and redemption fee respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, the Manager may, in its absolute discretion, in addition to the Subscription Price and/or Redemption Price, in certain circumstances, add or deduct an amount of Subscription Adjustment Allowance or Redemption Adjustment Allowance (as the case may be) it considers represents an appropriate provision for transactional fees or expenses which are customarily incurred by the Sub-Fund, and such additional amount will be paid to the Custodian and will form part of the assets of the relevant Sub-Fund. Please refer to Schedule 2 to Part 1 of this Prospectus for further information on Subscription Adjustment Allowance and Redemption Adjustment Allowance.

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

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

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

Trading Arrangements in respect of Listed Class of Shares

Conversely, secondary market investors generally do not have access to the redemption facilities which are available to investors of Unlisted Class(es) of Shares. During stressed market conditions,

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

Please also refer to “Risks Associated with Market Trading (Applicable in respect of Listed Class of Shares Only)” below for additional risks relating to Listed Class of Shares.

Risks Associated with Market Trading (Applicable in respect of Listed Class of Shares Only)

Absence of Active Market and Liquidity Risks

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

No Trading Market in the Listed Class of Shares Risk

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

Suspension of Trading Risk

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

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

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

While the creation/redemption feature is designed to make it likely that the Listed Class of Shares will normally trade at prices close to the relevant Sub-Fund’s next calculated Net Asset Value attributable to the Listed Class of Shares, trading prices are not expected to correlate exactly with the relevant Sub-Fund’s Net Asset Value attributable to the Listed Class of Shares due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations

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

Cost of Trading Listed Class of Shares Risk

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

Restrictions on Creation and Redemption of Listed Class of Shares Risk

Investors should note that Listed Class of Shares of a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units or shares can generally be purchased and redeemed directly from the manager). Listed Class of Shares of a Sub-Fund may only be created and redeemed in Application Share sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer). Other investors of Listed Class of Shares may only make a request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Listed Class of Shares in Application Share sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Listed Class of Shares under certain circumstances. Alternatively, investors may realise the value of their Listed Class of Shares by selling their Shares through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer to the section headed "Creations and Redemptions (Primary Market)" in Schedule 1 to Part 1 of this Prospectus for details in relation to the circumstances under which creation and redemption applications can be rejected.

Secondary Market Trading Risk

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

Reliance on Market Makers Risk

Although it is a requirement that the Manager uses its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class of Shares of each Sub-Fund, there may be circumstances such as the revocation of the relevant market making approvals or registration or other changes beyond the control of the Manager that may result in the sudden loss of a Market Maker for a Sub-Fund. It should be noted that liquidity in the market for the Listed Class of Shares may be adversely affected if there is no market maker for a Sub-Fund or, where there is a Multi-Counter, if there is no Market Maker for any of the counters of Listed Class of Shares of a Sub-Fund. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of the Listed Class of Shares of each Sub-Fund gives not less than 3 months' notice prior to terminating market making under the relevant market making agreements. It is possible that there is only one Market Maker to the Listed Class of Shares of a Sub-Fund or to a counter of the Listed Class of Shares of a Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker. There is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers Risk

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

Trading Time Differences Risk (if applicable)

As a Virtual Asset, stock or futures exchange may be open when the Listed Class of Shares are not priced, the value of any Virtual Asset, Security or FDI which comprises the Index or the portfolio of the Sub-Fund may change when investors may not be able to buy or sell Listed Class of Shares. Please also refer to the relevant Appendix for the trading hours difference risk in relation to the relevant Virtual Asset.

Further, the price of Securities, Swaps or Futures Contracts may not be available during part of the Dealing Day due to trading hour differences which may result in the trading price of Listed Class of Shares deviating from the Net Asset Value per Share attributable to Listed Class of Shares. When trading FDIs there may be a time difference between the trading times of the FDIs and the underlying index constituents or the underlying securities. There may be imperfect correlation between the value of the underlying index constituents or securities and the FDIs, which may prevent a Sub-Fund from achieving its investment objective.

Listed Class of Shares may be Delisted from the SEHK Risk

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

Trading Risk

While the creation/redemption feature of each Sub-Fund is designed to make it likely that Listed Class of Shares will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Listed Class of Shares will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Listed Class of Shares is listed. In addition, when buying or selling Listed Class of Shares on the SEHK additional charges (such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Share attributable to Listed Class of Shares when buying Listed Class of Shares on the SEHK and may receive less than the Net Asset Value per Share attributable to Listed Class of Shares when selling Listed Class of Shares on the SEHK. The Manager cannot predict whether Listed Class of Shares will trade below, at, or above

its Net Asset Value. Since, however, Listed Class of Shares must be created and redeemed in Application Share size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Listed Class of Shares should not be sustained. If the Manager suspends creations and/or redemptions of Listed Class of Shares, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Listed Class of Shares and the Net Asset Value.

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

Fluctuations Risk

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

Licence to Use Index may be Terminated Risk

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

Compilation of Index Risk

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

Composition of an Index May Change Risk

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

section on “Tracking Error Risk”).

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

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

General Legal and Regulatory Risk

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

Taxation Risk

Investing in a Sub-Fund may have tax implications for a Shareholder depending on the particular circumstances of each Shareholder. 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 Shares. Such tax consequences may differ in respect of different investors.

FATCA related risks

The US Foreign Account Tax Compliance Act (“FATCA”) provides that a 30% gross withholding tax will be imposed on certain payments to certain foreign financial institutions (“FFIs”), such as the Company and each Sub-Fund, including US source interests and dividends, unless the Company and/or each Sub-Fund provide the withholding agent with certification to comply with FATCA and the Company and/or each Sub-Fund obtain and report information including but not limited to the name, address and taxpayer identification number of certain persons that own, directly or indirectly, an interest in the relevant Sub-Fund, as well as certain other information relating to any such interest. The US Internal Revenue Service (the “IRS”) has released regulations and other guidance that provide for implementation of the foregoing withholding and reporting requirements. The United States and Hong Kong have entered into an intergovernmental agreement based on the Model 2 arrangement. Although the Company and each Sub-Fund will attempt to satisfy any FATCA obligations relating to the Company and each Sub-Fund, no assurance can be given that such obligations would be fully satisfied. If the Company and/or any Sub-Fund become subject to a gross withholding tax as a result of FATCA, the Net Asset Value of the Company and/or such Sub-Fund may be adversely affected and the Company and/or such Sub-Fund and its Shareholders may suffer material loss.

The Company and each Sub-Fund’s ability to comply with FATCA will depend on each Shareholder providing the Company, the relevant Sub-Fund or its agent with information that the Company or

the relevant Sub-Fund requests concerning the Shareholder or its direct and indirect owners. As at the date of this Prospectus, all Shares in the Listed Class of Shares are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

Please also refer to the sub-section entitled “FATCA and compliance with US withholding requirements” under the section headed “Taxation” in this Prospectus for further details on FATCA and related risks.

All prospective investors and Shareholders should consult with their own tax advisers regarding the implications of FATCA. Shareholders who hold their Shares through intermediaries should also confirm the FATCA compliance status of those intermediaries.

Legal and Compliance Risk

Domestic and/or international laws or regulations may change in a way that adversely affects the Company or the Sub-Funds. Differences in laws between jurisdictions may make it difficult for the Custodian or Manager to enforce legal agreements entered into in respect of the Sub-Funds. The Custodian and the Manager reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation, including altering investments of or restructuring the Sub-Funds.

Valuation and Accounting Risk

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

Contagion Risk

The Instrument allows the Company to issue Shares in separate Sub-Funds. The Instrument provides for the manner in which the liabilities are to be attributed across the various Sub-Funds under the Company (liabilities are to be attributed to the specific Sub-Fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant Sub-Fund (in the absence of the Company granting that person a security interest).

Cross Liability Risk

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

MANAGEMENT OF THE COMPANY AND SUB-FUNDS

The Directors

The Directors of the Company are as follows:

GAN Tian

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

LI Fung Ming

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

The Manager

The Manager is China Asset Management (Hong Kong) Limited 華夏基金(香港)有限公司.

The Manager is a fully-owned subsidiary of China Asset Management Co., Ltd. ("ChinaAMC"). Established on 9 April 1998 with approval from the CSRC, ChinaAMC is one of the first nation-wide fund management firms in the PRC and is currently one of the largest fund management companies in the PRC in terms of assets under management (RMB1,890.5 billion as of 31 December 2023).

The Manager was established in 2008 as ChinaAMC's first venture in expanding its overseas activities. The Manager is now an integral part and extension of ChinaAMC's overseas investment and research team, providing international clients with investment products and discretionary investment management services.

The Manager was incorporated in Hong Kong with limited liability on 30 September 2008 and is licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO with CE number ARS988.

The directors of the Manager

The Directors of the Manager are:

LI Yimei

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

YANG Kun

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

SUN Liqiang

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

GAN Tian

Please refer to Mr. Gan's biography under the section headed "The Directors" above.

LI Fung Ming

Please refer to Mr. Li's biography under the section headed "The Directors" above.

The Custodian

The Custodian of the Company is BOCI-Prudential Trustee Limited, which is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance (Cap. 29) of Hong Kong. The Custodian is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited. BOC Group Trustee Company Limited is owned by BOC International Holdings Limited and Bank of China (Hong Kong) Limited, which are subsidiaries of Bank of China Limited. The principal activity of the Trustee is the provision of trustee services.

Under the Custody Agreement, the Custodian is responsible for the safekeeping of the assets of the Company and each Sub-Fund, subject to the provisions of the Instrument and the SFO. In this connection, the Custodian has obtained the required consent from the Hong Kong Monetary Authority to be appointed as the custodian of the Company and the Sub-Funds for provision of digital asset custodial services.

The Custodian may, however, appoint a person or persons (including a Connected Person of the Custodian) to be agent, nominee, custodian, joint custodian, co-custodian and/or sub-custodian ("Custodian Delegate") to hold certain assets of any Sub-Fund and may empower any such Custodian Delegate(s) to further appoint nominees, agents as /or delegates, with no objection in writing by the Custodian. The Custodian may also appoint delegates for the performance of its duties, powers or discretions under the Custody Agreement. The Custodian is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and monitoring of such persons and, (b) be satisfied that such persons retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds provided however that if the Custodian has discharged its obligations set out in (a) and (b) above, the Custodian shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any such Custodian Delegate not being the Custodian's Connected Person. The Custodian however shall remain liable for any act or omission of any such person that is a Connected Person of the Custodian and that is appointed as a Custodian Delegate to hold certain assets of any Sub-Fund as if the same were the acts or omissions of the Custodian.

Subject as provided in the Custody Agreement, without prejudice to any indemnity to which the Custodian may otherwise be entitled under applicable law, the Company agrees to defend, fully indemnify and hold the Custodian and its directors, officers, employees and agents harmless from and against any and all loss, damages, costs, expenses, liabilities or claims (including legal and other professional fees) of whatever nature (each a "Loss") arising out of any action taken or omitted to be taken in good faith by the Custodian (a) pursuant to performance of the services; (b) pursuant to the proper instructions and / or authorisations of the Company; (c) arising from claims of third parties asserted against the Custodian; and (d) with respect to taxes, duties, fines and penalties imposed against the Custodian by reason of its holding of the securities and virtual assets for the Company.

No provision of the Instrument or the Custody Agreement shall be construed as (a) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law or breaches of trust through fraud or negligence nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders' expense, or (b) diminishing or exempting the Custodian from any of its duties and liabilities under applicable laws and regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

The Custodian will remain as the primary custodian of the Company until it retires or is removed. The circumstances under which the Custodian may retire or be removed are set out in the Custody Agreement. Where any Sub-Fund is authorised pursuant to section 104 of the SFO, any change in the Custodian is subject to the SFC's prior approval and the Custodian will remain as the custodian of the Company until a new primary custodian is appointed. Shareholders will be duly notified of any such changes in accordance with the requirements prescribed by the SFC.

The Custodian will be entitled to the fees described in the section headed "Fees and Expenses" above and to be reimbursed for all costs and expenses in accordance with the provisions of the Custody Agreement.

The Custodian shall not be responsible or liable for any losses arising out of (a) any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised or central depositories or clearing system or any operators of Virtual Asset Trading Platforms; or (b) the custody or control of any investments, assets or other property which is under the custody or control of or on behalf of a lender in respect of any borrowing made by the Custodian for the purposes of the Company in respect of a Sub-Fund.

The Custodian is not responsible for the preparation or issue of this Prospectus and therefore accepts no responsibility for any information contained in this Prospectus (other than the information in this section headed "The Custodian"). Neither the Custodian nor any of its subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents or permitted delegates accepts any responsibility or liability for any information contained in this Prospectus other than the description under this section headed "The Custodian".

The Virtual Asset Trading Platform(s)

To the extent a Sub-Fund invests directly in Virtual Asset, the Sub-Fund will only acquire and dispose of Virtual Asset through one or more Virtual Asset Trading Platform(s) either on-platform or off-platform (i.e. over-the-counter).

In selecting the Virtual Asset Trading Platform(s) for a Sub-Fund, the Manager will take into account factors including:

- (a) *regulatory status and compliance*: The Manager will ensure that the platform is regulated by the relevant authorities to protect investors and ensure transparency. Compliance with laws and regulations is crucial for the safety of funds and to mitigate risks;
- (b) *security*: Security is paramount when dealing with Virtual Assets. The Manager will look for platforms that implement robust security measures such as encryption, two-factor authentication, cold storage for assets, and regular security audits;

- (c) *trading pairs and liquidity*: The Manager will consider the variety of trading pairs offered on the platform and the liquidity of those pairs. Higher liquidity ensures that trades can be executed in a timely manner and at a fair price;
- (d) *reputation and reviews*: The Manager will conduct due diligence on the platform's reputation by considering reviews from other users and industry experts. The Manager will take into account any previous security breaches or operational issues that may have occurred;
- (e) *ease of deposit and withdrawal*: The Manager will review the deposit and withdrawal options supported by the platform. A platform with a smoother operational process for funding the account and withdrawing funds from the account will be preferred.

As of the date of this Prospectus, each Sub-Fund acquires and disposes of Virtual Asset via OSL Exchange, which is a Virtual Asset Trading Platform operated by OSL Digital Securities Limited ("OSLDS"). OSL Exchange enables acquisition and disposal of Virtual Assets via accounts opened and maintained with OSLDS. Currently, the trading pairs supported by OSL Exchange include bitcoin versus USD and ether versus USD.

OSLDS is a company incorporated in Hong Kong and licensed with the SFC to carry on Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities with CE number BPJ213. OSLDS is a wholly owned subsidiary of OSL Group Limited (formerly known as BC Technology Group Limited), providing prime brokerage, custody, exchange and Software as a Service (SaaS) services.

As the operator of a Virtual Asset Trading Platform, OSLDS is subject to certain licensing conditions imposed by the SFC, including that it must comply with the "Terms and Conditions for Virtual Asset Trading Platform Operators" and certain provisions of the Guidelines for Virtual Asset Trading Platform Operators, each issued by the SFC and as amended from time to time, which impose requirements on key areas such as custody of client assets, know-your-client, anti-money laundering/counter-financing of terrorism, prevention of market manipulation, admission of virtual assets for trading, cybersecurity and risk management.

For each relevant Sub-Fund, the Custodian will maintain an account with OSLDS, which is opened in the name of the Custodian as custodian for the relevant Sub-Fund (each an "Account").

To the maximum extent permitted by applicable law, OSLDS and its group members and each of their respective officers, employees or agents will be indemnified against any costs, loss, liability or expense which may be suffered or incurred by OSLDS (or its group members or their respective officers, employees or agents) directly in connection with or as a result of any breach by the Company of the agreement with OSLDS, or any service performed or action permitted under the agreement, unless caused by the negligence, wilful default or fraud of OSLDS (or its group members or their respective officers, employees or agents).

The Virtual Asset Sub-Custodian

The Custodian has appointed OSL Digital Securities Limited, acting via its associated entity BC Business Management Services (HK) Limited, as the Virtual Asset Sub-Custodian of each Sub-Fund. Please refer to the sub-section "The Virtual Asset Trading Platform(s)" above for further information relating to OSLDS. The Virtual Asset Sub-Custodian, in the capacity of taking custody of holdings of Virtual Assets of each Sub-Fund, is subject to the same set of regulatory requirements under the Guidelines for Virtual Asset Trading Platform Operators issued by the SFC.

OSLDS holds Virtual Assets for a Sub-Fund through its associated entity, BC Business Management Services (HK) Limited (the "Associated Entity"). The Associated Entity (i) is an "associated entity" (as defined under Section 165 of the SFO) of OSLDS, (ii) is incorporated in Hong Kong, (iii) holds a "trust or company service provider licence" under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) of Hong Kong, and (iv) is a wholly owned subsidiary of OSLDS. The Associated Entity holds the Virtual Assets and fiat currency in the Account for the relevant Sub-Fund as trustee pursuant to an express trust arrangement entered into between OSLDS and the Associated Entity.

To the extent a Sub-Fund invests directly in Virtual Asset, the Virtual Asset Sub-Custodian is responsible for taking custody of holdings of Virtual Asset. The Virtual Asset Sub-Custodian will:

- (a) ensure that the holdings of Virtual Asset are segregated from its own assets and the assets it holds for its other clients;
- (b) store most of the holdings of Virtual Asset in the cold storage (i.e. where private keys to Virtual Assets are kept in an offline environment). The amount and duration of holdings of Virtual Asset stored in the hot storage (i.e. where private keys to Virtual Assets are kept in an online environment) will be minimised as much as possible, save for meeting the needs of subscriptions and redemptions. In this connection, the Virtual Asset Sub-Custodian's cold storage is protected under a series of purpose-designed physical hardware infrastructure operated through software and logic cybersecurity infrastructure and operational processes which are regularly the subject of independent third party audits, and the Virtual Asset Sub-Custodian will store at least 98% of its holdings of Virtual Asset in the cold storage except under limited circumstances as permitted by the SFC on a case-by-case basis; and
- (c) ensure the seeds and private keys are (i) securely stored in Hong Kong; (ii) tightly restricted to authorised personnel; (iii) sufficiently resistant to speculation or collusion; and (iv) properly backed up to mitigate any single point of failure.

The Administrator

BOCI-Prudential Trustee Limited acts as administrator of the Company and each Sub-Fund, and is responsible for certain financial, administrative and other services in relation to the Company and each Sub-Fund, including:

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

The Registrar

BOCI-Prudential Trustee Limited has been appointed as the Registrar of the Company and each Sub-Fund, unless otherwise stated in the relevant Appendix. The Registrar provides services in respect of the establishment and maintenance of the register of the Shareholders of each Sub-Fund.

The Service Agent or Conversion Agent (applicable in respect of Listed Class of Shares only)

Where a Sub-Fund creates and redeems in-kind in respect of SEHK listed Securities, HK Conversion Agency Services Limited may act as Conversion Agent under the terms of the Conversion Agency Agreement. HK Conversion Agency Services Limited otherwise acts as Service Agent under the terms of the Service Agreement. The Service Agent or Conversion Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Listed Class of Shares in a Sub-Fund by Participating Dealers.

The Participating Dealers (applicable in respect of Listed Class of Shares only)

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at www.chinaamc.com.hk (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Market Makers (applicable in respect of Listed Class of Shares only)

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

Subject to applicable regulatory requirements, the Manager use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Listed Class of Shares in each available counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will use its best endeavours to put in place arrangements so that there is at least one other Market Maker for each available counter of the Listed Class of Shares of each Sub-Fund to facilitate the efficient trading of Listed Class of Shares. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of the Listed Class of Shares of each Sub-Fund will give not less than 3 months' notice prior to terminating market making under the relevant market making agreement. The latest list of Market Maker(s) in respect of each available counter for the Listed Class of Shares of each Sub-Fund is available at www.hkex.com.hk and www.chinaamc.com.hk (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

The Listing Agent (applicable in respect of Listed Class of Shares only)

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

The Auditor

The Directors have appointed PricewaterhouseCoopers to act as the auditor of the Company and each Sub-Fund (the "Auditor"). The Auditor is independent of the Manager and the Custodian.

Conflicts of Interest and Soft Dollars

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

In addition:

- (a) The Manager or any of its Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Fund or deal with any Sub-Fund as principal with the prior written consent of the Custodian.
- (b) The Custodian, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Shareholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.
- (c) The Custodian or the Manager or any of their Connected Persons may become the owner of Shares and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Custodian or the Manager or any of their Connected Persons.
- (d) The Custodian, the Manager and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of

their other customers notwithstanding that similar securities, commodities or other property may be held by a Sub-Fund.

- (e) Any arrangements for the borrowing or deposit of any monies for the account of a Sub-Fund may be made with any of the Custodian, the Manager, any investment delegate or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar type, size and term, in the same currency and with institutions of similar standing, negotiated at arm's length in accordance with ordinary and normal course of business. Any such deposits shall be maintained in a manner that is in the best interests of Shareholders.
- (f) Neither the Custodian nor the Manager nor any of their Connected Persons shall be liable to account to each other or to any Sub-Fund or to the Shareholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

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

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

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

The Manager, its delegates (including investment delegates, if any) or any of their Connected Persons may receive, and are entitled to retain, goods, services or other benefits, such as research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication (known as soft dollar benefits) which are of demonstrable benefit to a Sub-Fund as a whole and may contribute to an improvement in the performance of the relevant Sub-Fund or of the Manager and/or any of its Connected Persons in providing services to the relevant Sub-Fund (as may be permitted under the UT Code, applicable rules and regulations), from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards, brokerage rates are not in excess of customary institutional full-service brokerage rates and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. For the avoidance of doubt, such goods and services do not include travel accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the relevant Sub-Fund's annual report.

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

Conflicts of interest may also arise due to the widespread business operations of the Custodian, the Manager, the Registrar, the Conversion Agent or the Service Agent (as the case may be) 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 Instrument and the relevant agreement(s), be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of a Sub-Fund will be on arm's length terms and in the best interests of Shareholders. For so long as a Sub-Fund is authorised by the SFC and it is an applicable requirement of the UT Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment delegates, the Custodian or any of their respective Connected Persons, must ensure it complies with the following obligations:

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

STATUTORY AND GENERAL INFORMATION

Financial Reports

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

Only an English version of the audited financial reports and the half-yearly unaudited financial reports of each Sub-Fund will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

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

The Instrument

The Company was incorporated in Hong Kong under the SFO on 16 April 2024. Its constitution is set out in the Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 16 April 2024 (and as may be further amended, modified or supplemented from time to time). All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument.

Indemnities of the Manager

Under the Management Agreement, the Manager is not liable in respect of any act or omission of:

- (a) any person, firm or company through whom transactions in Investments are effected for the account of any Sub-Fund;
- (b) the Custodian;
- (c) the Administrator (if any);
- (d) any Participating Dealer, Market Maker or Listing Agent;
- (e) any party having custody or possession of the Company's assets from time to time; or
- (f) any clearance or settlement system.

Nothing in any of the provisions of the Management Agreement and the Instrument (i) exempts the Manager from or against any liability to Shareholders for breach of its obligations through its fraud or negligence or any liability to Shareholders imposed by virtue of any Hong Kong law in relation to its duties nor (ii) indemnifies the Manager against such liability by Shareholders or at the Shareholders' expense.

Subject to the Instrument, the Company agrees to indemnify and keep indemnified the Manager and the directors, officers and employees of the Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses (each a "Loss") which may be incurred by or asserted against the Manager in its capacity as Manager of the Company. However, such indemnity excludes Losses resulting from the negligence, wilful default or fraud of the person seeking to rely on this indemnity and excludes expenses incurred by the Manager for which it is responsible under the Management Agreement.

When the Manager appears in, prosecutes or defends any action or suit in respect of the provisions

of the Management Agreement or the Instrument or in respect of the Company, any Sub-Fund or any part thereof or any corporate or Shareholders' action which in its opinion would or might involve it in expense or liability, it shall be entitled to be indemnified by the Company out of the relevant Sub-Fund to its satisfaction against any costs or expenses in connection with the Manager appearing, prosecuting or defending such actions or suits.

Nothing in the Management Agreement excludes or restricts the liability to the Company which the Manager may have under the SFO.

No provision of the Instrument or the Management Agreement shall be construed as (i) providing any exemption of any liability of the Manager to the Shareholders under Hong Kong law, nor may the Manager be indemnified against such liability by Shareholders or at the Shareholders' expense, or (ii) diminishing or exempting the Manager from any of its duties and liabilities under applicable Laws and Regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Indemnities of the Custodian

Please refer to the sub-section "The Custodian" under the section headed "Management of the Company and Sub-Funds" for details of the extent of indemnity available to the Custodian under the Custody Agreement.

