

Samsung Bitcoin Futures Fund

三星比特幣期貨基金

a sub-fund of

Samsung Fund OFC

三星基金開放式基金型公司

(An open-ended fund company with variable capital and segregated liability between sub-funds)

Prospectus

18 March 2025

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IMPORTANT INFORMATION FOR INVESTORS

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

Samsung Fund OFC 三星基金開放式基金型公司 (the “**Company**”) is a public umbrella open-ended fund company incorporated in Hong Kong on 9 October 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. Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司 (the “**Manager**”) has been appointed as the manager of the Company and each Sub-Fund. HSBC Institutional Trust Services (Asia) Limited (the “**Custodian**”) has been appointed as the custodian of the Company and each Sub-Fund. As at the date of this Prospectus, Samsung Bitcoin Futures Fund is the Sub-Fund of the Company.

The Manager and the Directors accept full responsibility for the information contained in this Prospectus including the Product Key Facts Statement of each Sub-Fund (together, the “**Offering Documents**”) as being accurate and confirm, having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make such information misleading. However, neither the delivery of the Offering Documents nor the offer or issue of Shares (as defined below) shall under any circumstances constitute a representation that the information contained in the Offering Documents is correct as of any time subsequent to the date of its publication. This Prospectus including the Product Key Facts Statement of each Sub-Fund may from time to time be updated. Investors should check the Manager’s website at www.samsungetfhk.com (this website has not been reviewed by the Securities and Futures Commission in Hong Kong (the “**SFC**”)) for the latest version of the Offering Documents.

The Manager also confirms that this Prospectus includes particulars given in compliance with 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.

The Company has been registered with the SFC as an open-ended fund company under Section 112D of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). The Company and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the SFO. SFC authorisation or registration is not a recommendation or endorsement of the Company or any Sub-Fund nor does it guarantee the commercial merits of the Company or any Sub-Fund or its performance. It does not mean 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.

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.

This Prospectus may refer to information and materials included in the Manager’s website at www.samsungetfhk.com. The contents of the website have not been reviewed by the SFC.

No action has been taken in any jurisdiction (other than Hong Kong or as otherwise specified below) that would permit an offering of the Shares or the possession, circulation or distribution of this Prospectus or any other offering or publicity material relating to the offering of Shares in any other country or jurisdiction where action for the purpose is required. This Prospectus does not constitute

an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

United States: The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities law of any state or political sub-division of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (collectively, the “**United States**”). No person has registered nor will register as a commodity pool operator of the Company or any Sub-Fund under the Commodity Exchange Act of 1936, as amended (the “**CEA**”) and the rules thereunder (the “**CFTC Rules**”) of the Commodity Futures Trading Commission (the “**CFTC**”), and the Company and the Sub-Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. The Shares are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S thereunder (“**Regulation S**”).

Accordingly, the Shares may not be offered, sold, pledged or otherwise transferred except (i) in an “Offshore Transaction” (as such term is defined under Regulation S) and (ii) to or for the account or benefit of a Permitted Transferee.

A “**Permitted Transferee**” means any person who is not any of:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S;
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person); or
- (c) a “resident of the United States” for purposes of, and as defined in implementing regulations proposed or issued under, Section 13 of the Bank Holding Company Act of 1956, as amended (the “**BHC Act**”).

Transfers of Shares within the United States or to any person other than a Permitted Transferee are prohibited. Any transfer of Shares to a person other than a Permitted Transferee (a “**Non-Permitted Transferee**”) will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Share in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Share.

The foregoing restrictions on the offer, sale, pledge or other transfer of Shares to a Non-Permitted Transferee may adversely affect the ability of an investor in the Shares to dispose of the Shares in the secondary market, if any, and significantly reduce the liquidity of the Shares. As a result, the value of the Shares may be materially adversely affected.

As defined in Rule 902(k)(1) of Regulation S, “**US person**” means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;
- (e) Any agency or branch of a non-U.S. entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
 - (i) organized or incorporated under the laws of any non-U.S. jurisdiction; and
 - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7, modified as indicated above, “**Non-United States person**” means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission’s regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As defined in the CFTC's proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA, 78 Fed. Reg. 45292 (Jul. 26, 2013), “**U.S. person**” means:

- (a) A natural person who is a resident of the United States;
- (b) Any estate of a decedent who was a resident of the United States at the time of death;
- (c) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in prongs (d) or (e), below) (a “**legal entity**”), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (d) Any pension plan for the employees, officers or principals of a legal entity described in prong (c), unless the pension plan is primarily for foreign employees of such entity;
- (e) Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
- (f) any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in prong (c) and that is majority-owned by one or more persons described in prong (a), (b), (c), (d), or (e), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons;
- (g) Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in prong (a), (b), (c), (d), or (e) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and

- (h) Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in prong (a), (b), (c), (d), (e), (f), or (g).

As defined in the implementing regulations issued under Section 13 of the BHC Act, SEC Release No. BHCA-1; File No. S7-41-11, “**resident of the United States**” means a person that is a “U.S. person” as defined in rule 902(k) of the SEC’s Regulation S.

Each person who offers, sells, pledges or otherwise transfers Shares has exclusive responsibility for ensuring that its offer, sale, pledge or other transfer is not to or for the account or benefit of any person other than a Permitted Transferee as such term is defined as of the date of such offer, sale, pledge or other transfer.

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the “**SEC**”) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the Shares. Any representation to the contrary is a criminal offence. Furthermore, the Shares do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the Shares nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the Shares.

Prospective applicants for the Shares should inform themselves as to the relevant legal requirements of applying and any applicable exchange control regulations and applicable taxes in the countries or regions of their respective citizenship, residence or domicile which might be relevant to the subscription, holding or disposal of Shares.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Company and/or the Sub-Fund(s) by contacting the Manager at its address as set out in the Directory of this Prospectus, or by phone at its telephone number: +852 2115 8710 and the Manager will issue a response as soon as possible.

DIRECTORY

Manager	Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司 Units 301-2 3 rd Floor Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Custodian	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Administrator	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Registrar	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Legal Advisor	Simmons & Simmons Level 30, One Taikoo Place 979 King's Road Hong Kong
Auditors	Ernst & Young 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong

DEFINITIONS

The defined terms used in this Prospectus have the following meanings:

- “Administration Agreement”** means the agreement dated 17 February 2025 between the Company for itself and each Sub-Fund, the Manager and The Hongkong and Shanghai Banking Corporation Limited relating to the appointment and duties of the Administrator and Registrar of each Sub-Fund.
- “Administrator”** means The Hongkong and Shanghai Banking Corporation Limited, or such other person or persons for the time being duly appointed