Nothing in the Custody Agreement excludes or restricts the liability to the Company which the Custodian may have under the SFO.

No provision of the Instrument or the Custody Agreement shall be construed as (i) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law or breaches of trust through fraud or negligence, nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders' expense, or (ii) diminishing or exempting the Custodian from any of its duties and liabilities under applicable laws and regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Modification of the Instrument

An amendment to the Instrument may be made to the extent permitted by the Laws and Regulations applicable to the Company and in accordance with the Instrument.

No alteration to the Instrument may be made unless:

- (a) the alteration has been approved by Shareholders by a special resolution (as defined in the Instrument); or
- (b) the Custodian certifies in writing that in its opinion the proposed alteration: (i) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (ii) does not materially prejudice Shareholders' interests, does not to any material extent release the Directors, the Manager, the Custodian or any other person from any liability to Shareholders and does not increase the costs and charges payable from the Scheme Property; or (iii) is necessary to correct a manifest error.

In all other cases involving any material changes, no alteration may be made except by a special resolution of Shareholders or the approval of the SFC. The Company shall provide written notice to Shareholders in respect of any alteration to this Instrument and any alteration to the Company generally in accordance with the Laws and Regulations applicable to the Company.

Shareholders and intending applicants are advised to consult the terms of the Instrument for further details.

Meetings of Shareholders

Proxies may be appointed. A Shareholder who is the holder of two or more Shares may appoint

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

Voting Rights

Shareholders' meetings may be convened by the Directors or by Shareholders representing at least 10% of the Shares in issue, on not less than 21 calendar days' notice in respect of a meeting where a special resolution (as defined in the Instrument) is to be proposed and 14 calendar days' notice in respect of a meeting where an ordinary resolution (as defined in the Instrument) is to be proposed.

These meetings may be used to modify the terms of the Instrument, including removing the Manager or terminating a Sub-Fund at any time. Such amendments to the Instrument must be considered by Shareholders of at least 25% of the Shares in issue and passed by a 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Shareholders of at least 10% of the Shares in issue and passed by a simple majority of more than 50% of the votes cast. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such day and time not being less than 15 days thereafter and to such place as may be appointed by the chairman of the meeting. At such adjourned meeting, the Shareholders present in person or by proxy shall be a quorum. Notice of any adjourned meeting of Shareholders shall be given in the same manner as for an original meeting and such notice shall state that the Shareholders present at the adjourned meeting, whatever their number and the number of Shares held by them, will form a quorum.

The Instrument contains provisions for the holding of separate meetings of Shareholders holding Shares of different classes where only the interests of Shareholders of such class are affected.

Removal and Retirement of the Directors

A person ceases to be a Director if the person:

- (a) ceases to be a Director or is prohibited from being a Director under the applicable Laws and Regulations or under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (b) becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
- (c) becomes a mentally incapacitated person;
- (d) resigns from the office of Director by notice in writing of the resignation of not less than 28 days;
- (e) for more than 6 months has been absent without the Directors' permission from Directors' meetings held during that period;
- (f) upon the expiry of any period or notice period stated in an agreement for the provision of services between the Company and the Director or if such agreement is summarily terminated in accordance with its terms; or
- (g) is removed from the office of Director by an ordinary resolution (as defined in the Instrument).

Special notice (in accordance with the applicable Laws and Regulations) is required of a resolution to remove a Director or appoint a person in place of a Director so removed at the meeting at which the Director is removed.

Removal and Retirement of the Manager

Under the Management Agreement, the Manager must retire in the case of (i) below, and must be subject to removal by notice in writing from the Directors in the case of (ii) or (iii) below:

- (i) when it ceases to be eligible to be a Manager or is prohibited from being a Manager under the applicable Laws and Regulations, or when the SFC withdraws its approval of the Manager;
- (ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;
- (iii) when for good and sufficient reason, the Directors state in writing that a change in the Manager is desirable in the interests of the Shareholders.

The Manager shall be entitled to retire in favour of some other person considered by the Company to be suitably qualified and approved by the SFC, upon giving written notice to the Company in accordance with the Management Agreement and subject to such person entering into a management agreement similar to the Management Agreement.

In the event that the Manager shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation eligible under the Laws and Regulations (as defined in the Management Agreement) to act as the investment manager of an open-ended fund company which is approved by the SFC to be the investment manager of the Company in place of the Manager so retiring or being removed on or before the expiry of any period of notice of such retirement or removal.

The Manager may not retire except upon the appointment of a new Manager approved by the SFC.

Removal and Retirement of the Custodian

Under the Custody Agreement, the Custodian must retire in the case of (i) below, and must be subject to removal by notice in writing in the case of (ii) and (iii) below:

- (i) when it ceases to be eligible to be a Custodian or is prohibited from being a Custodian under applicable Laws and Regulations, or when the SFC withdraws its approval of the Custodian;
- (ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;
or
- (iii) when for good and sufficient reason, the Directors state in writing that a change in the Custodian is desirable in the interests of the Shareholders.

In the event that the Custodian shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation eligible under the Laws and Regulations to act as a custodian of an OFC which is approved by the SFC to be the Custodian in place of the Custodian so retiring or being removed on or before the expiry of any period of notice of such retirement or removal. The retirement of the Custodian should take effect at the same time as the new Custodian takes up office.

The Custodian may not retire except upon the appointment of a new Custodian approved by the SFC.

Deferred Redemption

In the event that redemption requests are received for the redemption of Shares (in respect of both Listed Class of Shares and Unlisted Class(es) of Shares) representing in aggregate more than 10%

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

Restrictions on Shareholders

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

- (a) in contravention of any laws or requirements of any country, any governmental authority or (in the case of Listed Class of Shares) any stock exchange on which such Shares are listed;
- (b) in circumstances which, in the Directors' opinion, might result in the Company, the Sub-Fund, the Directors, any service provider and/or other Shareholders incurring any tax liability or suffering any other pecuniary disadvantage which the Company, the Sub-Fund, the Directors, service provider and/or other Shareholders might not otherwise have incurred or suffered; or
- (c) in breach of any applicable anti-money laundering or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Company.

Upon notice that any Shares are so held, the Directors may require such Shareholders to redeem or transfer such Shares in accordance with the provisions of the Instrument. A person who becomes aware that he is holding or owning Shares in breach of any of the above restrictions is required either to redeem his Shares in accordance with the Instrument or to transfer his Shares to a person whose holding would be permissible under this Prospectus and the Instrument in a manner that would result in such Shareholder no longer being in breach of the restrictions above.

Termination (otherwise than by winding up)

Without prejudice to any provision in the applicable Laws and Regulations by virtue of which the Company, or a Sub-Fund or a class of Shares may be terminated in other circumstances, the Company, a Sub-Fund or a class of Shares may be terminated, subject to and in accordance with the applicable Laws and Regulations, by the Directors in their absolute discretion if:

- (a) in the case of a Sub-Fund including classes therein, 1 year from the date of the first issue of Share relating to the relevant Sub-Fund or at any date thereafter the Net Asset Value of the relevant Sub-Fund is less than USD20,000,000 or its equivalent in the base currency of the Sub-Fund;
- (b) in the case of a class only, there are no Shareholders of such class in a Sub-Fund;
- (c) in the case of the Company, 1 year from the date of the first issue of Shares relating to the first Sub-Fund or at any date thereafter the Net Asset Value of the Company is less than USD20,000,000 or its equivalent in the base currency of the Company;

- (d) any law shall be passed which renders it illegal or in the reasonable opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund or the Company;
- (e) in the case of a Sub-Fund including classes therein, the Index (for an Index Tracking Sub-Fund) is no longer available for benchmarking;
- (f) in the case of a Listed Class of Shares or a Sub-Fund with only Listed Class of Shares, the Listed Class of Shares is no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager;
- (g) in the case of a Listed Class of Shares or a Sub-Fund with only Listed Class of Shares, at any time, the Listed Class of Shares ceases to have any Participating Dealer; or
- (h) in the case of a Listed Class of Shares or a Sub-Fund with only Listed Class of Shares, at any time, the Listed Class of Shares ceases to have any Market Maker.

The Directors shall give reasonable notice of termination of the Company, the relevant Sub-Fund, or the class of Shares (as the case may be) to the Shareholders in the Company, the relevant Sub-Fund or the class of Shares (as the case may be) in such manner and with such contents which are compliant with the applicable Laws and Regulations, and by such notice fix the date on which such termination is to take effect, provided that no less than one month's notice will be given to the relevant Shareholders in case of termination of the Company or a Sub-Fund. Shareholders' approval is not required to effect termination of the Company or a Sub-Fund.

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

With effect on and from the date as at which the Company or any Sub-Fund is to terminate:

- (a) no Shares of the relevant class or classes may be issued or sold by the Company;
- (b) the Manager shall on the instructions of the Directors realise all the assets then comprised in the relevant Sub-Fund;
- (c) distributions shall be made to the Shareholders of the relevant Class or Classes in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund and available for the purpose of such distribution, provided that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Sub-Fund full provision for all costs, charges, expenses, claims and demands reasonably incurred by or on behalf of the Company, Directors, the Manager or the Custodian in connection with or arising out of the termination of the relevant Sub-Fund; and
- (d) any unclaimed proceeds or other monies held by the Custodian in the event of a termination may at the expiration of 12 calendar months from the date upon which the same became payable be paid into court, subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment.

Every such distribution shall be made in such manner as the Directors shall at their reasonable discretion determine but shall be made only against the production of such evidence relating to the Shares of the relevant class or classes in respect of which the same is made and upon delivery of such form of request for payment as shall be reasonably required.

Winding Up

Subject to any other provisions applicable to the specific Sub-Fund set out in the relevant Appendix to this Prospectus, the rights of the Shareholders to participate in the property comprised in a Sub-Fund on a winding up of the Company or a Sub-Fund shall be proportionate to the proportionate

interests in the Sub-Fund represented by the Shares which they hold.

If the Company or a Sub-Fund is wound up and a surplus remains after the payment of debts proved in the winding up, the liquidator:

- (a) may, with the required sanction of a special resolution (as defined in the Instrument) of the Company or Shareholders of the relevant Sub-Fund and any other sanction required by the Laws and Regulations, divide amongst the Shareholders the whole or any part of the assets of the Company or relevant Sub-Fund (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be so divided; and
- (b) may determine how the division is to be carried out between the Shareholders or different classes of Shareholders.

Distribution Policy

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

Inspection of Documents

Copies of the following documents are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager upon the payment of a reasonable fee (other than (d)):

- (a) Instrument;
- (b) Management Agreement;
- (c) Custody Agreement;
- (d) Participation Agreements; and
- (e) the most recent audited annual financial report and unaudited half-yearly financial report of the Company and the Sub-Fund(s) (if any).

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime applies to open-ended fund companies whose Securities are listed on the SEHK. However the Company has made a Category 3 application to the SFC for exemption from Part XV of the SFO pursuant to section 309(2) thereof and the Guidelines for the Exemption of Listed Corporations and Other Persons from Part XV of the SFO (Disclosure of Interests). Consequently, Shareholders of Listed Class of Shares are not obliged to disclose their interest in the Company or in a Sub-Fund.

Anti-money Laundering Regulations

As part of the Manager's, the Company's, the Custodian's, the Administrator's, the Registrar's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Company, the Custodian, the Administrator, the Registrar, each Sub-Fund or the relevant Participating Dealer is subject, the Manager, the

Company, the Custodian, the Administrator, the Registrar or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Shares at any time as they think appropriate. The Company may, to the extent permitted by law, delegate the maintenance of its anti-money laundering procedures to a third party service provider or agent. Depending on the circumstances of each application, a detailed verification by the Manager, the Custodian, the Administrator, the Registrar or the relevant Participating Dealer might not be required where:

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

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

Delay or failure to provide with the required documents may result in delay or refusal of application or withholding of redemption proceeds. For the purpose of anti-money laundering and/or counter-terrorist financing, the Manager may compulsorily redeem the Shares held by any Shareholder.

The Manager may, to the extent permitted by law, share, for the purposes of combating money laundering and terrorist financing, the information in connection with the Shareholders with its affiliates.

Certification for Compliance with FATCA or Other Applicable Laws

Each Shareholder (i) will be required to, upon demand by the Company, a Sub-Fund or its agent, provide any form, certification or other information reasonably requested by and acceptable to the Company, the relevant Sub-Fund or its agent that is necessary for the Company or the relevant Sub-Fund (a) to prevent gross withholding (including, without limitation, any gross withholding taxes required under FATCA) or qualify for a reduced rate or exemption of withholding or backup withholding in any jurisdiction from or through which the Company or a Sub-Fund receives payments and/or (b) to satisfy reporting or other obligations under the US Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and the United States Treasury Regulations promulgated under the Internal Revenue Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Authorities

Subject to applicable Laws and Regulations in Hong Kong, the Manager, the Company, a Sub-Fund 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 competent authority in any jurisdictions (including but not limited to the IRS and the Inland Revenue Department of Hong Kong ("IRD")), certain information in relation to a Shareholder, including but not limited to the Shareholder's name, address, jurisdiction of birth, date of birth, tax residence, tax identification number (if any), and certain information relating to the Shareholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the Company and/or a Sub-Fund to comply with any applicable law or regulation or any agreement with the relevant competent authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to AEOI (as defined below)), regulation or agreement under FATCA).

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of each Sub-Fund and to ensure that the liquidity profile of the investments of the relevant Sub-Fund will facilitate compliance with such Sub-Fund's obligation to

meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders in case of sizeable redemptions.

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

The liquidity management policy involves monitoring the profile of investments held by each Sub-Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy, and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of each Sub-Fund under normal and exceptional market conditions.

As a liquidity risk management tool, the Company may reduce the requests rateably and pro rata amongst all Shareholders (both Listed Class of Shares and Unlisted Class(es) of Shares) seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund as permitted by the SFC) of the total Net Asset Value of Shares in the relevant Sub-Fund then in issue (subject to the conditions under the heading entitled "Deferred Redemption" above).

Index Licence Agreements (applicable in respect of Index Tracking Sub-Funds only)

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

Material Changes to an Index (applicable in respect of Index Tracking Sub-Funds only)

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

Replacement of an Index (applicable in respect of Index Tracking Sub-Funds only)

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

- (a) the relevant Index ceasing to exist;
- (b) the licence to use the Index being terminated;
- (c) a new index becoming available that supersedes the existing Index;
- (d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Shareholders than the existing Index;
- (e) investing in the Virtual Asset, Securities and/or FDIs comprised within the Index becomes difficult;
- (f) the Index Provider increasing its licence fees to a level considered too high by the Manager;
- (g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;

- (h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and
- (i) the instruments and techniques used for efficient portfolio management not being available.

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

Information Available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including, for Index Tracking Sub-Funds, in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the following website www.chinaamc.com.hk (which has not been reviewed or approved by the SFC) and, where applicable in respect of Listed Class of Shares, HKEX's website www.hkex.com.hk including:

- (a) this Prospectus and the product key facts statement(s) in respect of the Sub-Fund(s) (as revised from time to time). Investors should note that where a Sub-Fund offers both Listed Class of Share and Unlisted Class(es) of Shares to Hong Kong investors, separate sets of product key facts statement will be available for the Listed Class of Shares and the Unlisted Class(es) of Shares of the same Sub-Fund respectively;
- (b) the latest annual audited financial reports and half yearly unaudited financial reports (in English only);
- (c) any notices relating to material changes to the Sub-Fund(s) which may have an impact on its investors such as material alterations or additions to this Prospectus (including each product key facts statement) or any of the constitutive documents of the Company and/or a Sub-Fund;
- (d) any public announcements and notices made by the Manager in respect of the Sub-Fund(s), including information with regard to the Sub-Fund(s) and (where applicable) the relevant Index, the suspension of creations and redemptions of Shares, the suspension of the calculation of its Net Asset Value, changes in its fees and (in respect of Listed Class of Shares) the suspension and resumption of trading in its Shares;
- (e) (in respect of Listed Class of Shares only) the near real time indicative Net Asset Value per Share of each Sub-Fund in the relevant base currency and in each trading currency of the Sub-Fund (updated every 15 seconds during SEHK trading hours);
- (f) the last Net Asset Value of each Sub-Fund in the relevant base currency and the last Net Asset Value per Share of each Sub-Fund in the relevant base currency and (in respect of Listed Class of Shares only) each trading currency of the Sub-Fund (updated on a daily basis on each Dealing Day);
- (g) the past performance information of each Sub-Fund (if applicable);
- (h) (in respect of each Index Tracking Sub-Fund) the daily tracking difference, the average daily tracking difference and the tracking error of each Sub-Fund;
- (i) the full portfolio information of each Sub-Fund (updated on a daily basis unless otherwise specified in the relevant Appendix);
- (j) (in respect of Listed Class of Shares only) the latest list of the Virtual Asset Trading Platform(s) (if applicable), the Participating Dealer(s) and Market Maker(s) for each Sub-Fund; and
- (k) in respect of a Sub-Fund which may distribute dividends, the composition of distributions

(i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period.

The near real time indicative Net Asset Value per Share (in each trading currency of the Sub-Fund) referred to above is indicative and for reference only. This is updated every 15 seconds during SEHK trading hours.

In respect of Listed Class of Shares of the relevant Sub-Fund(s) (any reference to “Shares” below shall be construed to refer to the Listed Class of Shares of a Sub-Fund):

- for ChinaAMC Bitcoin ETF, the near real time indicative Net Asset Value per Share (updated every 15 seconds during SEHK trading hours) is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Share in RMB and HKD is calculated using the near real-time indicative Net Asset Value per Share in USD provided by ICE Data Indices based on CME CF Bitcoin Real Time Index multiplied by a real-time HKD:USD foreign exchange rate or a real-time RMB:USD foreign exchange rate (as the case may be) provided by ICE Data Indices when the SEHK is opened for trading;
- for ChinaAMC Ether ETF, the near real time indicative Net Asset Value per Share (updated every 15 seconds during SEHK trading hours) is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Share in RMB and HKD is calculated using the near real-time indicative Net Asset Value per Share in USD provided by ICE Data Indices based on the combined rate of the underlying sources Bitfinex, Bitstamp, and Gemini obtained from BlockStream multiplied by a real-time HKD:USD foreign exchange rate or a real-time RMB:USD foreign exchange rate (as the case may be) provided by ICE Data Indices when the SEHK is opened for trading; and
- for ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF, the last Net Asset Value per Share in RMB and HKD are indicative and for reference purposes only. The Net Asset Value per Share in RMB and HKD is calculated using the official last Net Asset Value per Share in USD multiplied by an assumed foreign exchange rate using the USD exchange rate quoted by Bloomberg at 4:00 p.m. (Hong Kong time) as of the same Dealing Day.

In respect of each Index Tracking Sub-Fund, real-time updates about the Index can be obtained through other financial data vendors. Investors should obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the Index Provider’s website (this website has not been reviewed by the SFC). Please refer to the section on “Website Information” for the warning and the disclaimer regarding information contained in such website.

Notices

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

Company

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

Manager

China Asset Management (Hong Kong) Limited 華夏基金(香港)有限公司
37/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Custodian
BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Website Information

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

Queries and complaints

Investors may contact the complaint officer of the Manager if they have any complaints or enquiries in respect of the Company or the Sub-Fund(s):

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

Manager's Customer Service Hotline: +852 3406 8686

Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Manager directly, or referred to the relevant parties for further handling. The Manager will revert and address the investor's complaints and enquiries as soon as possible. The contact details of the Manager are set out in the paragraph above.

TAXATION

The following summary of taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. 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 Shares 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 at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below. Investors should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Taxation of the Company and Sub-Funds

Hong Kong profits tax

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

There is no Hong Kong withholding tax on dividends or interest paid by a Hong Kong company.

Hong Kong stamp duty

The sale and purchase of the “Hong Kong stocks” (as defined under the Stamp Duty Ordinance (Cap. 117) of Hong Kong) by a Sub-Fund will be subject to Hong Kong ad valorem stamp duty at the current rate of 0.1% of the consideration or the fair market value (whichever is higher) of the Hong Kong stocks being sold and purchased. The purchaser and the seller will each be liable for the Hong Kong stamp duty upon such transfer and thus the total stamp duty payable for such transfer is 0.2%.

No Hong Kong stamp duty is payable by the Company or a Sub-Fund on an issuance or cancellation of Shares.

Taxation of the Shareholders

Hong Kong profits tax

In general, gains arising from the disposal or redemption of the Shares in the Sub-Funds by the Shareholders should not be subject to Hong Kong profits tax where the Shareholders do not carry on a trade, profession or business in Hong Kong or such gains are capital in nature or non-Hong Kong sourced for Hong Kong profits tax purposes. For Shareholders carrying on a trade, profession or business in Hong Kong, such gains may be subject to Hong Kong profits tax (which is currently charged at the rate of 16.5% in the case of corporations, and 15% in the case of individuals and unincorporated business with, subject to certain conditions being met, the first HKD2 million of assessable profits to be charged at 8.25% for corporations, and 7.5% for unincorporated businesses) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong, and the Shares are revenue assets of the Shareholders for profits tax purposes. The profits tax treatment should depend on the particular circumstances of each investor. Shareholders should take advice from their own professional advisers as to their particular tax position.

Distributions by the Company or a Sub-Fund should generally not be subject to Hong Kong profits tax in the hands of the Shareholders (whether by way of withholding or otherwise).

There is no withholding tax on dividends and interest in Hong Kong.

Hong Kong stamp duty

Allotment of Shares in the Sub-Funds is not subject to stamp duty in Hong Kong.

No Hong Kong stamp duty is payable by a Shareholder in relation to an allotment or on the cancellation of Shares. No Hong Kong stamp duty is payable where the sale is effected by transferring the Shares back to the Manager, who then either extinguishes the Shares or resell the Shares to another person within two months thereof. Hong Kong stamp duty payable on the delivery of Hong Kong stocks by a Shareholder to a Sub-Fund as consideration for an allotment of Shares, or by a Sub-Fund to a Shareholder upon redemption of such Shares will be exempt from Hong Kong stamp duty.

Other types of purchase or sale or transfer of the Shares should be subject to Hong Kong ad valorem stamp duty at 0.2% of the higher of the consideration or the fair market value of the Shares. The seller and the purchaser should each be liable for 50% of the stamp duty (i.e. 0.1% each).

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance 2016 and subsequent related Hong Kong legislation (collectively, the "Ordinance") provide the legislative framework for the implementation of the Common Reporting Standard ("CRS") for Standard for Automatic Exchange of Financial Account Information ("AEOI") in Hong Kong. The AEOI comprises, among others, the model Competent Authority Agreement ("CAA"), CRS and guidance for financial institutions ("FIs"), as amended and published by the IRD. The AEOI requires FIs in Hong Kong to obtain certain information and documentation from account holders holding financial accounts with the FIs, and report the required information of the account holders who reside in jurisdictions which signed a CAA with Hong Kong (collectively "Reportable Jurisdictions") to the IRD for the purpose of automatic exchange. Generally, the information will only be exchanged with jurisdiction(s) with which Hong Kong has a CAA in force; however, the Company, a Sub-Fund and/or its agents may further obtain information and/or documentation relating to the residents of other jurisdictions.

The Company and each Sub-Fund are required to comply with the requirements of the Ordinance, which means that the Company and/or its agents shall obtain and provide to the IRD the required information relating to Shareholders. The Ordinance requires the Company to, amongst other things, (i) register the Company as a "Reporting Financial Institution" with the IRD to the extent the Company maintains reportable financial accounts; (ii) conduct due diligence on its account holders (i.e. Shareholders) in order to determine whether any of their relevant financial accounts are regarded as "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts. The IRD is expected on an annual basis to exchange the required information reported to it to the competent authorities of the respective reportable jurisdictions. Broadly, AEOI requires that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a reportable jurisdiction; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Shareholders, including but not limited to their name, place of birth, date of birth, address, tax residence, tax identification number(s) (if any), account number, account balance/value regarding their interest in the Company and/or a Sub-Fund, and income or sale or redemption proceeds received from the Company and/or a Sub-Fund, may be reported to the IRD and subsequently exchanged with competent authorities in the relevant jurisdictions.

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

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

FATCA and compliance with US withholding requirements

The US Hiring Incentives to Restore Employment Act (the “HIRE Act”) was signed into US law in 2010 and includes certain provisions commonly referred to as the “Foreign Account Tax Compliance Act” or “FATCA”. Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the Internal Revenue Code, which impose a reporting regime with respect to financial accounts held by specified US Person and certain other parties with FFIs such as the Company and each Sub-Fund. Withholdable payments, including US source interest and dividends may be subject to FATCA withholding at a gross tax rate of 30%, unless the Company and/or each Sub-Fund is FATCA-compliant. To avoid such withholding on payments received, FFIs (including banks, brokers, custodians and investment funds), such as the Company and/or each Sub-Fund, will be required to enter into an agreement (an “FFI Agreement”) with the IRS to be treated as a participating FFI. Participating FFIs are required to identify all Shareholders that are specified US Persons and certain entities that are directly or indirectly owned by US persons and report certain information concerning such Shareholders to the IRS annually.

FATCA withholding generally applies to payments of US source income, including US source dividends and interest. The 30% gross withholding tax may also apply to payments otherwise attributable to amounts that would be subject to FATCA withholding (also known as “foreign passthru payments”), though the US tax rules on foreign passthru payments are currently pending.

The United States and a number of other jurisdictions have entered into intergovernmental agreements (“IGAs”). The United States and Hong Kong government have entered into an intergovernmental agreement (the “Hong Kong IGA”) based on the Model 2 arrangement (“Model 2 IGA”). The Model 2 IGA modifies certain foregoing FATCA requirements but generally requires similar procedures on identifying account holder’s FATCA classification, and disclosing certain information to the IRS. Under the Hong Kong IGA, an FFI that is treated as complying with the terms of an FFI Agreement (i) will generally not be subject to the 30% FATCA gross withholding tax; and (ii) will generally not be required to impose 30% FATCA gross withholding on payments made to Shareholders who fail to cooperate with certain information requests made by the FFI or do not consent to FATCA reporting and disclosure to the IRS (referred to as “recalcitrant account holders”) or close the accounts of such account holders, but may be required to withhold tax on certain payments made to non-compliant FFIs. Withholding may apply to withholdable payments covered by FATCA if the Company and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA.

The Company has been registered with the IRS as a reporting single FFI with Global Intermediary Identification Number ZBUX0D.99999.SL.344. In order to protect Shareholders and avoid being subject to withholding under FATCA, it is the Company’s intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Company and each Sub-Fund (through its agents or service providers) as far as legally permitted, to report the required information of any Shareholder to the IRS or the local authorities pursuant to the terms of the IGA (as the case may be), including certain Shareholders who fail to provide the information and documents required to identify their FATCA status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. As at the date of this Prospectus, all Shares in the Listed Class of Shares are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating FFI.

Although the Company and each Sub-Fund will attempt to satisfy any FATCA obligations relating to the Company and each Sub-Fund to avoid the imposition of FATCA gross withholding tax, no assurance can be given that such obligations would be fully satisfied. If the Company and/or any Sub-Fund become subject to a gross withholding tax as a result of FATCA, the Net Asset Value of the Company and/or a Sub-Fund may be adversely affected, and the Company and/or a Sub-Fund and its Shareholders may suffer material loss.

Shareholders should consult its own tax advisors regarding the impact of FATCA.

SCHEDULE 1 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF SHARES

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

THE OFFERING PHASES

Initial Offer Period

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

Unless otherwise stated in the relevant Appendix, the latest date for making a Creation Application for Shares is 5:00 p.m. (Hong Kong time) two Business Days prior to the Listing Date or such other time as the Manager may determine on any day when the trading hours of the SEHK are reduced.

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

If a Creation Application is received by the Company, the Manager and the Custodian after the deadline as specified in the Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the Listing Date, which shall be the Dealing Day for the purposes of that Creation Application.

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

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

After Listing

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

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

- (a) buy and sell Shares on the SEHK; or
- (b) apply for creation and redemption of Shares through Participating Dealers.

Buying and selling of Shares on the SEHK

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

However, please note that transactions in the secondary market on the SEHK will be subject to brokerage and other fees and will occur at market prices which may vary throughout the day and

may differ from Net Asset Value per Share due to market demand and supply, liquidity and scale of trading spread for the Shares in the secondary market. As a result, the market price of the Shares in the secondary market may be higher or lower than Net Asset Value per Share.

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

Creations and Redemptions through Participating Dealers

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

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Applications to the Company and the Manager (with a copy to the Custodian) before the Dealing Deadline on the relevant Dealing Day. If an Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that 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 Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

Settlement in cash for subscribing Shares in cash is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Settlement of Shares for redeeming Shares is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Notwithstanding any Multi-Counter (if applicable) for Shares, all settlement is in the base currency of the relevant Sub-Fund only.

After Listing, all Shares will be registered in the name of HKSCC Nominees Limited on the register of the relevant Sub-Fund. The register of the relevant Sub-Fund is the evidence of ownership of Shares. The beneficial interests in Shares of any client of the Participating Dealers shall be established through such client’s account with the relevant Participating Dealer or PD Agent (as the case may be) or with any other HKSCC participants if the client is buying from the secondary market.

Timetable

Initial Offer Period

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

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

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

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than

those set out in this Prospectus and which may change from time to time. The Dealing Deadline in respect of Shares in a Sub-Fund may also change due to market related events. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

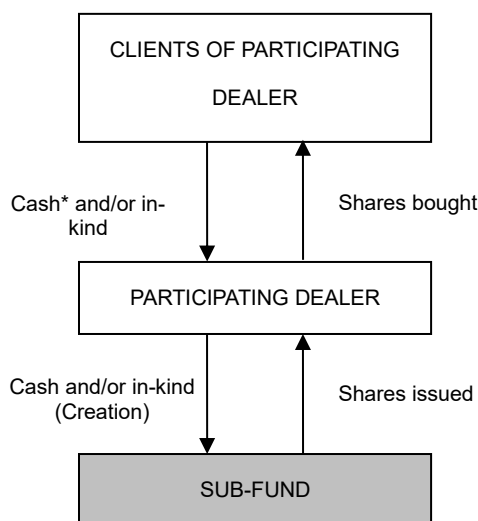
“After Listing” commences on the Listing Date and continues until the relevant Sub-Fund (or the relevant Listed Class of Shares) is terminated.

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

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

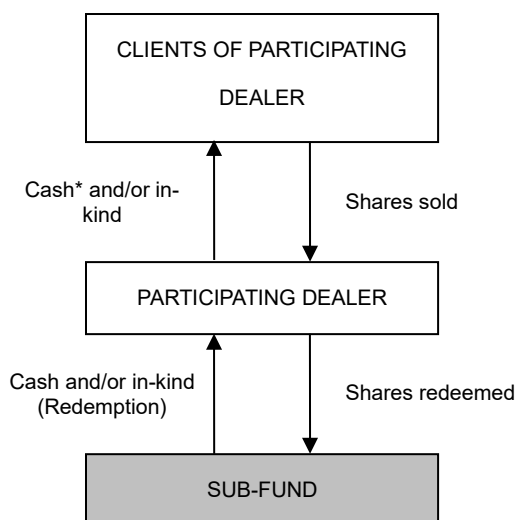
The diagrams below illustrate the creation or redemption and the buying or selling of Shares:

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



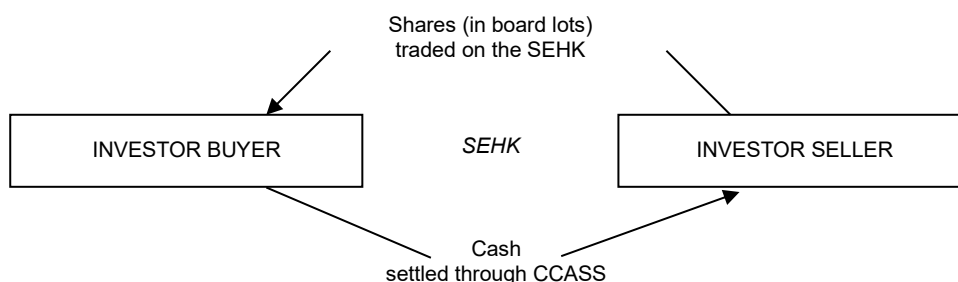
* Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the creation currency.

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



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

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



Summary of Offering Methods and Related Fees

Initial Offer Period

Method of Offering*	Minimum Number of Shares (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges**
Cash creation (in the currency as specified in the relevant Appendix)	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Brokerage fees and/or any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Application Basket(s) Cash Component (if any) Transaction Fee Brokerage fees and/or any fees and charges imposed by the Participating Dealer (payable

				to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
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After Listing

Method of Acquisition or Disposal of Shares*	Minimum Number of Shares (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges**
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Shares on SEHK Brokerage fees (in such currency as determined by individual brokers) Transaction Levy Trading Fee (in HKD only unless otherwise specified in the relevant Appendix)
Cash creation and redemption	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash (in the currency as specified in the relevant Appendix) Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind	Application	Through	Any person	Application

creation and redemption	Share size (see relevant Appendix)	Participating Dealers	acceptable to the Participating Dealer as its client	Basket(s) Cash Component (if any) Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
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* The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind and/or in cash, are specified in the relevant Appendix.

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

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

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

The first method is to create Shares at the Issue Price or redeem Shares at the Redemption Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Creation and redemption for Shares can be in cash and/or in-kind as specified in the relevant Appendix. Where a Sub-Fund has a Multi-Counter, although a Participating Dealer may, subject to arrangement with the Manager, elect to CCASS to have Shares which it creates deposited in or Shares which it redeems withdrawn from any available counter, all creation and redemption for all Shares should be made in such currency as specified for the Sub-Fund in the relevant Appendix in case of cash creations or redemptions. Because of the size of the capital investment (i.e. Application Share size) required either to create or redeem Shares through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Shares for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

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

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

Creation of Shares through Participating Dealers

Any application for the creation of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size (save and except for application during the relevant Initial Offer Period, the Manager may accept an Application Share size which is not a whole multiple thereof) as set out in the “Key Information” section in the relevant Appendix. Investors cannot acquire Shares directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Company and the Manager (with a copy to the Custodian).

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

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

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

- (a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Virtual Asset, Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;
- (c) where acceptance of the creation request or any Virtual Asset, Security and/or FDI in connection with such creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;
- (d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request; or
- (e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Requirements Relating to Creation Requests by Potential Investors

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

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

The Application Share size for the Listed Class of Shares of a Sub-Fund is the number of Shares specified in the relevant Appendix. Save and except for application during the relevant Initial Offer Period, Creation Applications submitted in respect of Shares other than in Application Share size will not be accepted. The minimum subscription for the Listed Class of Shares of each Sub-Fund is one Application Share.

Creation Process

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

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

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

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

- (a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund;
- (c) where, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market on which a Virtual Asset, Security and/or FDI (for an Index Tracking Sub-Fund, that is a component of the Index for the relevant Sub-Fund) has its primary listing;
- (d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Virtual Asset, Securities and/or FDIs as the case may be (for an Index

Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;

- (e) where acceptance of the Creation Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable Laws and Regulations;
- (f) circumstances outside the control of the Company or the Manager make it for all practicable purposes impossible to process the Creation Application;
- (g) any period during which the business operations of the Company or any delegate of the Company in respect of a Creation Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Company shall notify the relevant Participating Dealer and the Custodian of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Shares which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

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

Where the Company accepts a Creation Application from a Participating Dealer, it shall instruct the Custodian and Registrar to effect (i) for the account of the Sub-Fund, the creation of Shares in Application Share size in exchange for a transfer of cash and/or Application Basket (comprising Virtual Asset, Securities and/or FDIs, at the discretion of the Participating Dealer but subject to the Manager's agreement) and if applicable, Cash Component and/or Duties and Charges; and (ii) the issue of Shares to the Participating Dealer, both in accordance with the Operating Guidelines and the Instrument.

Following an in-kind Creation Application from the Participating Dealer, if the Company (i) determines in its discretion that any part of the Application Basket(s) is likely to be unavailable for delivery or available in insufficient quantity for a Creation Application; or (ii) is satisfied that the Participating Dealer in question is prevented by regulation or otherwise from investing or engaging in a transaction in any Virtual Asset, Security and/or FDI, then the Company shall have the right, in its discretion to: (a) accept cash equal to or in excess of the market value at the Valuation Point on the relevant Dealing Day of such part of the Application Basket(s) in lieu of accepting the relevant Virtual Asset, Securities and/or FDIs in the Application Basket(s); or (b) accept cash collateral based on such terms as it determines.

The acceptance of cash or cash collateral in lieu of Virtual Asset, Securities and/or FDIs must both be made in accordance with the terms of the Operating Guidelines, provided that the Company shall be entitled in its discretion to charge the relevant Participating Dealer in respect of any Shares for which cash is paid or cash collateral is accepted in lieu of delivery of any part of the Application Basket(s) an additional sum representing the appropriate Duties and Charges and any incidental costs associated with the creation of Shares.

Issue of Shares

Shares will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that there

may be added to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges. Please refer to the section on “Issue Price and Redemption Value” for the calculation of the Issue Price.

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

Shares are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Directors) as set out in the relevant Appendix and no fractions of a Share shall be created or issued by the Company.

The creation and issue of Shares pursuant to a Creation Application shall be effected on the relevant Settlement Day for the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but, for valuation purposes only, Shares shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. Please see the section on “Fees and Expenses” for further details.

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

Fees Relating to Creation Applications

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

In relation to cash creation of Shares, the Company reserves the right to require the Participating Dealer to pay or cause to be paid an additional sum for the purpose of compensating or reimbursing the Sub-Fund for the difference between:

- (a) the prices used when valuing the Virtual Asset, Securities and/or FDIs, as applicable, of the Sub-Fund for the purpose of such issue of Shares; and
- (b) the prices which would be used when acquiring the same Virtual Asset, Securities and/or FDIs, as applicable, if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares.

The Participating Dealer may pass on to the relevant investor such additional sum.

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

Cancellation of Creation Applications

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

The Company shall cancel Shares created and issued in respect of a Creation Application if (a) all the Virtual Asset, Securities and/or FDIs relating to the Creation Application have not been vested by or on the Initial Issue Date and subsequently the relevant Settlement Day or to the Company's satisfaction or evidence of title and instruments of transfer satisfactory to the Company have not been produced to or to the order of the Company; or (b) the full amount of (i) any cash payable in connection with the relevant Creation Application and (ii) any Duties and Charges, incidental costs associated with the creation of Shares and Transaction Fee payable have not been received in cleared funds by or on behalf of the Custodian by the prescribed time on the Initial Issue Date and subsequently on the relevant Settlement Day, provided that, in either event the Company may at its discretion, (i) extend the settlement period (either for the Creation Application as a whole or for a particular Virtual Asset, Security or FDI) such extension to be on such terms and conditions (including as to the payment of an any fees or collateral to the Company or otherwise as the Company may determine) as the Directors may determine; or (ii) partially settle the Creation Application to the extent to which Virtual Asset, Securities and/or FDIs and/or cash (including any Cash Component) have been vested in, or to the account of, the Sub-Fund, on such terms and conditions as the Directors may determine including terms as to any extension of the settlement period for the outstanding Virtual Asset, Securities, FDIs or cash (including any Cash Component).

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

Upon the cancellation of any creation order of any Shares deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Company's consent a Creation Application (other than in certain circumstances contemplated in the Instrument such as when the Manager declares a suspension of creations of Shares), any Virtual Asset, Securities or FDIs deposited for exchange that have been vested in the Company and/or any cash received by or on behalf of the Company in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) and the relevant Shares shall be deemed for all purposes never to have been created and the relevant Participating Dealer therefore shall have no right or claim against the Company, the Manager, the Custodian, the Registrar, the Conversion Agent and/or the Service Agent in respect of such cancellation provided that:

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

Redemption of Shares Through Participating Dealers

Any application for the redemption of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size. Investors cannot redeem Shares

directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Company and the Manager (with a copy to the Custodian).

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

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

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

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

Requirements Relating to Redemption Requests by Potential Investors

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

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

to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Share size for a Sub-Fund is the number of Shares specified in the relevant Appendix. Redemption Applications submitted in respect of Shares other than in Application Share size will not be accepted. The minimum redemption for each Sub-Fund is one Application Share.

Redemption Process

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

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

To be effective, a Redemption Application must:

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

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

- (a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;
- (c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Virtual Asset, Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;
- (d) where acceptance of the Redemption Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable legal and regulatory requirements;
- (e) circumstances outside the control of the Company or the Manager make it for all practicable purposes impossible to process the Redemption Application; or
- (f) any period during which the business operations of the Company or any delegate of the

Company in respect of a Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

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

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

Where the Company accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Shares; and (ii) require the Custodian to transfer to the Participating Dealer Virtual Asset, Securities and/or FDIs constituting the Application Basket(s) and/or cash and if applicable, Cash Component, in accordance with the Operating Guidelines and the Instrument.

The Participating Dealer will then transfer the Virtual Asset, Securities and/or FDIs constituting the Application Basket(s) and/or cash and if applicable, Cash Component, to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Shares

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Company) has been received and provided further that the Company shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Shares to be cancelled (or an indemnity in terms acceptable to the Custodian) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

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

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

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Shares is not suspended, unless the market(s) in which a substantial portion of investments of the relevant Sub-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. 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 Company may at its discretion extend the settlement period upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms

and conditions (including as to the payment of the Extension Fee or otherwise as the Company may determine) as the Manager and the Custodian may in their discretion determine, in accordance with the Operating Guidelines.

Fees Relating to Redemption Applications

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

In relation to cash redemption of Shares, notwithstanding the aforesaid regarding the redemption and cancellation of Shares based on Net Asset Value, the Participating Dealer may be required to pay an additional sum for the purpose of compensating or reimbursing a Sub-Fund for the difference between:

- (a) the prices used when valuing the Virtual Asset, Securities and/or FDIs, as applicable of the Sub-Fund for the purpose of such redemption of Shares; and
- (b) the prices which would be used when selling the same Virtual Asset, Securities and/or FDIs, as applicable if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

The Participating Dealer may pass on to the relevant investor such additional sum.

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

Where a Sub-Fund redeems in-kind in respect of SEHK listed Securities, the Conversion Agent may charge a Share Cancellation Fee in connection with each accepted Redemption Application.

Cancellation of Redemption Applications

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

No Virtual Asset, Security or FDI shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Shares, which are the subject of the Redemption Application, have been delivered to the Company free and clear of any Encumbrance for redemption by such time on the Settlement Day or other deadline set forth in the Instrument and/or Operating Guidelines as the Company shall for the time being prescribe for Redemption Applications generally.

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

- (a) the Custodian may charge the relevant Participating Dealer an application cancellation fee (see the section on "Fees and Expenses" for further details);
- (b) the Company may require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Share is less than the Issue Price which would have applied in relation to each such Share if the Participating Dealer had, on the actual date when the Company is able to repurchase any replacement

Virtual Asset, Securities and/or FDIs made a Creation Application in accordance with the provisions of the Instrument plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

- (c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Company, the Custodian, the Registrar, the Conversion Agent and/or the Service Agent (see the section on “Fees and Expenses” for further details); and
- (d) no previous valuations of the Scheme Property shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Suspension of Creations and Redemptions

The Manager may at its discretion (in consultation with the Custodian and, in respect of redemptions, where practicable following consultation with the relevant Participating Dealers and having regard to the best interests of the Shareholders), suspend the creation of Shares of any class, suspend the redemption of Shares of any class and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any Virtual Asset, Securities and/or FDIs in respect of any Creation Application and/or Redemption Application in the following circumstances:

- (a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;
- (b) during any period when a market on which (i) for an Index Tracking Sub-Fund, a Virtual Asset, Security and/or FDI (that is a component of the Index for the relevant Sub-Fund) or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, a Virtual Asset, Security and/or FDI (that is a component of the Index for the relevant Sub-Fund) or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;
- (d) during any period when, in the opinion of the Manager, settlement or clearing of Virtual Asset, Securities and/or FDIs in the official clearing and settlement depository (if any) of such market is disrupted;
- (e) during the existence of any state of affairs as a result of which delivery or purchase of Virtual Asset, Securities and/or FDIs, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Shareholders of the relevant Sub-Fund;
- (f) in respect of an Index Tracking Sub-Fund only, during any period when the Index for the relevant Sub-Fund is not compiled or published;
- (g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Virtual Asset, Securities and/or FDIs or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on “Suspension of Determination of Net Asset Value” below arises;

- (i) during any period when the Swap (if applicable) cannot be adjusted or reset for any reason;
- (j) during any period when the business operations of the Company, the Manager, the Custodian or any delegate of the Company or the Manager in respect of an application for creation or redemption of Shares in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
- (k) (in respect of creation of Shares only) if as a result of the investment of the proceeds of issue of such Shares in accordance with the investment objective of the Sub-Fund, the Company collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single entity; or
- (l) in the case of a Sub-Fund authorised by the SFC as a feeder fund and investing into a master fund –
 - (i) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
 - (ii) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;
 - (iii) during any period when trading of the master fund on the relevant market is restricted or suspended; or
 - (iv) during any period when the determination of the net asset value of the master fund is suspended.

In addition, where the Sub-Funds under the Company hold in aggregate more than the limit of 10% of the ordinary shares issued by any single entity, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Shareholders.

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 the Manager's website at www.chinaamc.com.hk (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

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

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

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

Deferred Redemption and Restrictions on Shareholders

Please refer to the sections headed "Deferred Redemption" and "Restrictions on Shareholders" under "Statutory and General Information" in Part 1 of the Prospectus for circumstances under which the Company may defer redemption requests received on any Dealing Day and under which the Directors may effect compulsory redemption of Shares respectively.

Evidence of Shareholding

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

Transfer of Shares

The Instrument provides that a Shareholder may transfer Shares subject to the provisions of the Instrument.

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

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

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

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

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

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

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

Subject to compliance with the admission requirements of the HKSCC, the Listed Class of Shares of each of ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the date of commencement of dealings in the Listed Class of Shares of ChinaAMC Bitcoin ETF and ChinaAMC Ether ETF respectively on the SEHK or such other date as may be determined by HKSCC.

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

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

Shares 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 Shares of any Sub-Fund on one or more other stock exchanges.

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

Please also refer to the section on “Multi-Counter” (if applicable) in the relevant Appendix of the Sub-Fund for additional disclosures on secondary market trading.

ISSUE PRICE AND REDEMPTION VALUE

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Share, as set out in the relevant Appendix.

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

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the Listed Class of Shares as at the relevant Valuation Point divided by the total number of Listed Class of Shares in issue rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or to such other rounding as determined by the Manager. The benefit of any rounding adjustments will be retained by the relevant Sub-Fund or to such other rounding as determined by the Manager.

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

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

SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF SHARES

This Schedule 2 contains disclosure relating to the Unlisted Class(es) of Shares only. Unless the context otherwise requires, references to “Shares” and “Shareholders” in this Schedule shall be construed to refer to an Unlisted Class of Shares of a Sub-Fund or a Shareholder of such Shares. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under Part 1 of the Prospectus.

SUBSCRIPTION OF UNLISTED CLASS(ES) OF SHARES

Initial Issue of Unlisted Class(es) of Shares

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

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

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

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

Subsequent Issue of Unlisted Class(es) of Shares

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

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

The Manager is entitled to impose a subscription fee on the subscription monies for the application for the issue of Unlisted Class(es) of Shares. The Manager may, either generally or in any particular case, differentiate as to the amount of the subscription fee to be levied in respect of different Sub-Funds or classes of Shares, differentiate between applicants as to the amount of the subscription fee to be levied and/or allow to persons a discount to the subscription fee on such basis or on such scale as the Manager may think fit. For the avoidance of doubt, the Manager will charge the same rate of subscription fee for all applicants in the same Unlisted Class(es) of Shares. The Manager may retain the benefit of such subscription fee or may pay all or part of the subscription fee (and

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

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

Application Procedure

To subscribe for Unlisted Class(es) of Shares, an applicant should complete a subscription application form and return the application form, together with the required supporting documents, to the Custodian by post, facsimile or e-mail. Applicants who choose to send an application form by facsimile or electronic means bear the risk of the form not being received by the Custodian. Applicants should therefore, for their own benefit, confirm with the Custodian safe receipt of an application form. None of the Company, the Directors, the Manager, the Registrar or the Custodian will be responsible to an applicant for any loss resulting from non-receipt or illegibility of any application form sent by fax or other electronic means or for any loss caused in respect of any action taken as a consequence of such application believed in good faith to have originated from properly authorised persons.

Unless otherwise specified in the relevant Appendix, applications for Unlisted Class(es) of Shares during the relevant Initial Offer Period must be received by the Custodian no later than 5:00 p.m. (Hong Kong time) on the last day of the relevant Initial Offer Period. After the Initial Offer Period, applications must be received by the Custodian by the relevant Dealing Deadline. Application requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

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

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

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

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

The Manager may, at its discretion, reject in whole or in part any application for Unlisted Class(es) of Shares. In the event that an application is rejected, application monies will be returned without interest and net of expenses by cheque through the post or by telegraphic transfer or by such other

means as the Manager considers appropriate at the risk of the applicant.

No applications for Unlisted Class(es) of Shares will be dealt with during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details see “Suspension of Determination of Net Asset Value” in Part 1 of the Prospectus).

Please also refer to the section headed “Suspension of the Issue, Subscription and Redemption of Unlisted Class(es) of Shares” below regarding suspension of issue and subscription of Unlisted Class(es) of Shares.

Payment Procedure

Subscription monies should be paid in the Class Currency of the relevant class of Unlisted Class(es) of Shares. Unless otherwise specified in the relevant Appendix, subscription monies in cleared funds should be received by (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Class(es) of Shares during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager. Payment details are set out in the subscription application form.

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

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

Payment in other freely convertible currencies may be accepted. Where amounts are received in a currency other than the relevant Class Currency, they will be converted into the relevant Class Currency and the proceeds of conversion (after deducting the costs of such conversions) will be applied in the subscription of Shares in the relevant Unlisted Class(es) of Shares of the relevant Sub-Fund. Conversion of currencies may involve delay. Bank charges (if any) incurred in converting the subscription monies shall be borne by the relevant applicant and accordingly will be deducted from the subscription proceeds.

Investment minima

Please refer to the relevant Appendix for the minimum initial investment, minimum subsequent investment, minimum holding and minimum redemption amounts in respect of each Unlisted Class of Shares of a Sub-Fund. The Manager may, in its absolute discretion, waive or agree to a lower amount of the investment minima (either generally or in any particular case) stated in the relevant Appendix.

General

All holdings of Unlisted Class(es) of Shares will be in registered form and certificates will not be issued. Evidence of title of Unlisted Class(es) of Shares will be the entry on the register of Shareholders in respect of each Sub-Fund. Shareholders should therefore be aware of the importance of ensuring that the Registrar is informed of any change to the registered details. A maximum of 4 persons may be registered as joint Shareholders.

REDEMPTION OF UNLISTED CLASS(ES) OF SHARES

Redemption Procedure

Shareholders of Unlisted Class(es) of Shares who wish to redeem their Shares in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Custodian.

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

A redemption request may be sent by post, facsimile or e-mail. The redemption request must specify: (i) the name of the Sub-Fund, (ii) the relevant class and the value or number of Unlisted Class(es) of Shares to be redeemed, (iii) the name(s) of the registered Shareholder(s) and (iv) payment instructions for the redemption proceeds.

Unless otherwise requested by the Custodian, the original of any redemption request is not required to be submitted. A Shareholder who chooses to send an application form by facsimile or electronic means bears the risk of the form not being received by the Custodian. Shareholders should therefore, for their own benefit, confirm with the Custodian safe receipt of a redemption request. None of the Company, the Manager, the Registrar or the Custodian will be responsible to a Shareholder for any loss resulting from non-receipt or illegibility of any redemption request sent by fax or other electronic means or for any loss caused in respect of any action taken as a consequence of such request believed in good faith to have originated from properly authorised persons.

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

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

Payment of Redemption Proceeds

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

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

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

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

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

Shareholders should note that redemption proceeds will not be paid to any Shareholder until (a) the duly signed original written redemption request (if such original is required by the Custodian) and all other supporting documents, if any are required, have been received by the Custodian; (b) the signature of the Shareholder (or each joint Shareholder) has been verified to the satisfaction of the Custodian; and (c) any such other procedures as the Custodian may reasonably require have been completed.

Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Shareholder in the Class Currency of the relevant Sub-Fund by telegraphic transfer to the Shareholder's pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day (unless otherwise specified in the relevant Appendix) and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the market(s) in which a substantial portion of the relevant Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable. In such case, subject to all applicable legal or regulatory requirements, the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s). Any bank and other administrative charges associated with the payment of such redemption proceeds as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Shareholder and deducted from the redemption proceeds. With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the Class Currency of the relevant Unlisted Class(es) of Shares of the relevant Sub-Fund being redeemed. Payment will only be made to a bank account in the name of the Shareholder. No third party payments will be made.

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

Suspension of Redemptions

The Manager shall, in consultation with the Custodian, having regard to the best interests of Shareholders of the relevant Unlisted Class(es) of Shares, have the right suspend the redemption of Unlisted Class(es) of Shares of any Sub-Fund, or delay the payment of redemption proceeds in

respect of any redemption request received, during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details please see the section headed "Suspension of determination of Net Asset Value" in the main Prospectus).

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

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

- (a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;
- (b) where in the opinion of the Manager, acceptance of the redemption application would have an adverse effect on the relevant Sub-Fund;
- (c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Virtual Asset, Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;
- (d) where acceptance of the redemption application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable legal and regulatory requirements;
- (e) circumstances outside the control of the Company or the Manager make it for all practicable purposes impossible to process the redemption application; or
- (f) any period during which the business operations of the Company or any delegate of the Company in respect of a redemption application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Company shall notify the relevant Shareholder and the Custodian of its decision to reject such redemption application.

Deferred Redemption and Restrictions on Shareholders

Please refer to the sections headed "Deferred Redemption" and "Restrictions on Shareholders" under "Statutory and General Information" in Part 1 of the Prospectus for circumstances under which the Company may defer redemption requests received on any Dealing Day and under which the Directors may effect compulsory redemption of Shares respectively.

Transfer of Unlisted Class(es) of Shares

The Instrument provides that a Shareholder may transfer Shares subject to the provisions of the Instrument. An investor is entitled to transfer such Shares held by him by an instrument in writing in such form as the Directors may from time to time approve. A transferor will be deemed to remain the Shareholder of the Shares transferred until the name of the transferee is entered in the register of Shareholders in respect of the Shares being transferred. Each instrument of transfer must relate to a single Sub-Fund only.

SWITCHING OF UNLISTED CLASS(ES) OF SHARES

Where specified in the relevant Appendix, the Manager may from time to time permit Shareholders to switch some or all of their Shares of an Unlisted Class of Shares of any Sub-Fund (the “Existing Class”) into the Shares of another Unlisted Class of Shares of the same Sub-Fund or another Sub-Fund, or unlisted class of shares, units or interests in other collective investment schemes managed by the Manager or its Connected Persons and which has been authorised by the SFC (the “New Class”). Any switching will be by way of redeeming the Shares in the Existing Class held by the relevant Shareholders in accordance with the redemption procedures set out in the section headed “Redemption of Unlisted Class(es) of Shares” above and by re-investing the redemption proceeds thereof in an Unlisted Class of Shares of such other Sub-Fund in accordance with the subscription procedures set out in the section “Subscription of Unlisted Class(es) of Shares” above or in such other collective investment schemes in accordance with the provisions of the relevant offering documents for such other collective investment schemes (as the case may be).

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

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

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

The Manager may suspend the switching of Unlisted Class(es) of Shares during any period in which the determination of the Net Asset Value of any relevant Sub-Fund is suspended (for details see “Suspension of Determination of Net Asset Value” in Part 1 of the Prospectus).

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

SUSPENSION OF THE ISSUE, SUBSCRIPTION AND REDEMPTION OF UNLISTED CLASS(ES) OF SHARES

The Manager may at its discretion (in consultation with the Custodian and having regard to the best interests of Shareholders), suspend the issue and/or redemption of Shares of any class of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer

of any Virtual Asset, Securities and/or FDIs of any redemption application in the following circumstances:

- (a) during any period when a market on which (i) for an Index Tracking Sub-Fund, a Virtual Asset, Security and/or FDI (that is a component of the Index for the relevant Sub-Fund), or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (b) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, a Virtual Asset, Security and/or FDI (that is a component of the Index for the relevant Sub-Fund), or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;
- (c) during any period when, in the opinion of the Manager, settlement or clearing of Virtual Asset, Securities and/or FDIs in the official clearing and settlement depository (if any) of such market is disrupted;
- (d) during the existence of any state of affairs as a result of which delivery or purchase of Virtual Asset, Securities and/or FDIs, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Shareholders of the relevant Sub-Fund;
- (e) in respect of an Index Tracking Sub-Fund only, during any period when the Index for the relevant Sub-Fund is not compiled or published;
- (f) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Virtual Asset, Securities and/or FDIs or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (g) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on "Suspension of Determination of Net Asset Value" in the main Prospectus arises;
- (h) during any period when the Swap (if applicable) cannot be adjusted or reset for any reason;
- (i) during any period when the business operations of the Company, the Manager, the Custodian or any delegate of the Company or the Manager in respect of an application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
- (j) (in respect of issue of Shares only) if as a result of the investment of the proceeds of issue of such Shares in accordance with the investment objective of the Sub-Fund, the Company collectively holds or would hold in aggregate more than 10 per cent of the ordinary shares issued by any single entity; or
- (k) in the case of a Sub-Fund authorised by the SFC as a feeder fund and investing into a master fund –
 - (1) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
 - (2) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;

- (3) during any period when trading of the master fund on the relevant market is restricted or suspended; or
- (4) during any period when the determination of the net asset value of the master fund is suspended.

In addition, where the Sub-Funds under the Company hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Shareholders.

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 the Manager's website at www.chinaamc.com.hk (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

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

The Company shall consider any subscription, switch or redemption application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for distributing any proceeds will start from the Dealing Day next following the termination of such suspension.

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

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

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

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

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

APPENDIX 1: CHINAAMC BITCOIN ETF

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

Key Information

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

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

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the performance of bitcoin, as measured by the performance of the Index (as defined below)
Index	CME CF Bitcoin Reference Rate (APAC Variant) (the “Index”)
Base Currency	USD
Distribution Policy	No distribution will be made to Shareholders.
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to the year ending 31 December 2024 and for the half year ending 30 June 2025 respectively.)
Custodian	BOCI-Prudential Trustee Limited
Virtual Asset Sub-Custodian	OSL Digital Securities Limited, acting via its associated entity BC Business Management Services (HK) Limited
Virtual Asset Trading Platform(s)^	OSL Exchange (operated by OSL Digital Securities Limited)
Website	https://www.chinaamc.com.hk/en/index.html (this website has not been reviewed by the SFC)

[^] Please refer to the Manager’s website for the latest list of Virtual Asset Trading Platform(s) for the Sub-Fund.

Key information applicable to Listed Class of Shares only

Initial Offer Period	9:00 a.m. (Hong Kong time) on 25 April 2024 to 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other date or time as the Manager may determine
Initial Issue Date	29 April 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1
Listing Date (SEHK)	Expected to be 30 April 2024, but may be postponed by the Manager to a date no later than 14 June 2024

Exchange Listing	SEHK – Main Board
Stock Code	3042 – HKD counter 83042 – RMB counter 9042 – USD counter
Short Stock Name	CAM BTC – HKD counter CAM BTC-R – RMB counter CAM BTC-U – USD counter
ISIN Number	HK0001009700 – HKD counter HK0001009718 – RMB counter HK0001009726 – USD counter
Trading Board Lot Size	100 Shares – HKD counter 100 Shares – RMB counter 100 Shares – USD counter
Trading Currency	Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter U.S. dollars (USD) – USD counter
Creation/Redemption Policy	Cash (in USD or HKD only) or in-kind
Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof)
Dealing Deadline	Cash Application – 11:00 a.m. (Hong Kong time) on the relevant Dealing Day In-kind Application – 4:00 p.m. (Hong Kong time) on the relevant Dealing Day
Management Fee	Currently 0.99% per year of the Net Asset Value of the Listed Class of Shares
Participating Dealer(s)[#]	Victory Securities Company Limited Mirae Asset Securities (HK) Limited Solomon JFZ (Asia) Holdings Limited Eddid Securities and Futures Limited Valuable Capital Limited
Market Maker(s)[#]	Vivienne Court Trading Pty. Ltd.
Service Agent	HK Conversion Agency Services Limited
Listing Agent	Altus Capital Limited

[#] Please refer to the Manager's website for the latest list of Participating Dealer(s) for each Sub-Fund. Please refer to the Manager's website and the website of the HKEX for the latest lists of Market Maker(s) for the Sub-Fund.

Key information applicable to Unlisted Classes of Shares only

Unlisted Classes of Shares Offered	Class A USD Shares Class A HKD Shares Class A RMB Shares
Initial Offer Period	9:00 a.m. (Hong Kong time) on 25 April 2024 to 5:00

	p.m. (Hong Kong time) on 26 April 2024, or such other date or time as the Manager may determine for a particular class
Subscription Price during the Initial Offer Period	Class A USD Shares: USD 10 Class A HKD Shares: HKD 100 Class A RMB Shares: RMB 100
Minimum Initial Investment Amount, Minimum Subsequent Investment Amount, Minimum Holding Amount and Minimum Redemption Amount	Class A USD Shares: USD 10 Class A HKD Shares: HKD 100 Class A RMB Shares: RMB 100
Subscription / Redemption Policy	Cash only
Dealing Deadline	11:00 a.m. (Hong Kong time) on the relevant Dealing Day
Management Fee	Currently 0.99% per year of the Net Asset Value of the relevant Unlisted Class of Shares

Key similarities and differences between Listed Class of Shares and Unlisted Classes of Shares

Investment Objective	Same for both Listed Class of Shares and Unlisted Classes of Shares. Please refer to the “What is the Investment Objective?” and “What is the Investment Strategy?”.
Investment Strategy	
Valuation Policy	Same for both Listed Class of Shares and Unlisted Classes of Shares. Please refer to the “Determination of Net Asset Value” section in Part 1 of this Prospectus.
Valuation Point	Same for both Listed Class of Shares and Unlisted Classes of Shares – approximately 4:00 p.m. (Hong Kong time) on each Dealing Day
Dealing Frequency	Same for both Listed Class of Shares and Unlisted Classes of Shares – each Business Day.
Dealing Arrangements	Investors should note that the minimum amounts for creation (in the case of Listed Class of Shares) / subscription (in the case of Unlisted Classes of Shares) and redemption in respect of Listed and Unlisted Classes of Shares are different. Investors should also note that while the dealing frequency and the definition of “Dealing Day” are the same, the Dealing Deadlines in respect of Listed Class of Shares and Unlisted Classes of Shares may be different. The applicable dealing procedures and timing with the

relevant Participating Dealer (in the case of Listed Class of Shares) and distributor (if applicable, in the case of Unlisted Classes of Shares) may also be different. Investors should check with the relevant Participating Dealer or distributor for the applicable dealing procedures and timing.

In respect of the Listed Class of Shares:

- the dealing deadline for a Creation Application or Redemption Application is 11:00 a.m. (Hong Kong time) (in respect of a cash Application) or 4:00 p.m. (Hong Kong time) (in respect of an in-kind Application) on the relevant Dealing Day;
- the Creation Application or Redemption Application for Listed Class of Shares received after 11:00 a.m. (Hong Kong time) (in respect of a cash Application) or 4:00 p.m. (in respect of an in-kind Application) on a Dealing Day will be deemed to have been received on the next Dealing Day;
- a secondary market investor can buy and sell the Listed Class of Shares on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Shares at market price.

In respect of the Unlisted Classes of Shares:

- the Dealing Deadline currently is 11:00 a.m. (Hong Kong time) on the relevant Dealing Day;
- the subscription application or redemption request for Unlisted Classes of Shares submitted after 11:00 a.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day;
- investors can buy or sell Unlisted Classes of Shares at the Net Asset Value of the relevant Unlisted Classes of Shares. Applicants may apply for Unlisted Classes of Shares through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Classes of Shares through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Please refer to Schedule 1 and Schedule 2 to this Prospectus for details of the dealing arrangements of Listed Class of Shares and Unlisted Classes of Shares respectively.

<p>Fee Structure</p>	<p>Different in respect of each of the Listed Class of Shares and Unlisted Classes of Shares.</p> <p>The rates of Management Fee, Custodian and Administrator Fee and registrar fee are the same in respect of both the Listed Class of Shares and each Unlisted Class of Shares.</p> <p>An investment in the Listed Class of Shares in the secondary market is subject to fees involved in relation to the trading of such Shares on the SEHK (such as the Service Agent’s fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An investment in the Unlisted Classes of Shares may be subject to the payment of subscription fee, switching fee and redemption fee (if applicable).</p> <p>Please refer to the “Fees and Expenses” section in Part 1 of this Prospectus and this Appendix respectively.</p>
<p>Investment return / Net Asset Value</p>	<p>Different in respect of each of the Listed Class of Shares and Unlisted Classes of Shares due to various factors, including but not limited to the different fee structures applicable to each class of Shares, different dealing arrangements (i.e. Listed Class of Shares can be bought and sold at market price whereas Unlisted Classes of Shares are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Shares in the primary market and fees payable in respect of trading of Listed Class of Shares in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Shares will be different.</p> <p>There is a separate Net Asset Value for each class of Shares. The Custodian does allow each class of Shares to have its own Net Asset Value (i.e. one Net Asset Value for one class of Shares).</p> <p>Please refer to the “Risk associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Shares” risk factor of Part 1 of this Prospectus.</p>
<p>Termination</p>	<p>Due to the nature of the listing of the Listed Class of Shares, the termination procedures applicable to the Listed Class of Shares and Unlisted Classes of Shares may differ. Please refer to the sub-section headed “Termination (otherwise than by winding up)” under the</p>

	section headed “Statutory and General Information” of Part 1 of this Prospectus for further details.
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What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of bitcoin, as measured by the performance of the Index.

There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund acquires and holds bitcoin directly. Up to 100% of the Sub-Fund's assets may be invested in bitcoin. Transactions of bitcoin by the Sub-Fund will be conducted through SFC-licensed Virtual Asset Trading Platform(s). Please refer to the section headed “Bitcoin” below for more information regarding bitcoin.

The Sub-Fund does not invest in bitcoin futures nor will it gain indirect exposure to bitcoin via other exchange-traded products. The Sub-Fund will not enter into futures contracts or any financial derivative instruments. There is no leveraged exposure to bitcoin at the level of the Sub-Fund.

The Sub-Fund may also hold up to 3% of the Net Asset Value in cash (mainly in USD) for the purpose of meeting redemption requests or defraying operating expenses.

The Sub-Fund will not enter into lending, sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions (which, for the avoidance of doubt, do not include acquisition or disposal of spot Virtual Assets on SFC-licensed Virtual Asset Trading Platform(s)). The Manager will seek the prior approval of the SFC (if required) and provide at least one month's prior notice to Shareholders before the Manager engages in any such investments.

The Sub-Fund will not employ any form of borrowing or leverage.

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

Bitcoin

Bitcoin is a digital asset, the ownership and behaviour of which are determined by participants in an online, peer-to-peer network that connects computers that run publicly accessible, or “open source”, software that follows the rules and procedures governing the bitcoin network, commonly referred to as the “bitcoin protocol”. No single entity owns or operates the bitcoin network, the infrastructure of which is collectively maintained by (i) a decentralised group of participants who run computer software that results in the recording and validation of transactions (commonly referred to as “miners”); (ii) developers who propose improvements to the bitcoin protocol and the software that enforces the bitcoin protocol; and (iii) users who choose what bitcoin software to run. The source code for the bitcoin network is open-source, and anyone can contribute to its development.

Ownership of and the ability to transfer or take other actions with respect to bitcoin as well as transaction records of bitcoin are protected through public key cryptography. Bitcoin is “stored” on a digital transaction ledger commonly known as a “blockchain”. A blockchain is a type of shared and continually reconciled database, stored in a decentralised manner on the computers of certain users of the digital asset and is protected by cryptography. Units of bitcoin are treated as fungible, meaning they can be traded or exchanged for one another. The Bitcoin blockchain contains a record and history for each bitcoin transaction.

Bitcoin may be used as a medium of exchange or unit of account. Although a number of large and small retailers accept bitcoin as a form of payment in the United States and foreign markets, there

is relatively limited use of bitcoin for commercial and retail payments. Similarly, bitcoin may be used as a store of value, although it has experienced significant periods of price volatility.

The value of bitcoin, like the value of other digital assets, is not backed by any government, corporation or other identified body. The value of bitcoin is determined in part by the supply of, and demand for, bitcoin in the markets for exchange that have been organised to facilitate the trading of bitcoin. The price of bitcoin is influenced by many factors, such as, global demand and supply of bitcoin, maintenance and development of the open-source software protocol of the bitcoin network, competition of other digital assets, investor sentiments on the value or utility of bitcoin, etc. Please refer to “Extremely high volatility risk” below for further information.

As the bitcoin network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a “hard fork” of the bitcoin network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of bitcoin network running in parallel and a split of the blockchain underlying the bitcoin network, but with each version’s underlying asset and blockchain lacking interchangeability. In August 2017, bitcoin “forked” into bitcoin and a new digital asset, bitcoin cash, as a result of a several-year dispute over how to increase the rate of transactions that the bitcoin network can process. Since then, bitcoin has been forked numerous times to launch new digital assets, such as bitcoin gold, bitcoin silver and bitcoin diamond.

By design, the supply of bitcoin is limited to 21 million bitcoins. As of 18 April 2024, there are more than 19 million bitcoins in circulation. Price discovery occurs through secondary market trading on bitcoin exchanges, over-the-counter trading desks and direct peer-to-peer payments. Bitcoin and bitcoin exchanges and over-the-counter trading desks have a relatively limited history. Limited liquidity and trading across exchange order books have resulted in periods of high volatility and price divergence among exchanges. Bitcoin was released in 2009 and, as a result, there is little data on its long-term investment potential.

Bitcoin spot price (from 19 July 2010 to 9 April 2024)



Source: Bloomberg

The Index

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

General Information on the Index

The Index, namely CME CF Bitcoin Reference Rate (APAC Variant), aggregates trade flow of major bitcoin spot exchanges approved by the CME CF Cryptocurrency Pricing Products Oversight Committee (the “**Oversight Committee**”) of the Index Provider (as defined below) (i.e. the Constituent Exchanges, as defined in the section “Index Methodology” below) during specific calculation windows into a once-a-day reference rate of the USD price of bitcoin. Calculation rules are geared towards maximum transparency and real-time replicability in underlying spot markets.

The Index was launched on 11 September 2023. It is based on materially the same methodology (except calculation time) as the CME CF Bitcoin Reference Rate, which was first introduced on 14 November 2016. The Index is designed based on the IOSCO Principles for Financial Benchmarks and is a registered benchmark under the UK Benchmarks Regulation by the Financial Conduct Authority of the United Kingdom.

The daily Index value, the latest list of Constituent Exchanges and any other additional information on the Index methodology are available at www.cfbenchmarks.com/data/indices/BRRAP (the contents of which has not been reviewed by the SFC).

Index Provider

CF Benchmarks Ltd. (the “**Index Provider**”) is the administrator of the Index. The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Methodology

Calculation of the Index

The Index is one of the CME CF Cryptocurrency Reference Rates. CME CF Cryptocurrency Reference Rates are calculated based on the Relevant Transactions of all Constituent Exchanges. Calculation steps on any given calculation day are as follows:

- (1) All Relevant Transactions are added to a joint list based on time of trade, recording the trade price and size for each transaction.
- (2) The list is partitioned into a number of equally-sized time intervals (12 partitions of 5 minutes each). This means that trades are added to a partition exclusive of partition start time and inclusive of partition end time when truncated to millisecond precision.
- (3) For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Transactions, i.e. across all Constituent Exchanges. A volume-weighted median differs from a standard median in that a weighting factor, in this case trade size, is factored into the calculation.
- (4) The CME CF Cryptocurrency Reference Rate is then given by the equally weighted average of the volume-weighted medians of all partitions.

For the purpose of the methodology,

- “**Constituent Exchange**” is a cryptocurrency trading venue approved by the Oversight Committee to serve as pricing source for the calculation of a CME CF Cryptocurrency Reference Rate. As of 29 February 2024, the Constituent Exchanges as chosen by the Index Provider for CME CF Cryptocurrency Reference Rates include Coinbase, Bitstamp, itBit, Kraken, Gemini, and LMAX Digital. The list of Constituent Exchanges is reviewed by the Oversight Committee at least quarterly and may change from time to time.
- “**Relevant Pair**” refers to the cryptocurrency base asset versus the quote asset referenced by a CME CF Cryptocurrency Reference Rate. For CME CF Bitcoin Reference Rate, the Relevant Pair is bitcoin vs. USD.

- **“Relevant Transaction”** refers to any cryptocurrency base asset versus the quote asset spot trade that occurs during the TWAP Period (as defined below) on a Constituent Exchange in the Relevant Pair that is reported through its API (application programming interface) to the Index Provider.

Selection of Constituent Exchanges

Regarding the selection of Constituent Exchanges, cryptocurrency trading venues are approved by the Oversight Committee to serve as pricing source for the calculation of a CME CF Cryptocurrency Reference Rate. To ensure that a CME CF Cryptocurrency Reference Rate reflects global cryptocurrency trading activity in a representative and unbiased manner, a geographically diverse set of spot trading venues is included within the current framework.

At the launch the Index for a Relevant Pair shall require input data from no less than two Constituent Exchanges. Applications for new Constituent Exchanges to be added will be based on a set of predefined criteria, and the operation of existing Constituent Exchanges will be monitored against the same criteria.

A trading venue is eligible as a Constituent Exchange in the Index if it offers a market that facilitates the spot trading of the Relevant Pair (being the cryptocurrency base asset against the corresponding quote asset) and makes trade data and order data available through an API with sufficient reliability, detail and timeliness.

A trading venue must, in the opinion of the Oversight Committee, fulfil the following criteria:

- (1) The venue’s Relevant Pair spot trading volume for an index must meet the minimum threshold as detailed below for it to be admitted as a Constituent Exchange:

The average daily volume the venue would have contributed during the observation window for the Index of the Relevant Pair exceeds 3% for two consecutive calendar quarters.

- (2) The venue has policies to ensure fair and transparent market conditions at all times and has processes in place to identify and impede illegal, unfair or manipulative trading practices.
- (3) The venue does not impose undue barriers to entry or restrictions on market participants, and utilizing the venue does not expose market participants to undue credit risk, operational risk, legal risk or other risks.
- (4) The venue complies with applicable law and regulation, including, but not limited to capital markets regulations, money transmission regulations, client money custody regulations, know-your-client regulations and anti-money laundering regulations.
- (5) The venue cooperates with inquiries and investigations of regulators and the Index Provider upon request and must execute data sharing agreements with CME Group.

Once admitted, a Constituent Exchange must demonstrate that it continues to fulfil the above criteria (2) to (5) inclusive. Should the average daily contribution of a Constituent Exchange falls below 3% for the Index, then the continued inclusion of the venue as a Constituent Exchange to the Relevant Pair shall be assessed by the Oversight Committee.

Calculation Time of the Index

The Index is based on materially the same methodology (except calculation time) as the CME CF Bitcoin Reference Rate (first introduced on 14 November 2016), except calculation time. The relevant transaction data is collected during an observation window between 3:00 p.m. to 4:00 p.m. (Hong Kong time) (the **“TWAP Period”**) and the Index (i.e. the USD price of bitcoin) is calculated and published at 4:00 p.m. (Hong Kong time).

Review and Changes

The methodology is subject to internal review by the Index Provider and the Oversight Committee at least annually. Any changes to the methodology are overseen by the Oversight Committee, and in accordance with Article 13 of the UK Benchmarks Regulation. Further information about oversight of the Index, including a list of members of the Oversight Committee, can be found <https://www.cmegroup.com/trading/cryptocurrency-indices/oversight-of-the-cryptocurrency-pricing-products.html> (the contents of which has not been reviewed by the SFC).

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Index Provider's policies and overseen by the Oversight Committee.

Index Code

Bloomberg ticker: BRRAP

Index Licence Agreement

The licence of the Index took effect on 22 March 2024 and will continue until either party gives at least 3 months' notice of termination to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

CF BENCHMARKS LTD INDEX DATA IS USED UNDER LICENSE AS A SOURCE OF INFORMATION FOR CERTAIN CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS. CF BENCHMARKS LTD, ITS LICENSORS AND AGENTS HAVE NO OTHER CONNECTION TO CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS AND SERVICES AND DO NOT SPONSOR, ENDORSE, RECOMMEND OR PROMOTE ANY CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS OR SERVICES. CF BENCHMARKS LTD, ITS LICENSORS AND AGENTS HAVE NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS AND SERVICES. CF BENCHMARKS LTD, ITS LICENSORS AND AGENTS DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY INDEX LICENSED TO CHINA ASSET MANAGEMENT (HONG KONG) LIMITED AND SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

Custody of Bitcoin and Insurance Arrangement of the Virtual Asset Sub-Custodian

The Sub-Fund's holdings of bitcoin are held by OSL Digital Securities Limited ("OSLDS"), acting via its associated entity BC Business Management Services (HK) Limited as the Virtual Asset Sub-Custodian. Please refer to the sub-section "The Virtual Asset Sub-Custodian" under the section headed "Management of the Company and Sub-Funds" in Part 1 of this Prospectus for further details regarding the custody arrangement.

Client assets held by OSLDS in Hong Kong in cold wallets are covered by a specie insurance. The specie insurance covers the loss or theft of digital asset private keys of the wallets in which client assets are held. The current specie programme offers OSLDS coverage of up to USD1 billion. The insurance coverage excludes, among other things, loss from any trading and loss from network failure of a cryptocurrency's cryptographic protocol (i.e. a protocol which governs secure communication and exchange of information over a network using cryptographic methods).

Valuation of Bitcoin

Bitcoin is a type of Virtual Assets, which shall be valued using an indexing approach by reference to an Index or otherwise a benchmark calculated based on the trade volume of the Virtual Assets across major Virtual Asset trading platforms as set out in the section headed "Determination of Net Asset Value" in Part 1 of this Prospectus.

For the purpose of calculation of the Net Asset Value of this Sub-Fund, the Sub-Fund will be valued by reference to the Index, meaning that the Sub-Fund will determine the value of bitcoin held by the Sub-Fund as reflected by the Index. Please refer to the section headed “The Index” above for further information relating to the methodology of the Index.

Dealing of Listed Class of Shares

The Offering Phases of Listed Class of Shares

Initial Offer Period

The Initial Offer Period in respect of the Listed Class of Shares commences at 9:00 a.m. (Hong Kong time) on 25 April 2024 and ends at 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 30 April 2024 but may be postponed by the Manager to a date no later than 14 June 2024.

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

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

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

After Listing

“After Listing” commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 30 April 2024 but may be postponed by the Manager to a date no later than 14 June 2024.

The current Dealing Deadline for Creation and Redemption Applications After Listing is 11:00 a.m. (Hong Kong time) (in respect of cash Applications) or 4:00 p.m. (Hong Kong time) (in respect of in-kind Applications) on the relevant Dealing Day, or such other time as Manager may from time to time in consultation with the Custodian determine generally.

Applications for creation of Listed Class of Shares may be made by way of cash (in USD or HKD only) or in-kind Creation Applications. Settlement for subscribing for Listed Class of Shares is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

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

Please refer to the section headed “The Offering Phases” in Schedule 1 to Part 1 of this Prospectus for details. The following table summarises all key events and the Manager’s expected timetable (all references to times are to Hong Kong time):

<p>Initial Offer Period commences</p> <ul style="list-style-type: none"> Participating Dealers may apply for creation for themselves or for their clients in Application Share size 	<ul style="list-style-type: none"> 9:00 a.m. (Hong Kong time) on 25 April 2024 or such other date or time as the Manager may determine
<p>The date that is two Business Days prior to the Listing Date</p> <ul style="list-style-type: none"> Latest time for Creation Applications by Participating Dealers for Listed Class of Shares to be available for trading on the Listing Date 	<ul style="list-style-type: none"> 5:00 p.m. (Hong Kong time) on 26 April 2024 or such other date or time as the Manager may determine
<p>After listing (period commences on the Listing Date)</p> <ul style="list-style-type: none"> All investors may start trading Listed Class of Shares on the SEHK through any designated brokers; and Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size 	<ul style="list-style-type: none"> Commence at 9:00 a.m. (Hong Kong time) on 30 April 2024, but may be postponed by the Manager to a date no later than 14 June 2024 From 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) (in respect of cash Applications) or 4:00 p.m. (Hong Kong time) (in respect of in-kind Applications) on each Dealing Day

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

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

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

Dealings on the SEHK in Listed Class of Shares traded in HKD, RMB and USD are expected to begin on 30 April 2024.

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

Multi-Counter

The Manager has arranged for the Listed Class of Shares of the Sub-Fund to be available for trading on the secondary market on the SEHK under a Multi-Counter arrangement. Shares are denominated in USD. The Sub-Fund offers three trading counters on the SEHK (i.e. HKD counter, RMB counter and USD counter) to investors for secondary trading purposes. Listed Class of Shares traded in HKD counter will be settled in HKD, Listed Class of Shares traded in RMB counter will be settled in RMB and Listed Class of Shares traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Listed Class of Shares in the counters may be different as the different counters are distinct and separate markets.

Shares in the Listed Class of Shares traded on each counter are of the same class and Shareholders of all counters are treated equally. The counters will have different stock codes (as set out in the section “Key Information” above), different stock short names and different ISIN numbers.

Normally, investors can buy and sell Listed Class of Shares traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide HKD, RMB and/or USD 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 place within the same trading day. However, investors should note that the trading price of Listed Class of Shares traded in each counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

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 above entitled “Multi-Counter risks”.

Redemptions of Listed Class of Shares

Listed Class of Shares can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in USD or HKD only) or in-kind. Any accepted Redemption Application will be effected by the payment of cash or transfer of investments (as the case may be) in accordance with the Operating Guidelines and the Instrument.

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

Dealing of Unlisted Classes of Shares

Subscription and Redemption of Unlisted Classes of Shares

Available Unlisted Classes of Shares

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

Unlisted Classes of Shares	Class Currency
Class A USD Shares	USD
Class A HKD Shares	HKD
Class A RMB Shares	RMB

The Company may in future determine to issue additional Unlisted Class(es) of Shares.

Initial Offer Period

The Initial Offer Period of Class A USD Shares, Class A HKD Shares and Class A RMB Shares will commence at 9:00 a.m. (Hong Kong time) on 25 April 2024 and end at 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other date or time as the Manager may determine for a particular class.

The initial Subscription Prices for Class A Shares during the Initial Offer Period are as follows:

- Class A USD Shares: USD10 per Share

- Class A HKD Shares: HKD100 per Share
- Class A RMB Shares: RMB100 per Share

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

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 to Part 1 of this Prospectus. The following apply to the Unlisted Classes of Shares:

<i>Dealing Day</i>	each Business Day
<i>Dealing Deadline</i>	11:00 a.m. (Hong Kong time) on the relevant Dealing Day

Investors should note that subscription monies in respect of the Sub-Fund must be paid in the Class Currency of the relevant Unlisted Class of Shares. Redemption proceeds will be paid to redeeming Shareholders in the Class Currency of the relevant Unlisted Class of Shares.

Subscription Price and Redemption Price

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

Payment of subscription monies

Subscription monies in respect of an Unlisted Class of Shares should be received in cleared funds by (i) the Dealing Deadline on the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for an Unlisted Class of Shares during the Initial Offer Period, by 5:00 p.m. on the last day of the Initial Offer Period of the relevant Unlisted Class of Shares, or within such other period as determined by the Manager. Payment details are set out in the subscription application form.

Payment of redemption proceeds

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

Investment minima

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

	Class A USD Shares	Class A HKD Shares	Class A RMB Shares
<i>Minimum initial investment amount</i>	USD 10	HKD 100	RMB 100
<i>Minimum subsequent investment amount</i>	USD 10	HKD 100	RMB 100
<i>Minimum holding amount</i>	USD 10	HKD 100	RMB 100
<i>Minimum redemption amount</i>	USD 10	HKD 100	RMB 100

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

Switching

Investors should note that switching between Unlisted Classes of Shares and Listed Class of Shares is not available.

Shareholders may switch some or all of their Shares in an Unlisted Class of Shares of the Sub-Fund into Shares in another Unlisted Class of Shares of the Sub-Fund (where available). Please refer to the section “Switching of Unlisted Class(es) of Shares” in Schedule 2 to Part 1 of this Prospectus for further details.

Switching of an Unlisted Class of Shares of the Sub-Fund to an unlisted class of shares, units or interests in any collective investment schemes other than the Sub-Fund (including any other sub-funds of the Company) is currently not permitted.

Distribution Policy

No distribution will be made to Shareholders.

Fees and Expenses

General (applicable to both Listed Class of Shares and Unlisted Classes of Shares)

Management Fee

In respect of each of Listed Class of Shares and Unlisted Classes of Shares, the Sub-Fund pays to the Manager a Management Fee, currently at 0.99% per annum of the Net Asset Value of the Sub-Fund attributable to the relevant class of Shares. The Management Fee is calculated as of each Dealing Day and payable monthly in USD in arrears out of the Scheme Property of the Sub-Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Sub-Fund, on one month’s notice to the affected Shareholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the SFC’s prior approval (if required) and the Shareholders’ approval.

Custodian Fee, Administrator Fee and Registrar Fee

The Custodian and Administrator are entitled to receive out of the Sub-Fund a fee of up to 1% per annum of the Net Asset Value of the Sub-Fund (the “Custodian Fee and Administrator Fee”), subject to a minimum of USD5,000 per month. The Custodian Fee and Administrator Fee will be accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Custodian Fee and Administrator Fee is inclusive of the fee payable to the Virtual Asset Sub-Custodian.

The Custodian Fee and Administrator Fee may be increased by agreement with the Manager up to the maximum on giving one month's notice to Shareholders.

The Registrar is entitled to receive out of the Sub-Fund a fee of USD500 per month per class of Shares.

Each of the Custodian, Administrator, Registrar and Virtual Asset Sub-Custodian shall also be entitled to receive various transaction, processing and/or valuation fees and other applicable fees pursuant to the provisions of the Instrument and as agreed with the Company from time to time, and entitled to be reimbursed out of the assets of the Sub-Fund all reasonable out-of-pocket expenses incurred by it in the performance of its duties as the Custodian, Administrator, Registrar or Virtual Asset Sub-Custodian (as the case may be).

Other fees and expenses

Please refer to "Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Shares and Unlisted Class(es) of Shares)" and "Establishment Costs" under the "Fees and Expenses" section in Part 1 of this Prospectus for details.

Fees and expenses applicable to Listed Class of Shares

Please refer to "Fees and Expenses Payable in respect of a Listed Class of Shares Only" under the "Fees and Expenses" section in Part 1 of this Prospectus for details.

Fees and expenses applicable to Unlisted Classes of Shares

The following fees apply to investors of the Unlisted Classes of Shares only.

	Class A Shares
<i>Subscription fee</i>	Up to 5% of the subscription amount
<i>Redemption fee</i>	Up to 3% of the redemption proceeds
<i>Switching fee</i>	Up to 3% of the redemption price for each Share switched

Please refer to "Fees and Expenses Payable in respect of Unlisted Class of Shares Only" under the "Fees and Expenses" section in Part 1 of this Prospectus for further details.

Risk Factors Specific to the Sub-Fund

Bitcoin is a relatively new investment with limited history and not backed by any authorities, government or corporations. It is subject to unique and substantial risks, and historically have been subject to significant price volatility. The value of an investment in the Sub-Fund could decline significantly in a short period of time without warning, including to zero. You may lose the full value of your investment within a single day. If you are not prepared to accept significant and unexpected changes in the value of the Sub-Fund and the possibility that you could lose your entire investment in the Sub-Fund you should not invest in the Sub-Fund.

Investors' attention is drawn to the following general risk factors set out under the section headed "Risk Factors" in Part 1 of this Prospectus: investment objective risk, market risk, asset class risk, management risk, underlying investment risk, counterparty risk, loss of capital risk, counterparty to custodian risk, indemnity risk, early termination risk, effect of redemptions risk, government intervention and restriction risk, no right to control the Sub-Fund's operation risk, reliance on the

Manager risk, liquidity risk, passive investment risk, tracking error risk, risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Shares, risks associated with market trading (applicable in respect of Listed Class of Shares only), risks associated with the Indices (applicable to Index Tracking Sub-Funds only) and risks associated with regulation.

In addition to the applicable general risk factors in Part 1 of this Prospectus set out above, investors should also consider the specific risks associated with investing in the Sub-Fund including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the Sub-Fund. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Shares of the Sub-Fund. The SFC's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Market and volatility risk

The value of the Sub-Fund's investments is subject to market risk. Market risk is the risk that the value of the investments to which the Sub-Fund is exposed will fall, which could occur due to general market or economic conditions or other factors. **The value of bitcoin could decline rapidly without warning, including to zero. Investors should be prepared to lose their entire investment.**

Risks related to bitcoin

The Sub-Fund is directly exposed to the risks of bitcoin through investment in bitcoin, and the following risks which adversely affect the price of bitcoin may also affect the value of the Sub-Fund:

Bitcoin and bitcoin industry risk

Bitcoin is a relatively new innovation and the market for bitcoin is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the bitcoin network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the bitcoin network may adversely affect the price of bitcoin, and therefore cause the Sub-Fund to suffer losses.

The use of bitcoin to, among other things, buy and sell goods and services is part of a new and rapidly evolving industry that employs digital assets based upon computer-generated mathematical and/or cryptographic protocols. Bitcoin is a prominent, but not unique, part of this industry. The growth of this industry is subject to a high degree of uncertainty.

Factors affecting the further development of this industry and therefore the value of bitcoin include but are not limited to:

- (i) continued worldwide growth or possible cessation or reversal in the adoption and use of bitcoin and other digital assets;
- (ii) government and quasi-government regulation of bitcoin and other digital assets and their use, or restrictions on or regulation of access to and operation of the bitcoin network and other digital asset networks;
- (iii) changes in consumer demographics and public tastes and preferences, including the possibility that market participants may come to prefer other digital assets to bitcoin for a variety of reasons, including that such other digital assets may have features (like different consensus mechanisms) or uses (like the ability to facilitate smart contracts) that bitcoin lacks;

- (iv) the maintenance and development of the open-source software protocol of the bitcoin network;
- (v) the use of the networks supporting digital assets for developing smart contracts and distributed applications;
- (vi) general economic conditions and the regulatory environment relating to digital assets; and
- (vii) negative consumer or public perception of bitcoin specifically and other digital assets generally.

The adoption of bitcoin will require growth in its usage for various applications that include retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. The adoption of bitcoin will also require an accommodating regulatory environment. In addition, there is no assurance that bitcoin will maintain its value over the long-term. The value of bitcoin is subject to risks related to its usage. Even if growth in bitcoin adoption occurs in the near or medium-term, there is no assurance that bitcoin usage will continue to grow over the long-term. To the extent market participants come to prefer other digital assets or other mechanisms that use non-blockchain technology, the value of bitcoin may be adversely affected.

Speculative nature risk

Bitcoin is a new technological innovation with a limited history. Investing in bitcoin is highly speculative, and market movements are difficult to predict. Supply and demand for bitcoin could change rapidly and subject to a large variety of factors, including governmental regulations and investors' sentiments.

Unforeseeable risks

Bitcoin has gained commercial acceptance only in recent years. Consequently, there is limited data on its long-term investment potential available to investors. Given the rapidly evolving nature of bitcoin, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted.

Limited use risk

Despite that certain retailers have started to accept bitcoin as a form of payment in recent years, there is still relatively limited use of bitcoin for commercial and retail transactions. Price volatility undermines the ability of bitcoin as a medium of exchange, and a contraction of the use of bitcoin may result in a decrease in its value, which could adversely impact the Net Asset Value.

Risk relating to the limited and short history of bitcoin

The bitcoin network and bitcoin as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of bitcoin will unfold over time. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on bitcoin.

Extreme price volatility risk

Investments linked to bitcoin can be highly volatile compared to investments in traditional securities and the Sub-Fund may experience sudden and substantial losses. An investor should be prepared to lose the full principal value of their investment within a single day. Historically, the prices of bitcoin have been highly volatile, based on a variety of factors, including:

- *Global demand and supply of bitcoin*: The demand and supply of bitcoin are impacted by the investors' perception of the security of bitcoin, the level of commercial acceptance of

bitcoin as payment for goods and services, the abundance of regulatory restrictions on the use of bitcoin, etc.;

- *Maintenance and development of the open-source software protocol of the bitcoin network:* The bitcoin network is open-source, and any user or miner could propose amendments to the bitcoin network's protocols which may adversely affect the long-term viability of bitcoin, and consequently, an investment in the Sub-Fund;
- *Competition from other digital assets:* A competitor to bitcoin which gains greater share in the market of digital assets may lead to a reduction in demand and price of bitcoin, which may negatively affect the Net Asset Value;
- *Investor sentiments on the value or utility of bitcoin:* The bitcoin market is sensitive to new developments, and any significant changes in market sentiments could induce large swings in trading volume and price of bitcoin;
- *Insufficient mining reward risk:* If the revenue a miner earns from creating bitcoins and verification of transactions is not sufficiently high, he/she may cease operations, leading to a drop in the collective processing power of the bitcoin network, adverse effect to the confirmation process for bitcoin transactions and vulnerability of the bitcoin network to malicious manipulation;
- *Changing investors' confidence on digital assets:* Investors' confidence regarding the security and long-term stability of a digital asset's network and its blockchain may fluctuate based on market developments and the investors' own experience with the digital asset;
- *Contagious effect on the price of bitcoin from incidents on digital assets and trading platforms:* For example, the price of bitcoin dropped significantly following the collapse of FTX, one of the largest digital assets exchanges, in November 2022;

The market price of bitcoin has been subject to extreme fluctuations. For example, the price of bitcoin dropped from USD19,100 on 18 December 2017 to USD3,145 on 14 December 2018, representing a decrease of over 80%. There was another rapid price drawdown followed by a steep appreciation, representing a decrease of over 82% in 2021-2022. If bitcoin markets continue to be subject to sharp fluctuations, the Sub-Fund may experience substantial losses.

Concentration of ownership risk

The price of bitcoin may be subject to manipulation since a significant portion of bitcoin is held by a small number of holders sometimes referred to as "whales". As a result of this concentration of ownership, large sales or distributions by such holders could have an adverse effect of market price of bitcoin. These holders have the ability to manipulate the price of bitcoin. It is believed that speculators and investors who seek to profit from trading and holding bitcoin currently account for a significant portion of bitcoin demand. Such speculation regarding the potential future appreciation in the price of bitcoin may artificially inflate or deflate the price of bitcoin. Market fraud and/or manipulation and other fraudulent trading practices such as the intentional dissemination of false or misleading information (e.g. false rumours) can, among other things, lead to a disruption of the orderly functioning of markets, significant market volatility, and cause the value of bitcoin to fluctuate quickly and without warning.

Regulatory risk

The regulation of bitcoin, digital assets and related products and services continues to evolve. There is a trend of increased regulations. As bitcoin and digital assets have grown in both popularity and market size, certain regulatory authorities have been examining the operations of digital asset exchanges and service providers. Certain regulatory authorities have brought enforcement actions and issued advisories and rules relating to digital asset markets. Regulatory changes or actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the bitcoin.

Regulatory changes or actions may alter the nature of an investment in bitcoin, or restrict the use and exchange of bitcoin or the operations of the bitcoin network or venues on which bitcoin trades in a manner that adversely affects the price of bitcoin. Similarly, future regulatory changes could expose the Sub-Fund to potential new costs and expenses as well as adversely impact the ability of the Sub-Fund to achieve its investment objective.

Corporate governance risk

The decentralised structure of the bitcoin network may prevent the formation of consensus among parties with potentially competing motives on improving and modifying the bitcoin network. If a proposal to improve the bitcoin network protocol has failed to obtain an overwhelming consensus for adoption, it may be abandoned, delayed or result in a fork. If a desirable improvement to the bitcoin network protocol is not implemented, the functioning of the bitcoin network may be negatively affected. Such negative impact may be extended to the price of bitcoin.

Moreover, the open-source structure of the bitcoin network protocol means that miners and developers are not rewarded with compensation for maintaining and developing the protocol. The lack of incentive in properly monitoring the protocol by users or developers may damage the bitcoin network.

Fraud, market manipulation and security failure risk

Bitcoin may be subject to the risk of fraud, manipulation and security failure, and operational or other problems that impact Virtual Asset trading platforms. In particular the bitcoin network and entities that facilitate the transfer or trading of bitcoin are vulnerable to various cyber-attacks. The occurrence of any of the above may have a negative impact on the price of bitcoin and the value of the Sub-Fund's investments.

Cybersecurity risks

Bitcoin is susceptible to theft, loss and destruction. The bitcoin network is also vulnerable to various deliberate cybersecurity attacks, such as hacking or malicious software coding for purposes of misappropriating information and assets or causing operational disruption. Cybersecurity risks of the bitcoin protocol and of entities that hold custody or facilitate the transfers or trading of bitcoin could result in a loss of public confidence in bitcoin and a decline in the value of bitcoin. Also, malicious actors may exploit flaws in the code or structure in the bitcoin network that will allow them to, among other things, steal bitcoin held by others, control the blockchain, steal personally identifiable information, or issue significant amounts of bitcoin in contravention of the bitcoin protocols. The occurrence of any of these events is likely to have a significant adverse impact on the price and liquidity of bitcoin.

Potential manipulation of bitcoin network risk

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the bitcoin network contains certain flaws. For example, the bitcoin network is currently vulnerable to a "51% attack" where, if a mining pool were to gain control of more than 50% of the "hash" rate (i.e. the amount of processing and computing power being given to the bitcoin network through mining), or the amount of processing and computing power being contributed to the network through mining, a malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain.

Internet risk

The bitcoin network's functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the bitcoin network. Any technical disruptions or regulatory limitations that affect Internet access may have an adverse effect on the bitcoin network, the price of bitcoin.

Open-source risk

The bitcoin network operates based on open-source protocol maintained by a group of core developers. As the bitcoin network protocol is not sold and its use does not generate revenue for development teams, core developers may not be directly compensated for maintaining and updating the bitcoin network protocol. Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the network. There can be no guarantee that developer support will continue or be sufficient in the future. Additionally, some developments and developers are funded by companies whose interests may be at odds with other participants in the network or with investors' interests. To the extent that material issues arise with the bitcoin network protocol and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, the bitcoin network may be adversely affected.

Forks risk

As the bitcoin network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a "hard fork" of the bitcoin network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of bitcoin network running in parallel and a split of the blockchain underlying the bitcoin network. This could impact demand for bitcoin and adversely impact the price and liquidity of bitcoin. In case of a "hard fork", the Manager will act in the best interest of the investors, use its sole discretion to determine which network should be considered the appropriate network for the Sub-Fund and keep investors informed. There is no guarantee that the Manager will choose the digital asset that is ultimately the most valuable fork, and the Manager's decision may adversely affect the value of the Sub-Fund as a result.

"Air drop" risk

A substantial giveaway of bitcoin (sometimes referred to as an "air drop") may also result in a significant and unexpected declines in the value of bitcoin and the Sub-Fund.

Risk of illicit use

As with any other asset class or medium of exchange, bitcoin can be used to purchase illegal goods, fund illicit activities, or launder money. Negative events, developments, news or published opinions may affect the general outlook of the industry as a whole and trigger governmental restrictions and/or regulations in respect of bitcoin, and may have a material adverse effect on the Sub-Fund.

Crypto ecosystem contagion risk

The operation of Virtual Assets depends on the centralised elements of the crypto ecosystem (for example, wallets and exchanges), which is exposed to concentration risk. Given the crypto ecosystem's concentrated reliance on a few entities where certain entities handle more than half of the trading volume, the collapse of any major players in the crypto ecosystem may have a contagious adverse effect on the value of Virtual Assets and the value of the Sub-Fund's investments.

Difficulties in verifying ownership of bitcoin risk

Given that bitcoin is pseudonymous in nature, it is difficult to verify the ownership of bitcoin. To the extent the Sub-Fund is subject to fraud, theft and market manipulation or system failure, it will be difficult for the Sub-Fund to trace the Sub-Fund's bitcoin and have a claim against the bad actors.

Intellectual property risk

Third parties may assert intellectual property claims relating to the holding and transfer of bitcoin and its source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer bitcoin may adversely affect the value of bitcoin. Additionally, a meritorious intellectual property claim could prevent end-users from accessing, holding, or transferring bitcoin.

Environment and energy consumption risk

Mining bitcoin requires significant computing power, and the amount of energy consumed by bitcoin miners is high, making the bitcoin network unsustainable. Environmental concerns relating to the mining of bitcoin may suppress the demand for bitcoin and the speed of its adoption in the market. These may hinder the broader and sustained acceptance of the bitcoin network as peer-to-peer transactional platforms and adversely impact the value of bitcoin.

Political or economic crisis risk

Bitcoin operates without central authority (such as a bank) and is not backed by any government. As opposed to fiat currencies that are backed by central governments, bitcoin is subject to supply and demand forces based upon the desirability of decentralised means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by regulatory policy on bitcoin. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoin, either globally or locally. Large-scale sales of bitcoin would result in a reduction in its price.

Halving risk

As a result of the bitcoin network's "halving" mechanism, the block reward that miners receive for successfully mining a block are cut in half each time the bitcoin network mines 210,000 blocks. This type of "halving" event generally occurs once every four years and will continue until the maximum possible 21 million bitcoin have been mined and released into circulation. As at 18 April 2024, there are approximately 19 million bitcoin that have been mined and are in circulation. Where new bitcoin tokens are no longer awarded for adding a new block, it is expected that miners will need to be better compensated with higher transaction fees to ensure that there is adequate incentive for them to continue mining. Where the incentive is inadequate to incentivise miners to continue to perform mining activities, security of the bitcoin network could be jeopardized, which could harm the value of the Shares.

Risks related to Virtual Asset trading platforms

Trading platform risk

Although transactions of bitcoin by the Sub-Fund will be conducted through SFC-licensed Virtual Asset Trading Platform(s), such trading platforms are relatively new. Not all Virtual Asset trading platforms are licensed by the SFC (including the Constituent Exchanges). For those that are not licensed by the SFC, they are largely unregulated in other jurisdictions and therefore prone to fraud and market manipulation. Over the past several years, a number of Virtual Asset trading platforms have collapsed, ceased operations or shut down temporarily or permanently due to issues such as fraud, failure, security breaches, cybersecurity issues and market manipulation, and other Virtual Asset trading platforms may in the future experience similar failures. The potential consequences of the failure of a Virtual Asset trading platform could adversely affect the value of bitcoin and in turn the value of the Shares.

Regulation of SFC-licensed Virtual Asset Trading Platforms risk

In the event that a Virtual Asset Trading Platform's licence from the SFC is being revoked or terminated or otherwise invalidated, the Sub-Fund may be prohibited from conducting transactions and acquisitions of bitcoin. There is no guarantee that the Manager will be able to conduct trades on another SFC-licensed Virtual Asset Trading Platform, in which case the Sub-Fund may be

adversely affected.

Liquidity risk of Virtual Asset Trading Platforms

The Virtual Asset Trading Platforms on which the Sub-Fund may acquire or dispose of bitcoin are still developing. The bitcoin traded on these platforms may be subject to lower liquidity compared to other spot bitcoin trading venues. As such there may be a delay in the Sub-Fund's ability to acquire or dispose of the investments from these platforms. The bid and offer spread of price of bitcoin on these platforms may be large and the Sub-Fund may incur significant trading costs.

Trading limit risk of Virtual Asset Trading Platforms

A Virtual Asset Trading Platform may be subject to trading limits in buying and selling underlying bitcoin in respect of subscriptions and redemptions for Shares in cash to comply with relevant capital requirements. If such trading limits are exceeded on any Dealing Day, the ability of the Sub-Fund to buy or sell bitcoin on the relevant Virtual Asset Trading Platform may be affected and subscription, creation or redemption applications in cash may be postponed to be processed on the next Dealing Day. This may affect the tracking performance of the Sub-Fund and affect the price of the Shares.

Custody risks

Virtual Asset Sub-Custodian risk

The Virtual Asset Sub-Custodian is responsible for the custody of bitcoin held by the Sub-Fund. If the Virtual Asset Sub-Custodian fails to perform the custodial functions for the Sub-Fund or its licence from the SFC is being revoked or terminated or otherwise invalidated, the Sub-Fund may be unable to operate or effect creations and redemptions. In such cases, or where the Custodian decides to replace the Virtual Asset Sub-Custodian, the Custodian may not be able to engage a substitute sub-custodian within the termination notice period. The operations of the Sub-Fund may be severely impacted, which would affect the price of the Shares.

Risk associated with compensation arrangement of the Virtual Asset Sub-Custodian

Investors' recourse against the Company, the Sub-Fund, the Manager, the Custodian and the Virtual Asset Sub-Custodian under Hong Kong law may be limited. Each of the Sub-Fund and the Custodian does not insure the Sub-Fund's bitcoin holdings. The Custodian shall ensure that the Virtual Asset Sub-Custodian will maintain a compensation/insurance arrangement approved by the SFC, however, such compensation/insurance arrangement is shared among all clients of the Virtual Asset Sub-Custodian and is not specific to the Sub-Fund. It is therefore possible that the compensation/insurance arrangement may not be adequate to cover all bitcoin held by the Virtual Asset Sub-Custodian on behalf of the account of the Sub-Fund. The insurance coverage also excludes certain types of losses, such as loss from any trading and loss from network failure of a cryptocurrency cryptographic protocol. Consequently, a loss may be suffered by the Sub-Fund.

Cybersecurity risk relating to custody of bitcoin by the Virtual Asset Sub-Custodian

The security procedure in place for the custody of bitcoin may not be able to protect against all errors, software flaws or other vulnerabilities in the Virtual Asset Sub-Custodian's technical infrastructure, which could result in theft, loss or damage in Sub-Fund's assets. While the Manager has conducted due diligence on the Virtual Asset Sub-Custodian and believes there are security procedures in place for the Sub-Fund by the Virtual Asset Sub-Custodian, they Manager does not have control over the Virtual Asset Sub-Custodian's security procedures.

Risk relating to the difference between executable price of bitcoin on SFC-licensed Virtual Asset Trading Platform(s) and Index price for cash subscription and redemption

The Index price may not be indicative of the executable price of bitcoin on the SFC-licensed Virtual Asset Trading Platform(s). The executable price of bitcoin on the SFC-licensed Virtual Asset Trading Platform(s) may not be the same as the traded prices of bitcoin on the Constituent Exchanges used

by the Index for valuation. As such, under different circumstances, this may (in the case of Listed Class of Shares) impact Participating Dealers' and Market Makers' ability to conduct effective arbitrage and provide liquidity for the Sub-Fund, which may lead to a higher premium or discount to the Net Asset Value and/or a higher bid-ask spread of the Sub-Fund in secondary market, and (in the case of both Listed Class of Shares and Unlisted Classes of Shares) may result in higher tracking difference.

Concentration risk

The exposure of the Sub-Fund is concentrated in the bitcoin market. This may result in higher concentration risk than a fund having more diverse portfolio of investments. The value of the Sub-Fund is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting bitcoin.

New product risk

The Sub-Fund invests directly in bitcoin. The novelty of such a fund makes the Sub-Fund potentially riskier than traditional funds investing in equity securities or debt securities. Given the novelty of the underlying assets of the Sub-Fund (i.e. bitcoin), there is no guarantee that the service providers (e.g. Participating Dealers and Market Makers) can perform their duties effectively.

Risks related to the Index

Limited performance history risk

The index was developed by the Index Provider and has a limited performance history. Although the Index is based on materially the same methodology (except calculation time) as the Index Provider's bitcoin reference rate, which was first introduced in November 2016, the Index itself has only been in operation since September 2023. A longer history of actual performance through various economic and market conditions would provide more reliable information for an investor to assess the Index's performance.

Price volatility of Index risk

The price of bitcoin has historically been volatile and subject to influence by many factors including operational interruptions. The Index price and the price of bitcoin generally remain subject to the volatility experienced by the Constituent Exchanges.

System failures or errors of the Index Provider risk

System failures or errors of the Index Provider, data providers and/or the relevant Constituent Exchanges may lead to the errors in the Index which may lead to a different investment outcome for the Sub-Fund and the investors.

Risk relating to discontinuation of the Index

If the Index is discontinued, the Manager will seek the SFC's prior approval to replace the Index with another index that has a similar objective to the Index (as applicable). If the Manager cannot agree within a reasonable period on a suitable replacement index acceptable to the SFC, the Manager may, in its discretion, terminate the Sub-Fund. Upon the Sub-Fund being terminated, the amount distributed may be less the amount of capital invested by the investors and the investors may suffer losses.

Risk relating to audits of the Sub-Fund

Audits of the Sub-Fund which holds Virtual Assets are unlikely audits for other types of investment funds. Special procedures must be taken to assess whether investments and transactions are properly accounted for and valued because independent confirmation of Virtual Asset ownership, (for example, ownership of a balance on a Virtual Asset Trading Platform) differs dramatically from traditional confirmations with a securities broker or bank account. The Manager, the Custodian, the

Administrator and/or the Registrar will need to have satisfactory processes in place in order for the auditor to obtain the Sub-Fund's transaction history and properly prepare audited financials. Any breakdown in such processes may result in delays or impediments in an audit. In addition, the complexity of Virtual Assets generally may lead to difficulties in connection with the preparation of the Sub-Fund's audited financials.

Trading hours difference risk (applicable to Listed Class of Shares only)

Each of the Virtual Asset Trading Platform(s) and the Constituent Exchanges is a 24-hour marketplace. As bitcoin can be traded 24 hours even during periods when the trading of Shares on the SEHK is not available, the value of the bitcoin in the Sub-Fund's portfolio may change on such day or time when investors will not be able to purchase or sell the Sub-Fund's Shares on the SEHK. To the extent that the price of bitcoin on the Constituent Exchanges drops significantly during hours when the SEHK is closed, investors may not be able to mitigate losses in a rapidly negative market.

Trading risk (applicable to Listed Class of Shares only)

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

Trading volume and liquidity of bitcoin on the Constituent Exchanges is not consistent throughout the day and the Constituent Exchanges may be shut down temporarily or permanently due to security concerns, directed denial-of-service attacks and distributed denial-of-service attacks and other reasons. As a result, during periods when the SEHK is open but the Constituent Exchanges are either lightly traded or closed, trading spreads and the resulting premium or discount on the Shares may widen and, therefore, increase the difference between the price of the Shares and the Sub-Fund's bitcoin holdings per Share.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

Please also refer to "Trading Risk" and "Cost of Trading Listed Class of Shares Risk" under the section headed "Risk Factors" in Part 1 of this Prospectus for further details.

The Listed Class of Shares in the RMB counter are RMB denominated securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the RMB traded Shares. The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB traded Shares.

Tracking error risk

The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not provide investment results that closely correspond to the performance of bitcoin as measured by the performance of the Index. This tracking error may result from the level of cash held by the Sub-Fund and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

Please also refer to "Tracking Error Risk" under the section headed "Risk Factors" in Part 1 of this Prospectus for further details.

Liquidity and reliance on Market Maker risk (applicable to Listed Class of Shares only)

There may be less interest by potential Market Makers making a market in Listed Class of Shares denominated and traded in RMB. Any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for the Listed Class of Shares.

Please also refer to “Reliance on Market Makers Risk” under the section headed “Risk Factors” in Part 1 of this Prospectus for further details.

Multi-Counter risk (applicable to Listed Class of Shares only)

The nature of the Multi-Counter for exchange traded funds may make investment in the Listed Class of Shares riskier than in single counter units or shares of an SEHK listed issuer for example where for some reason there is a settlement failure on an inter-counter transfer if the Listed Class of Shares of one counter are delivered to CCASS at the last settlement on a trading day, leaving not enough time to transfer the Listed Class of Shares to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfer of Listed Class of Shares between different counters for any reasons, for example, operational or systems interruption, Shareholders will only be able to trade their Listed Class of Shares in the currency of the relevant Multi-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 Listed Class of Shares traded in one counter may deviate significantly from the market price on the SEHK of Listed Class of Shares 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 Listed Class of Shares in each counter is determined by market forces and so will not be the same as the trading price of Listed Class of Shares multiplied by the prevailing rate of foreign exchange. Accordingly when selling Listed Class of Shares or buying Listed Class of Shares 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 Listed Class of Shares took place on another counter. There can be no assurance that the price of Listed Class of Shares in each counter will be equivalent.

It is possible that some brokers and HKSCC participants may not be familiar with and may not be able to (i) buy Listed Class of Shares in one counter and to sell Listed Class of Shares in another, (ii) carry out inter-counter transfers of Listed Class of Shares, or (iii) trade Listed Class of Shares in different counters at the same time. In such a case another broker or HKSCC participant may need to be used. Accordingly investors may only be able to trade their Listed Class of Shares 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).

Currency risks

In respect of Listed Class of Shares, Shares are traded in the secondary market in HKD and RMB (in addition to USD). Secondary market investors may be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currencies (HKD and RMB) and the Base Currency (i.e. USD) when trading the Listed Class of Shares in the secondary market.

In respect of Unlisted Class(es) of Shares, a class of Shares may be designated in a Class Currency other than the Base Currency of the Sub-Fund (i.e. USD). The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these Class Currencies and the Base Currency and by changes in exchange rate controls.

RMB currency risk

Non-RMB based investors who invest in the Shares in the RMB counter or RMB denominated Unlisted Class of Shares are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currency will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investment in the Shares in the RMB counter or RMB denominated Unlisted Class of Shares.

RMB currency risk (applicable to the RMB denominated Unlisted Class of Shares only)

RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions in RMB to investors in the RMB denominated Unlisted Class of Shares. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Termination risk

The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking, or if the size of the Sub-Fund falls below USD20 million. In case of termination of the Sub-Fund, the related costs will be borne by the Sub-Fund. The Net Asset Value may be adversely affected and Shareholders may suffer loss. Please also refer to “Early Termination Risk” under the section headed “Risk Factors” in Part 1 of this Prospectus for further details.

Appendix dated 25 April 2024

APPENDIX 2: CHINAAMC ETHER ETF

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

Key Information

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

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

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the performance of ether, as measured by the performance of the Index (as defined below)
Index	CME CF Ether-Dollar Reference Rate (APAC Variant) (the “Index”)
Base Currency	USD
Distribution Policy	No distribution will be made to Shareholders.
Financial Year End	31 December (The first annual financial reports and the first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to the year ending 31 December 2024 and for the half year ending 30 June 2025 respectively.)
Custodian	BOCI-Prudential Trustee Limited
Virtual Asset Sub-Custodian	OSL Digital Securities Limited, acting via its associated entity BC Business Management Services (HK) Limited
Virtual Asset Trading Platform(s)^	OSL Exchange (operated by OSL Digital Securities Limited)
Website	https://www.chinaamc.com.hk/en/index.html (this website has not been reviewed by the SFC)

[^] Please refer to the Manager’s website for the latest list of Virtual Asset Trading Platform(s) for the Sub-Fund.

Key information applicable to Listed Class of Shares only

Initial Offer Period	9:00 a.m. (Hong Kong time) on 25 April 2024 to 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other date or time as the Manager may determine
Initial Issue Date	29 April 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1
Listing Date (SEHK)	Expected to be 30 April 2024, but may be postponed by the Manager to a date no later than 14 June 2024

Exchange Listing	SEHK – Main Board
Stock Code	3046 – HKD counter 83046 – RMB counter 9046 – USD counter
Short Stock Name	CAM ETH – HKD counter CAM ETH-R – RMB counter CAM ETH-U – USD counter
ISIN Number	HK0001009734 – HKD counter HK0001009742 – RMB counter HK0001009759 – USD counter
Trading Board Lot Size	100 Shares – HKD counter 100 Shares – RMB counter 100 Shares – USD counter
Trading Currency	Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter U.S. dollars (USD) – USD counter
Creation/Redemption Policy	Cash (in USD or HKD only) or in-kind
Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof)
Dealing Deadline	Cash Application – 11:00 a.m. (Hong Kong time) on the relevant Dealing Day In-kind Application – 4:00 p.m. (Hong Kong time) on the relevant Dealing Day
Management Fee	Currently 0.99% per year of the Net Asset Value of the Listed Class of Shares
Participating Dealer(s)[#]	Victory Securities Company Limited Mirae Asset Securities (HK) Limited Solomon JFZ (Asia) Holdings Limited Eddid Securities and Futures Limited Valuable Capital Limited
Market Maker(s)[#]	Vivienne Court Trading Pty. Ltd.
Service Agent	HK Conversion Agency Services Limited
Listing Agent	Altus Capital Limited

[#] Please refer to the Manager's website for the latest list of Participating Dealer(s) for each Sub-Fund. Please refer to the Manager's website and the website of the HKEX for the latest lists of Market Maker(s) for the Sub-Fund.

Key information applicable to Unlisted Classes of Shares only

Unlisted Classes of Shares Offered	Class A USD Shares Class A HKD Shares Class A RMB Shares
Initial Offer Period	9:00 a.m. (Hong Kong time) on 25 April 2024 to 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other

	date or time as the Manager may determine for a particular class
Subscription Price during the Initial Offer Period	Class A USD Shares: USD 10 Class A HKD Shares: HKD 100 Class A RMB Shares: RMB 100
Minimum Initial Investment Amount, Minimum Subsequent Investment Amount, Minimum Holding Amount and Minimum Redemption Amount	Class A USD Shares: USD 10 Class A HKD Shares: HKD 100 Class A RMB Shares: RMB 100
Subscription / Redemption Policy	Cash only
Dealing Deadline	11:00 a.m.(Hong Kong time) on the relevant Dealing Day
Management Fee	Currently 0.99% per year of the Net Asset Value of the relevant Unlisted Class of Shares

Key similarities and differences between Listed Class of Shares and Unlisted Classes of Shares

Investment Objective	Same for both Listed Class of Shares and Unlisted Classes of Shares. Please refer to the “What is the Investment Objective?” and “What is the Investment Strategy?”.
Investment Strategy	
Valuation Policy	Same for both Listed Class of Shares and Unlisted Classes of Shares. Please refer to the “Determination of Net Asset Value” section in Part 1 of this Prospectus.
Valuation Point	Same for both Listed Class of Shares and Unlisted Classes of Shares – approximately 4:00 p.m. (Hong Kong time) on each Dealing Day
Dealing Frequency	Same for both Listed Class of Shares and Unlisted Classes of Shares – each Business Day.
Dealing Arrangements	Investors should note that the minimum amounts for creation (in the case of Listed Class of Shares) / subscription (in the case of Unlisted Classes of Shares) and redemption in respect of Listed and Unlisted Classes of Shares are different. Investors should also note that while the dealing frequency and the definition of “Dealing Day” are the same, the Dealing Deadlines in respect of Listed Class of Shares and Unlisted Classes of Shares may be different. The applicable dealing procedures and timing with the relevant Participating Dealer (in the case of Listed Class

of Shares) and distributor (if applicable, in the case of Unlisted Classes of Shares) may also be different. Investors should check with the relevant Participating Dealer or distributor for the applicable dealing procedures and timing.

In respect of the Listed Class of Shares:

- the dealing deadline for a Creation Application or Redemption Application is 11:00 a.m. (Hong Kong time) (in respect of a cash Application) or 4:00 p.m. (Hong Kong time) (in respect of an in-kind Application) on the relevant Dealing Day;
- the Creation Application or Redemption Application for Listed Class of Shares received after 11:00 a.m. (Hong Kong time) (in respect of a cash Application) or 4:00 p.m. (in respect of an in-kind Application) on a Dealing Day will be deemed to have been received on the next Dealing Day;
- a secondary market investor can buy and sell the Listed Class of Shares on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Shares at market price.

In respect of the Unlisted Classes of Shares:

- the Dealing Deadline currently is 11:00 a.m. (Hong Kong time) on the relevant Dealing Day;
- the subscription application or redemption request for Unlisted Classes of Shares submitted after 11:00 a.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day;
- investors can buy or sell Unlisted Classes of Shares at the Net Asset Value of the relevant Unlisted Classes of Shares. Applicants may apply for Unlisted Classes of Shares through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Classes of Shares through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Please refer to Schedule 1 and Schedule 2 to this Prospectus for details of the dealing arrangements of Listed Class of Shares and Unlisted Classes of Shares respectively.

<p>Fee Structure</p>	<p>Different in respect of each of the Listed Class of Shares and Unlisted Classes of Shares.</p> <p>The rates of Management Fee, Custodian and Administrator Fee and registrar fee are the same in respect of both the Listed Class of Shares and each Unlisted Class of Shares.</p> <p>An investment in the Listed Class of Shares in the secondary market is subject to fees involved in relation to the trading of such Shares on the SEHK (such as the Service Agent’s fee, transaction costs, brokerage fee, transaction levy, trading fee etc.).</p> <p>An investment in the Unlisted Classes of Shares may be subject to the payment of subscription fee, switching fee and redemption fee (if applicable).</p> <p>Please refer to the “Fees and Expenses” section in Part 1 of this Prospectus and this Appendix respectively.</p>
<p>Investment return / Net Asset Value</p>	<p>Different in respect of each of the Listed Class of Shares and Unlisted Classes of Shares due to various factors, including but not limited to the different fee structures applicable to each class of Shares, different dealing arrangements (i.e. Listed Class of Shares can be bought and sold at market price whereas Unlisted Classes of Shares are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Shares in the primary market and fees payable in respect of trading of Listed Class of Shares in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Shares will be different.</p> <p>There is a separate Net Asset Value for each class of Shares. The Custodian does allow each class of Shares to have its own Net Asset Value (i.e. one Net Asset Value for one class of Shares).</p> <p>Please refer to the “Risk associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Shares” risk factor of Part 1 of this Prospectus.</p>
<p>Termination</p>	<p>Due to the nature of the listing of the Listed Class of Shares, the termination procedures applicable to the Listed Class of Shares and Unlisted Classes of Shares may differ. Please refer to the sub-section headed “Termination (otherwise than by winding up)” under the</p>

	section headed “Statutory and General Information” of Part 1 of this Prospectus for further details.
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What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of ether, as measured by the performance of the Index.

There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

In seeking to achieve the Sub-Fund’s investment objective, the Sub-Fund acquires and holds ether directly. Up to 100% of the Sub-Fund’s assets may be invested in ether. Transactions of ether by the Sub-Fund will be conducted through SFC-licensed Virtual Asset Trading Platform(s).

The Manager will not stake any portion of the ether held by the Sub-Fund.

Please refer to the section headed “Ether” below for more information regarding ether.

The Sub-Fund does not invest in ether futures nor will it gain indirect exposure to ether via other exchange-traded products. The Sub-Fund will not enter into futures contracts or any financial derivative instruments. There is no leveraged exposure to ether at the level of the Sub-Fund.

The Sub-Fund may also hold up to 3% of the Net Asset Value in cash (mainly in USD) for the purpose of meeting redemption requests or defraying operating expenses.

The Sub-Fund will not enter into lending, sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions (which, for the avoidance of doubt, do not include acquisition or disposal of spot Virtual Assets on SFC-licensed Virtual Asset Trading Platform(s)). The Manager will seek the prior approval of the SFC (if required) and provide at least one month’s prior notice to Shareholders before the Manager engages in any such investments.

The Sub-Fund will not employ any form of borrowing or leverage.

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

Ether

Ether is a digital asset which serves as the unit of account on an open-source, decentralised, peer-to-peer computer network, commonly referred to as the “Ethereum computer network”. No single entity owns or operates the Ethereum computer network. The Ethereum computer network is accessed through software and governs ether’s creation and movement. The source code for the Ethereum computer network is open-source, and anyone can contribute to its development.

Before 15 September 2022, Ethereum used the proof-of-work consensus mechanism. Ethereum transitioned to a proof-of-stake chain in an upgrade known as Ethereum 2.0 on 15 September 2022. Unlike proof-of-work, in which miners expend computational resources to compete to validate transactions and are rewarded ether in proportion to the amount of computational resources expended, in proof-of-stake, miners (sometimes called validators) stake ether to compete to be randomly selected to validate transactions and are rewarded ether in proportion to the amount of ether staked. Proof-of-stake is viewed as more energy efficient and scalable than proof-of-work.

Ownership of and the ability to transfer or take other actions with respect to ether as well as transaction records of ether are protected through public key cryptography. Ether is “stored” on a digital transaction ledger commonly known as a “blockchain”. A blockchain is a type of shared and continually reconciled database, stored in a decentralised manner on the computers of certain users

of the digital asset and is protected by cryptography. The Ethereum blockchain contains a record and history for each ether transaction.

The adoption of ether has been relatively limited. The Ethereum software source code allows for the creation of decentralised applications that are supported by a transaction protocol referred to as “smart contracts”. A “smart contract” is a programme that runs on the Ethereum blockchain when predetermined conditions are met. It is a collection of code and data that resides at a specific address on the Ethereum blockchain, which includes the cryptographic operations that verify and secure ether transactions. Although there are many alternatives, the Ethereum computer network is the largest smart contract platform in terms of market capitalisation, available applications and development activity. Further, smart contracts serve to underpin efforts to decentralise traditional operations in finance (“**DeFi**”). DeFi offers many opportunities for innovation and has the potential to create an open, transparent and immutable financial infrastructure.

The value of ether, like the value of other digital assets, is not backed by any government, corporation, or other identified body. The value of ether is determined in part by the supply of, and demand for, ether in the markets for exchange that have been organised to facilitate the trading of ether. The price of ether is influenced by many factors, such as, global demand and supply of ether, maintenance and development of the open-source software protocol of the Ethereum network, competition of other digital assets, investor sentiments on the value or utility of ether etc. Please refer to “Extremely high volatility risk” below for further information.

As the Ethereum computer network is an open-source project, the developers may suggest changes to the Ethereum software from time to time. If the updated Ethereum software is not compatible with the original Ethereum software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated Ethereum software, this would result in a “hard fork” of the Ethereum computer network, with one prong running the earlier version of the Ethereum software and the other running the updated Ethereum software, resulting in the existence of two versions of Ethereum computer network running in parallel and a split of the blockchain underlying the Ethereum computer network, but with each version’s underlying asset and blockchain lacking interchangeability. On 15 September 2022, the Ethereum blockchain transitioned from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. Shortly after, a sizable community of miners banded together to create ETHPoW (or “ETHW”), a spinoff network which continues to use proof-of-work methods.

Ether is the second largest digital asset by market capitalisation behind bitcoin. Unlike bitcoin, the amount of ether that can be created is unlimited. As of 18 April 2024, there are approximately 120 million ether in circulation. Price discovery occurs through secondary market trading on Ethereum exchanges, over-the-counter trading desks and direct peer-to-peer payments. While bitcoin and ether are both digital assets, there are technical differences between the two in terms of, among others, their consensus mechanism, block time (i.e. the time for new blocks of data to be added, which determines the time required to confirm transactions), transaction throughput and supply. Also, transactions on the Ethereum network may contain executable codes, while data affixed to bitcoin network transactions is only used to record transaction information which are monetary in nature. In addition to being a digital asset, the Ethereum network is also intended for smart contracts and decentralised applications as discussed above.

Ethereum was introduced in 2015. The Ethereum platform, as well as Ethereum exchanges and over-the-counter trading desks have a relatively limited history. Limited liquidity and trading across exchange order books have resulted in periods of high volatility and price divergence among exchanges.

Ether spot price (from 8 February 2018 to 9 April 2024)



Source: Bloomberg

The Index

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

General Information on the Index

The Index, namely CME CF Ether-Dollar Reference Rate (APAC Variant), aggregates trade flow of major ether spot exchanges approved by the CME CF Cryptocurrency Pricing Products Oversight Committee (the “**Oversight Committee**”) of the Index Provider (as defined below) (i.e. the Constituent Exchanges, as defined in the section “Index Methodology” below) during specific calculation windows into a once-a-day reference rate of the USD price of ether. Calculation rules are geared towards maximum transparency and real-time replicability in underlying spot markets.

The Index was launched on 11 September 2023. It is based on materially the same methodology (except calculation time) as the CME CF Ether-Dollar Reference Rate, which was first introduced on 14 May 2018. The Index is designed based on the IOSCO Principles for Financial Benchmarks and is a registered benchmark under the UK Benchmarks Regulation by the Financial Conduct Authority of the United Kingdom.

The daily Index value, the latest list of Constituent Exchanges and any other additional information on the Index methodology are available at www.cfbenchmarks.com/data/indices/ETHUSD_AP (the contents of which has not been reviewed by the SFC).

Index Provider

CF Benchmarks Ltd. (the “**Index Provider**”) is the administrator of the Index. The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Methodology

Calculation of the Index

The Index is one of the CME CF Cryptocurrency Reference Rates. CME CF Cryptocurrency Reference Rates are calculated based on the Relevant Transactions of all Constituent Exchanges. Calculation steps on any given calculation day are as follows:

- (1) All Relevant Transactions are added to a joint list based on time of trade, recording the trade price and size for each transaction.
- (2) The list is partitioned into a number of equally-sized time intervals (12 partitions of 5 minutes each). This means that trades are added to a partition exclusive of partition start time and inclusive of partition end time when truncated to millisecond precision.
- (3) For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Transactions, i.e. across all Constituent Exchanges. A volume-weighted median differs from a standard median in that a weighting factor, in this case trade size, is factored into the calculation.
- (4) The CME CF Cryptocurrency Reference Rate is then given by the equally weighted average of the volume-weighted medians of all partitions.

For the purpose of the methodology,

- **“Constituent Exchange”** is a cryptocurrency trading venue approved by the Oversight Committee to serve as pricing source for the calculation of a CME CF Cryptocurrency Reference Rate. As of 29 February 2024, the Constituent Exchanges as chosen by the Index Provider for CME CF Cryptocurrency Reference Rates include Coinbase, Bitstamp, itBit, Kraken, Gemini, and LMAX Digital. The list of Constituent Exchanges is reviewed by the Oversight Committee at least quarterly and may change from time to time.
- **“Relevant Pair”** refers to the cryptocurrency base asset versus the quote asset referenced by a CME CF Cryptocurrency Reference Rate. For CME CF Ether-Dollar Reference Rate, the Relevant Pair is ether vs. USD.
- **“Relevant Transaction”** refers to any cryptocurrency base asset versus the quote asset spot trade that occurs during the TWAP Period (as defined below) on a Constituent Exchange in the Relevant Pair that is reported through its API (application programming interface) to the Index Provider.

Selection of Constituent Exchanges

Regarding the selection of Constituent Exchanges, cryptocurrency trading venues are approved by the Oversight Committee to serve as pricing source for the calculation of a CME CF Cryptocurrency Reference Rate. To ensure that a CME CF Cryptocurrency Reference Rate reflects global cryptocurrency trading activity in a representative and unbiased manner, a geographically diverse set of spot trading venues is included within the current framework.

At the launch the Index for a Relevant Pair shall require input data from no less than two Constituent Exchanges. Applications for new Constituent Exchanges to be added will be based on a set of predefined criteria, and the operation of existing Constituent Exchanges will be monitored against the same criteria.

A trading venue is eligible as a Constituent Exchange in the Index if it offers a market that facilitates the spot trading of the Relevant Pair (being the cryptocurrency base asset against the corresponding quote asset) and makes trade data and order data available through an API with sufficient reliability, detail and timeliness.

A trading venue must, in the opinion of the Oversight Committee, fulfil the following criteria:

- (1) The venue's Relevant Pair spot trading volume for an index must meet the minimum threshold as detailed below for it to be admitted as a Constituent Exchange:

The average daily volume the venue would have contributed during the observation window for the Index of the Relevant Pair exceeds 3% for two consecutive calendar quarters.

- (2) The venue has policies to ensure fair and transparent market conditions at all times and has processes in place to identify and impede illegal, unfair or manipulative trading practices.
- (3) The venue does not impose undue barriers to entry or restrictions on market participants, and utilizing the venue does not expose market participants to undue credit risk, operational risk, legal risk or other risks.
- (4) The venue complies with applicable law and regulation, including, but not limited to capital markets regulations, money transmission regulations, client money custody regulations, know-your-client regulations and anti-money laundering regulations.
- (5) The venue cooperates with inquiries and investigations of regulators and the Index Provider upon request and must execute data sharing agreements with CME Group.

Once admitted, a Constituent Exchange must demonstrate that it continues to fulfil the above criteria (2) to (5) inclusive. Should the average daily contribution of a Constituent Exchange falls below 3% for the Index, then the continued inclusion of the venue as a Constituent Exchange to the Relevant Pair shall be assessed by the Oversight Committee.

Calculation Time of the Index

The Index is based on materially the same methodology (except calculation time) as the CME CF Ether-Dollar Reference Rate (first introduced on 14 May 2018), except calculation time. The relevant transaction data is collected during an observation window between 3:00 p.m. to 4:00 p.m. (Hong Kong time) (the "TWAP Period") and the Index (i.e. the USD price of ether) is calculated and published at 4:00 p.m. (Hong Kong time).

Review and Changes

The methodology is subject to internal review by the Index Provider and the Oversight Committee at least annually. Any changes to the methodology are overseen by the Oversight Committee, and in accordance with Article 13 of the UK Benchmarks Regulation. Further information about oversight of the Index, including a list of members of the Oversight Committee, can be found <https://www.cmegroup.com/trading/cryptocurrency-indices/oversight-of-the-cryptocurrency-pricing-products.html> (the contents of which has not been reviewed by the SFC).

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Index Provider's policies and overseen by the Oversight Committee.

Index Code

Bloomberg ticker: ETHUSDAP

Index Licence Agreement

The licence of the Index took effect on 22 March 2024 and will continue until either party gives at least 3 months' notice of termination to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

CF BENCHMARKS LTD INDEX DATA IS USED UNDER LICENSE AS A SOURCE OF INFORMATION FOR CERTAIN CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

PRODUCTS. CF BENCHMARKS LTD, ITS LICENSORS AND AGENTS HAVE NO OTHER CONNECTION TO CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS AND SERVICES AND DO NOT SPONSOR, ENDORSE, RECOMMEND OR PROMOTE ANY CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS OR SERVICES. CF BENCHMARKS LTD, ITS LICENSORS AND AGENTS HAVE NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE CHINA ASSET MANAGEMENT (HONG KONG) LIMITED PRODUCTS AND SERVICES. CF BENCHMARKS LTD, ITS LICENSORS AND AGENTS DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY INDEX LICENSED TO CHINA ASSET MANAGEMENT (HONG KONG) LIMITED AND SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

Custody of Ether and Insurance Arrangement of the Virtual Asset Sub-Custodian

The Sub-Fund's holdings of ether are held by OSL Digital Securities Limited ("OSLDS"), acting via its associated entity BC Business Management Services (HK) Limited as the Virtual Asset Sub-Custodian. Please refer to the sub-section "The Virtual Asset Sub-Custodian" under the section headed "Management of the Company and Sub-Funds" in Part 1 of this Prospectus for further details regarding the custody arrangement.

Client assets held by OSLDS in Hong Kong in cold wallets are covered by a specie insurance. The specie insurance covers the loss or theft of digital asset private keys of the wallets in which client assets are held. The current specie programme offers OSLDS coverage of up to USD1 billion. The insurance coverage excludes, among other things, loss from any trading and loss from network failure of a cryptocurrency's cryptographic protocol (i.e. a protocol which governs secure communication and exchange of information over a network using cryptographic methods).

Valuation of Ether

Ether is a type of Virtual Assets, which shall be valued using an indexing approach by reference to an Index or otherwise a benchmark calculated based on the trade volume of the Virtual Assets across major Virtual Asset trading platforms as set out in the section headed "Determination of Net Asset Value" in Part 1 of this Prospectus.

For the purpose of calculation of the Net Asset Value of this Sub-Fund, the Sub-Fund will be valued by reference to the Index, meaning that the Sub-Fund will determine the value of ether held by the Sub-Fund as reflected by the Index. Please refer to the section headed "The Index" above for further information relating to the methodology of the Index.

Dealing of Listed Class of Shares

The Offering Phases of Listed Class of Shares

Initial Offer Period

The Initial Offer Period in respect of the Listed Class of Shares commences at 9:00 a.m. (Hong Kong time) on 25 April 2024 and ends at 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 30 April 2024 but may be postponed by the Manager to a date no later than 14 June 2024.

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

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

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

After Listing

“After Listing” commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 30 April 2024 but may be postponed by the Manager to a date no later than 14 June 2024.

The current Dealing Deadline for Creation and Redemption Applications After Listing is 11:00 a.m. (Hong Kong time) (in respect of cash Applications) or 4:00 p.m. (Hong Kong time) (in respect of in-kind Applications) on the relevant Dealing Day, or such other time as Manager may from time to time in consultation with the Custodian determine generally.

Applications for creation of Listed Class of Shares may be made by way of cash (in USD or HKD only) or in-kind Creation Applications. Settlement for subscribing for Listed Class of Shares is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

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

Please refer to the section headed “The Offering Phases” in Schedule 1 to Part 1 of this Prospectus for details. The following table summarises all key events and the Manager’s expected timetable (all references to times are to Hong Kong time):

<p>Initial Offer Period commences</p> <ul style="list-style-type: none"> Participating Dealers may apply for creation for themselves or for their clients in Application Share size 	<ul style="list-style-type: none"> 9:00 a.m. (Hong Kong time) on 25 April 2024 or such other date or time as the Manager may determine
<p>The date that is two Business Days prior to the Listing Date</p> <ul style="list-style-type: none"> Latest time for Creation Applications by Participating Dealers for Listed Class of Shares to be available for trading on the Listing Date 	<ul style="list-style-type: none"> 5:00 p.m. (Hong Kong time) on 26 April 2024 or such other date or time as the Manager may determine

<p>After listing (period commences on the Listing Date)</p> <ul style="list-style-type: none"> • All investors may start trading Listed Class of Shares on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size 	<ul style="list-style-type: none"> • Commence at 9:00 a.m. (Hong Kong time) on 30 April 2024, but may be postponed by the Manager to a date no later than 14 June 2024 • From 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) (in respect of cash Applications) or 4:00 p.m. (Hong Kong time) (in respect of in-kind Applications) on each Dealing Day
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Exchange Listing and Trading (Secondary Market) of Listed Class of Shares

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

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

Dealings on the SEHK in Listed Class of Shares traded in HKD, RMB and USD are expected to begin on 30 April 2024.

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

Multi-Counter

The Manager has arranged for the Listed Class of Shares of the Sub-Fund to be available for trading on the secondary market on the SEHK under a Multi-Counter arrangement. Shares are denominated in USD. The Sub-Fund offers three trading counters on the SEHK (i.e. HKD counter, RMB counter and USD counter) to investors for secondary trading purposes. Listed Class of Shares traded in HKD counter will be settled in HKD, Listed Class of Shares traded in RMB counter will be settled in RMB and Listed Class of Shares traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Listed Class of Shares in the counters may be different as the different counters are distinct and separate markets.

Shares in the Listed Class of Shares traded on each counter are of the same class and Shareholders of all counters are treated equally. The counters will have different stock codes (as set out in the section "Key Information" above), different stock short names and different ISIN numbers.

Normally, investors can buy and sell Listed Class of Shares traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide HKD, RMB and/or USD 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 place within the same trading day. However, investors should note that the trading price of Listed Class of Shares traded in each counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

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 above entitled "Multi-Counter risks".

Redemptions of Listed Class of Shares

Listed Class of Shares can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in USD or HKD only) or in-kind. Any accepted Redemption Application will be effected by the payment of cash or transfer of investments (as the case may be) in accordance with the Operating Guidelines and the Instrument.

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

Dealing of Unlisted Classes of Shares

Subscription and Redemption of Unlisted Classes of Shares

Available Unlisted Classes of Shares

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

Unlisted Classes of Shares	Class Currency
Class A USD Shares	USD
Class A HKD Shares	HKD
Class A RMB Shares	RMB

The Company may in future determine to issue additional Unlisted Class(es) of Shares.

Initial Offer Period

The Initial Offer Period of Class A USD Shares, Class A HKD Shares and Class A RMB Shares will commence at 9:00 a.m. (Hong Kong time) on 25 April 2024 and end at 5:00 p.m. (Hong Kong time) on 26 April 2024, or such other date or time as the Manager may determine for a particular class.

The initial Subscription Prices for Class A Shares during the Initial Offer Period are as follows:

- Class A USD Shares: USD10 per Share
- Class A HKD Shares: HKD100 per Share
- Class A RMB Shares: RMB100 per Share

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

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 to Part 1 of this Prospectus. The following apply to the Unlisted Classes of Shares:

<i>Dealing Day</i>	each Business Day
<i>Dealing Deadline</i>	11:00 a.m. (Hong Kong time) on the relevant Dealing Day

Investors should note that subscription monies in respect of the Sub-Fund must be paid in the Class Currency of the relevant Unlisted Class of Shares. Redemption proceeds will be paid to redeeming Shareholders in the Class Currency of the relevant Unlisted Class of Shares.

Subscription Price and Redemption Price

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

Payment of subscription monies

Subscription monies in respect of an Unlisted Class of Shares should be received in cleared funds by (i) the Dealing Deadline on the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for an Unlisted Class of Shares during the Initial Offer Period, by 5:00 p.m. on the last day of the Initial Offer Period of the relevant Unlisted Class of Shares, or within such other period as determined by the Manager. Payment details are set out in the subscription application form.

Payment of redemption proceeds

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

Investment minima

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

	Class A USD Shares	Class A HKD Shares	Class A RMB Shares
<i>Minimum initial investment amount</i>	USD 10	HKD 100	RMB 100
<i>Minimum subsequent investment amount</i>	USD 10	HKD 100	RMB 100
<i>Minimum holding amount</i>	USD 10	HKD 100	RMB 100
<i>Minimum redemption amount</i>	USD 10	HKD 100	RMB 100

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

Switching

Investors should note that switching between Unlisted Classes of Shares and Listed Class of Shares is not available.

Shareholders may switch some or all of their Shares in an Unlisted Class of Shares of the Sub-Fund into Shares in another Unlisted Class of Shares of the Sub-Fund (where available). Please refer to the section "Switching of Unlisted Class(es) of Shares" in Schedule 2 to Part 1 of this Prospectus for further details.

Switching of an Unlisted Class of Shares of the Sub-Fund to an unlisted class of shares, units or interests in any collective investment schemes other than the Sub-Fund (including any other sub-funds of the Company) is currently not permitted.

Distribution Policy

No distribution will be made to Shareholders.

Fees and Expenses

General (applicable to both Listed Class of Shares and Unlisted Classes of Shares)

Management Fee

In respect of each of Listed Class of Shares and Unlisted Classes of Shares, the Sub-Fund pays to the Manager a Management Fee, currently at 0.99% per annum of the Net Asset Value of the Sub-Fund attributable to the relevant class of Shares. The Management Fee is calculated as of each Dealing Day and payable monthly in USD in arrears out of the Scheme Property of the Sub-Fund.

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

Custodian Fee, Administrator Fee and Registrar Fee

The Custodian and Administrator are entitled to receive out of the Sub-Fund a fee of up to 1% per annum of the Net Asset Value of the Sub-Fund (the "Custodian Fee and Administrator Fee"), subject to a minimum of USD5,000 per month. The Custodian Fee and Administrator Fee will be accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Custodian Fee and Administrator Fee is inclusive of the fee payable to the Virtual Asset Sub-Custodian.

The Custodian Fee and Administrator Fee may be increased by agreement with the Manager up to the maximum on giving one month's notice to Shareholders.

The Registrar is entitled to receive out of the Sub-Fund a fee of USD500 per month per class of Shares.

Each of the Custodian, Administrator, Registrar and Virtual Asset Sub-Custodian shall also be entitled to receive various transaction, processing and/or valuation fees and other applicable fees pursuant to the provisions of the Instrument and as agreed with the Company from time to time, and entitled to be reimbursed out of the assets of the Sub-Fund all reasonable out-of-pocket expenses incurred by it in the performance of its duties as the Custodian, Administrator, Registrar or Virtual Asset Sub-Custodian (as the case may be).

Other fees and expenses

Please refer to “Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Shares and Unlisted Class(es) of Shares)” and “Establishment Costs” under the “Fees and Expenses” section in Part 1 of this Prospectus for details.

Fees and expenses applicable to Listed Class of Shares

Please refer to “Fees and Expenses Payable in respect of a Listed Class of Shares Only” under the “Fees and Expenses” section in Part 1 of this Prospectus for details.

Fees and expenses applicable to Unlisted Classes of Shares

The following fees apply to investors of the Unlisted Classes of Shares only.

	Class A Shares
<i>Subscription fee</i>	Up to 5% of the subscription amount
<i>Redemption fee</i>	Up to 3% of the redemption proceeds
<i>Switching fee</i>	Up to 3% of the redemption price for each Share switched

Please refer to “Fees and Expenses Payable in respect of Unlisted Class of Shares Only” under the “Fees and Expenses” section in Part 1 of this Prospectus for further details.

Risk Factors Specific to the Sub-Fund

Ether is a relatively new investment with limited history and not backed by any authorities, government or corporations. It is subject to unique and substantial risks, and historically have been subject to significant price volatility. The value of an investment in the Sub-Fund could decline significantly in a short period of time without warning, including to zero. You may lose the full value of your investment within a single day. If you are not prepared to accept significant and unexpected changes in the value of the Sub-Fund and the possibility that you could lose your entire investment in the Sub-Fund you should not invest in the Sub-Fund.

Investors’ attention is drawn to the following general risk factors set out under the section headed “Risk Factors” in Part 1 of this Prospectus: investment objective risk, market risk, asset class risk, management risk, underlying investment risk, counterparty risk, loss of capital risk, counterparty to custodian risk, indemnity risk, early termination risk, effect of redemptions risk, government intervention and restriction risk, no right to control the Sub-Fund’s operation risk, reliance on the Manager risk, liquidity risk, passive investment risk, tracking error risk, risks associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Shares, risks associated with market trading (applicable in respect of Listed Class of Shares only), risks associated with the Indices (applicable to Index Tracking Sub-Funds only) and risks associated with regulation.

In addition to the applicable general risk factors in Part 1 of this Prospectus set out above, investors should also consider the specific risks associated with investing in the Sub-Fund including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the Sub-Fund. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Shares of the Sub-Fund. The SFC’s authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Market and volatility risk

The value of the Sub-Fund's investments is subject to market risk. Market risk is the risk that the value of the investments to which the Sub-Fund is exposed will fall, which could occur due to general market or economic conditions or other factors. **The value of ether could decline rapidly without warning, including to zero. Investors should be prepared to lose their entire investment.**

Risks related to ether

The Sub-Fund is directly exposed to the risks of ether through investment in ether, and the following risks which adversely affect the price of ether may also affect the value of the Sub-Fund:

Ether and ether industry risk

Ether is a relatively new innovation and the market for ether is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the Ethereum computer network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the Ethereum computer network may adversely affect the price of ether, and therefore cause the Sub-Fund to suffer losses.

Notwithstanding that ether is part of the virtual asset industry, the growth of this industry is subject to a high degree of uncertainty.

Factors affecting the further development of this industry and therefore the value of ether include but are not limited to:

- (i) continued worldwide growth or possible cessation or reversal in the adoption and use of ether and other digital assets;
- (ii) government and quasi-government regulation of ether and other digital assets and their use, or restrictions on or regulation of access to and operation of the Ethereum computer network and other digital asset networks;
- (iii) changes in consumer demographics and public tastes and preferences, including the possibility that market participants may come to prefer other digital assets to ether for a variety of reasons, including that such other digital assets may have features (like different consensus mechanisms) that ether lacks;
- (iv) the maintenance and development of the open-source software protocol of the Ethereum computer network;
- (v) the use of the networks supporting digital assets for developing smart contracts and distributed applications;
- (vi) general economic conditions and the regulatory environment relating to digital assets; and
- (vii) negative consumer or public perception of ether specifically and other digital assets generally.

The adoption of ether will require growth in its usage for various applications that include decentralised smart contract applications, retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. The adoption of ether will also require an accommodating regulatory environment. In addition, there is no assurance that ether will maintain its value over the long-term. The value of ether is subject to risks related to its usage. Even if growth in ether adoption occurs in the near or medium-term, there is no assurance that ether usage will continue to grow over the long-term. To the extent market participants come

to prefer other digital assets or other mechanisms that use non-blockchain technology, the value of ether may be adversely affected.

Speculative nature risk

Ether is a new technological innovation with a limited history. Investing in ether is highly speculative, and market movements are difficult to predict. Supply and demand for ether could change rapidly and subject to a large variety of factors, including governmental regulations and investors' sentiments.

Unforeseeable risks

Ether has gained commercial acceptance only in recent years. Consequently, there is limited data on its long-term investment potential available to investors. Given the rapidly evolving nature of ether, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted.

Limited use risk

There is limited use of ether for commercial and retail transactions. Price volatility undermines the ability of ether as a medium of exchange, and a contraction of the use of ether may result in a decrease in its value, which could adversely impact the Net Asset Value.

Risk relating to the limited and short history of ether

The Ethereum network and ether as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of ether will unfold over time. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on ether.

Extreme price volatility risk

Investments linked to ether can be highly volatile compared to investments in traditional securities and the Sub-Fund may experience sudden and substantial losses. An investor should be prepared to lose the full principal value of their investment within a single day. Historically, the prices of ether have been highly volatile, based on a variety of factors, including:

- *Global demand and supply of ether:* The demand and supply of ether are impacted by the investors' perception of the security of ether, the level of commercial acceptance of ether, the abundance of regulatory restrictions on the use of ether, etc.;
- *Maintenance and development of the open-source software protocol of the Ethereum network:* The Ethereum network is open-source, and any user or miner could propose amendments to the Ethereum network's protocols which may adversely affect the long-term viability of ether, and consequently, an investment in the Sub-Fund;
- *Competition from other digital assets:* A competitor to ether which gains greater share in the market of digital assets may lead to a reduction in demand and price of ether, which may negatively affect the Net Asset Value;
- *Investor sentiments on the value or utility of ether:* The ether market is sensitive to new developments, and any significant changes in market sentiments could induce large swings in trading volume and price of ether;
- *Changing investors' confidence on digital assets:* Investors' confidence regarding the security and long-term stability of a digital asset's network and its blockchain may

fluctuate based on market developments and the investors' own experience with the digital asset;

- *Contagious effect on the price of ether from incidents on digital assets and trading platforms:* For example, the price of ether dropped significantly following the collapse of FTX, one of the largest digital assets exchanges, in November 2022;

The market price of ether has been subject to extreme fluctuations. For example, the price of ether dropped from USD4,802 on 11 September 2021 to USD1,014 on 30 June 2022, representing a decrease of over 78%. If ether markets continue to be subject to sharp fluctuations, the Sub-Fund may experience substantial losses.

Concentration of ownership risk

The price of ether may be subject to manipulation since a significant portion of ether is held by a small number of holders sometimes referred to as “whales”. As a result of this concentration of ownership, large sales or distributions by such holders could have an adverse effect on the market price of ether. These holders have the ability to manipulate the price of ether. It is believed that speculators and investors who seek to profit from trading and holding ether currently account for a significant portion of ether demand. Such speculation regarding the potential future appreciation in the price of ether may artificially inflate or deflate the price of ether. Market fraud and/or manipulation and other fraudulent trading practices such as the intentional dissemination of false or misleading information (e.g. false rumours) can, among other things, lead to a disruption of the orderly functioning of markets, significant market volatility, and cause the value of ether to fluctuate quickly and without warning.

Regulatory risk

The regulation of ether, digital assets and related products and services continues to evolve. There is a trend of increased regulations. As ether and digital assets have grown in both popularity and market size, certain regulatory authorities have been examining the operations of digital asset exchanges and service providers. Certain regulatory authorities have brought enforcement actions and issued advisories and rules relating to digital asset markets. Regulatory changes or actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the ether.

Regulatory changes or actions may alter the nature of an investment in ether, or restrict the use and exchange of ether or the operations of the Ethereum computer network or venues on which ether trades in a manner that adversely affects the price of ether. Similarly, future regulatory changes could expose the Sub-Fund to potential new costs and expenses as well as adversely impact the ability of the Sub-Fund to achieve its investment objective.

Corporate governance risk

The decentralised structure of the Ethereum network may prevent the formation of consensus among parties with potentially competing motives on improving and modifying the Ethereum network. If a proposal to improve the Ethereum network protocol has failed to obtain an overwhelming consensus for adoption, it may be abandoned, delayed or result in a fork. If a desirable improvement to the Ethereum network protocol is not implemented, the functioning of the Ethereum network may be negatively affected. Such negative impact may be extended to the price of ether.

Moreover, the open-source structure of the Ethereum network protocol means that miners and developers are not rewarded with compensation for maintaining and developing the protocol. The lack of incentive in properly monitoring the protocol by users or developers may damage the Ethereum network.

Fraud, market manipulation and security failure risk

Ether may be subject to the risk of fraud, manipulation and security failure, and operational or

other problems that impact Virtual Asset trading platforms. In particular the Ethereum network and entities that facilitate the transfer or trading of ether are vulnerable to various cyber-attacks. The occurrence of any of the above may have a negative impact on the price of ether and the value of the Sub-Fund's investments.

Cybersecurity risks

Ether is susceptible to theft, loss and destruction. The Ethereum network is also vulnerable to various deliberate cybersecurity attacks, such as hacking or malicious software coding for purposes of misappropriating information and assets or causing operational disruption. Cybersecurity risks of the Ethereum protocol and of entities that hold custody or facilitate the transfers or trading of ether could result in a loss of public confidence in ether and a decline in the value of ether.

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the Ethereum computer network contains certain flaws. As a digital asset, ether is subject to cybersecurity risks, including the risk that malicious actors may exploit flaws in the code or structure in the Ethereum computer network that will allow them to, among other things, steal ether held by others, control the blockchain, steal personally identifiable information, or issue significant amounts of ether in contravention of the Ethereum protocols. The occurrence of any of these events is likely to have a significant adverse impact on the price and liquidity of ether.

Internet risk

The Ethereum computer network's functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the Ethereum computer network. Any technical disruptions or regulatory limitations that affect Internet access may have an adverse effect on the Ethereum computer network, the price of ether.

Open-source risk

The Ethereum computer network operates based on open-source protocol maintained by a group of core developers. As the Ethereum computer network protocol is not sold and its use does not generate revenue for development teams, core developers may not be directly compensated for maintaining and updating the Ethereum computer network protocol. Consequently, developers may lack a financial incentive to maintain or develop the network, and the developers may lack the resources to adequately address emerging issues with the network. There can be no guarantee that developer support will continue or be sufficient in the future. Additionally, some developments and developers are funded by companies whose interests may be at odds with other participants in the network or with investors' interests. To the extent that material issues arise with the Ethereum computer network protocol and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, the Ethereum computer network may be adversely affected.

Forks risk

As the Ethereum computer network is an open-source project, the developers may suggest changes to the Ethereum software from time to time. If the updated Ethereum software is not compatible with the original Ethereum software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated Ethereum software, this would result in a "hard fork" of the Ethereum computer network, with one prong running the earlier version of the Ethereum software and the other running the updated Ethereum software, resulting in the existence of two versions of Ethereum computer network running in parallel and a split of the blockchain underlying the Ethereum computer network. This could impact demand for ether and adversely impact the price and liquidity of ether. In case of a "hard fork", the Manager will act in the best interest of the investors, use its sole discretion to determine which network should be considered the appropriate network for the Sub-Fund and keep investors informed. There is no

guarantee that the Manager will choose the digital asset that is ultimately the most valuable fork, and the Manager's decision may adversely affect the value of the Sub-Fund as a result.

"Air drop" risk

A substantial giveaway of ether (sometimes referred to as an "air drop") may also result in a significant and unexpected declines in the value of ether and the Sub-Fund.

Risk of illicit use

As with any other asset class or medium of exchange, ether can be used to purchase illegal goods, fund illicit activities, or launder money. Negative events, developments, news or published opinions may affect the general outlook of the industry as a whole and trigger governmental restrictions and/or regulations in respect of ether, and may have a material adverse effect on the Sub-Fund.

Crypto ecosystem contagion risk

The operation of Virtual Assets depends on the centralised elements of the crypto ecosystem (for example, wallets and exchanges), which is exposed to concentration risk. Given the crypto ecosystem's concentrated reliance on a few entities where certain entities handle more than half of the trading volume, the collapse of any major players in the crypto ecosystem may have a contagious adverse effect on the value of Virtual Assets and the value of the Sub-Fund's investments.

Difficulties in verifying ownership of ether risk

Given that ether is pseudonymous in nature, it is difficult to verify the ownership of ether. To the extent the Sub-Fund is subject to fraud, theft and market manipulation or system failure, it will be difficult for the Sub-Fund to trace the Sub-Fund's ether and have a claim against the bad actors.

Intellectual property risk

Third parties may assert intellectual property claims relating to the holding and transfer of ether and its source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer ether may adversely affect the value of ether.

Political or economic crisis risk

Ether operates without central authority (such as a bank) and is not backed by any government. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of ether, either globally or locally. Large-scale sales of ether would result in a reduction in its price.

Risks related to Virtual Asset trading platforms

Trading platform risk

Although transactions of ether by the Sub-Fund will be conducted through SFC-licensed Virtual Asset Trading Platform(s), such trading platforms are relatively new. Not all Virtual Asset trading platforms are licensed by the SFC (including the Constituent Exchanges). For those that are not licensed by the SFC, they are largely unregulated in other jurisdictions and therefore prone to fraud and market manipulation. Over the past several years, a number of Virtual Asset trading platforms have collapsed, ceased operations or shut down temporarily or permanently due to issues such as fraud, failure, security breaches, cybersecurity issues and market manipulation, and other Virtual Asset trading platforms may in the future experience similar failures. The potential consequences of the failure of a Virtual Asset trading platform could adversely affect the value of ether and in turn the value of the Shares.

Regulation of SFC-licensed Virtual Asset Trading Platforms risk

In the event that a Virtual Asset Trading Platform's licence from the SFC is being revoked or terminated or otherwise invalidated, the Sub-Fund may be prohibited from conducting transactions and acquisitions of ether. There is no guarantee that the Manager will be able to conduct trades on another SFC-licensed Virtual Asset Trading Platform, in which case the Sub-Fund may be adversely affected.

Liquidity risk of Virtual Asset Trading Platforms

The Virtual Asset Trading Platforms on which the Sub-Fund may acquire or dispose of ether are still developing. The ether traded on these platforms may be subject to lower liquidity compared to other spot ether trading venues. As such there may be a delay in the Sub-Fund's ability to acquire or dispose of the investments from these platforms. The bid and offer spread of price of ether on these platforms may be large and the Sub-Fund may incur significant trading costs.

Trading limit risk of Virtual Asset Trading Platforms

A Virtual Asset Trading Platform may be subject to trading limits in buying and selling underlying ether in respect of subscriptions and redemptions for Shares in cash to comply with relevant capital requirements. If such trading limits are exceeded on any Dealing Day, the ability of the Sub-Fund to buy or sell ether on the relevant Virtual Asset Trading Platform may be affected and subscription, creation or redemption applications in cash may be postponed to be processed on the next Dealing Day. This may affect the tracking performance of the Sub-Fund and affect the price of the Shares.

Custody risks

Virtual Asset Sub-Custodian risk

The Virtual Asset Sub-Custodian is responsible for the custody of ether held by the Sub-Fund. If the Virtual Asset Sub-Custodian fails to perform the custodial functions for the Sub-Fund or its licence from the SFC is being revoked or terminated or otherwise invalidated, the Sub-Fund may be unable to operate or effect creations and redemptions. In such cases, or where the Custodian decides to replace the Virtual Asset Sub-Custodian, the Custodian may not be able to engage a substitute sub-custodian within the termination notice period. The operations of the Sub-Fund may be severely impacted, which would affect the price of the Shares.

Risk associated with compensation arrangement of the Virtual Asset Sub-Custodian

Investors' recourse against the Company, the Sub-Fund, the Manager, the Custodian and the Virtual Asset Sub-Custodian under Hong Kong law may be limited. Each of the Sub-Fund and the Custodian does not insure the Sub-Fund's ether holdings. The Custodian shall ensure that the Virtual Asset Sub-Custodian will maintain a compensation/insurance arrangement approved by the SFC, however, such compensation/insurance arrangement is shared among all clients of the Virtual Asset Sub-Custodian and is not specific to the Sub-Fund. It is therefore possible that the compensation/insurance arrangement may not be adequate to cover all ether held by the Virtual Asset Sub-Custodian on behalf of the account of the Sub-Fund. The insurance coverage also excludes certain types of losses, such as loss from any trading and loss from network failure of a cryptocurrency cryptographic protocol. Consequently, a loss may be suffered by the Sub-Fund.

Cybersecurity risk relating to custody of ether by the Virtual Asset Sub-Custodian

The security procedure in place for the custody of ether may not be able to protect against all errors, software flaws or other vulnerabilities in the Virtual Asset Sub-Custodian's technical infrastructure, which could result in theft, loss or damage in Sub-Fund's assets. While the Manager has conducted due diligence on the Virtual Asset Sub-Custodian and believes there are security procedures in place for the Sub-Fund by the Virtual Asset Sub-Custodian, they Manager does not have control over the Virtual Asset Sub-Custodian's security procedures.

Risk relating to the difference between executable price of ether on SFC-licensed Virtual

Asset Trading Platform(s) and Index price for cash subscription and redemption

The Index price may not be indicative of the executable price of ether on the SFC-licensed Virtual Asset Trading Platform(s). The executable price of ether on the SFC-licensed Virtual Asset Trading Platform(s) may not be the same as the traded prices of ether on the Constituent Exchanges used by the Index for valuation. As such, under different circumstances, this may (in the case of Listed Class of Shares) impact Participating Dealers' and Market Makers' ability to conduct effective arbitrage and provide liquidity for the Sub-Fund, which may lead to a higher premium or discount to the Net Asset Value and/or a higher bid-ask spread of the Sub-Fund in secondary market, and (in the case of both Listed Class of Shares and Unlisted Classes of Shares) may result in higher tracking difference.

Concentration risk

The exposure of the Sub-Fund is concentrated in the ether market. This may result in higher concentration risk than a fund having more diverse portfolio of investments. The value of the Sub-Fund is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting ether.

New product risk

The Sub-Fund invests directly in ether. The novelty of such a fund makes the Sub-Fund potentially riskier than traditional funds investing in equity securities or debt securities. Given the novelty of the underlying assets of the Sub-Fund (i.e. ether), there is no guarantee that the service providers (e.g. Participating Dealers and Market Makers) can perform their duties effectively.

Risks related to the Index

Limited performance history risk

The index was developed by the Index Provider and has a limited performance history. Although the Index is based on materially the same methodology (except calculation time) as the Index Provider's ether reference rate, which was first introduced in May 2018, the Index itself has only been in operation since September 2023. A longer history of actual performance through various economic and market conditions would provide more reliable information for an investor to assess the Index's performance.

Price volatility of Index risk

The price of ether has historically been volatile and subject to influence by many factors including operational interruptions. The Index price and the price of ether generally remain subject to the volatility experienced by the Constituent Exchanges.

System failures or errors of the Index Provider risk

System failures or errors of the Index Provider, data providers and/or the relevant Constituent Exchanges may lead to the errors in the Index which may lead to a different investment outcome for the Sub-Fund and the investors.

Risk relating to discontinuation of the Index

If the Index is discontinued, the Manager will seek the SFC's prior approval to replace the Index with another index that has a similar objective to the Index (as applicable). If the Manager cannot agree within a reasonable period on a suitable replacement index acceptable to the SFC, the Manager may, in its discretion, terminate the Sub-Fund. Upon the Sub-Fund being terminated, the amount distributed may be less the amount of capital invested by the investors and the investors may suffer losses.

Risk relating to audits of the Sub-Fund

Audits of the Sub-Fund which holds Virtual Assets are unlikely audits for other types of investment funds. Special procedures must be taken to assess whether investments and transactions are properly accounted for and valued because independent confirmation of Virtual Asset ownership, (for example, ownership of a balance on a Virtual Asset Trading Platform) differs dramatically from traditional confirmations with a securities broker or bank account. The Manager, the Custodian, the Administrator and/or the Registrar will need to have satisfactory processes in place in order for the auditor to obtain the Sub-Fund's transaction history and properly prepare audited financials. Any breakdown in such processes may result in delays or impediments in an audit. In addition, the complexity of Virtual Assets generally may lead to difficulties in connection with the preparation of the Sub-Fund's audited financials.

Trading hours difference risk (applicable to Listed Class of Shares only)

Each of the Virtual Asset Trading Platform(s) and the Constituent Exchanges is a 24-hour marketplace. As ether can be traded 24 hours even during periods when the trading of Shares on the SEHK is not available, the value of the ether in the Sub-Fund's portfolio may change on such day or time when investors will not be able to purchase or sell the Sub-Fund's Shares on the SEHK. To the extent that the price of ether on the Constituent Exchanges drops significantly during hours when the SEHK is closed, investors may not be able to mitigate losses in a rapidly negative market.

Trading risk (applicable to Listed Class of Shares only)

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

Trading volume and liquidity of ether on the Constituent Exchanges is not consistent throughout the day and the Constituent Exchanges may be shut down temporarily or permanently due to security concerns, directed denial-of-service attacks and distributed denial-of-service attacks and other reasons. As a result, during periods when the SEHK is open but the Constituent Exchanges are either lightly traded or closed, trading spreads and the resulting premium or discount on the Shares may widen and, therefore, increase the difference between the price of the Shares and the Sub-Fund's ether holdings per Share.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

Please also refer to "Trading Risk" and "Cost of Trading Listed Class of Shares Risk" under the section headed "Risk Factors" in Part 1 of this Prospectus for further details.

The Listed Class of Shares in the RMB counter are RMB denominated securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the RMB traded Shares. The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB traded Shares.

Tracking error risk

The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not provide investment results that closely correspond to the performance of ether as measured by the performance of the Index. This tracking error may result from the level of cash held by the Sub-Fund and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

Please also refer to "Tracking Error Risk" under the section headed "Risk Factors" in Part 1 of this Prospectus for further details.

Liquidity and reliance on Market Maker risk (applicable to Listed Class of Shares only)

There may be less interest by potential Market Makers making a market in Listed Class of Shares denominated and traded in RMB. Any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for the Listed Class of Shares.

Please also refer to “Reliance on Market Makers Risk” under the section headed “Risk Factors” in Part 1 of this Prospectus for further details.

Multi-Counter risk (applicable to Listed Class of Shares only)

The nature of the Multi-Counter for exchange traded funds may make investment in the Listed Class of Shares riskier than in single counter units or shares of an SEHK listed issuer for example where for some reason there is a settlement failure on an inter-counter transfer if the Listed Class of Shares of one counter are delivered to CCASS at the last settlement on a trading day, leaving not enough time to transfer the Listed Class of Shares to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfer of Listed Class of Shares between different counters for any reasons, for example, operational or systems interruption, Shareholders will only be able to trade their Listed Class of Shares in the currency of the relevant Multi-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 Listed Class of Shares traded in one counter may deviate significantly from the market price on the SEHK of Listed Class of Shares 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 Listed Class of Shares in each counter is determined by market forces and so will not be the same as the trading price of Listed Class of Shares multiplied by the prevailing rate of foreign exchange. Accordingly when selling Listed Class of Shares or buying Listed Class of Shares 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 Listed Class of Shares took place on another counter. There can be no assurance that the price of Listed Class of Shares in each counter will be equivalent.

It is possible that some brokers and HKSCC participants may not be familiar with and may not be able to (i) buy Listed Class of Shares in one counter and to sell Listed Class of Shares in another, (ii) carry out inter-counter transfers of Listed Class of Shares, or (iii) trade Listed Class of Shares in different counters at the same time. In such a case another broker or HKSCC participant may need to be used. Accordingly investors may only be able to trade their Listed Class of Shares 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).

Currency risks

In respect of Listed Class of Shares, Shares are traded in the secondary market in HKD and RMB (in addition to USD). Secondary market investors may be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currencies (HKD and RMB) and the Base Currency (i.e. USD) when trading the Listed Class of Shares in the secondary market.

In respect of Unlisted Class(es) of Shares, a class of Shares may be designated in a Class Currency other than the Base Currency of the Sub-Fund (i.e. USD). The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these Class Currencies and the Base Currency and by changes in exchange rate controls.

RMB currency risk

Non-RMB based investors who invest in the Shares in the RMB counter or RMB denominated Unlisted Class of Shares are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currency will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investment in the Shares in the RMB counter or RMB

denominated Unlisted Class of Shares.

RMB currency risk (applicable to the RMB denominated Unlisted Class of Shares only)

RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions in RMB to investors in the RMB denominated Unlisted Class of Shares. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Termination risk

The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking, or if the size of the Sub-Fund falls below USD20 million. In case of termination of the Sub-Fund, the related costs will be borne by the Sub-Fund. The Net Asset Value may be adversely affected and Shareholders may suffer loss. Please also refer to “Early Termination Risk” under the section headed “Risk Factors” in Part 1 of this Prospectus for further details.

Appendix dated 25 April 2024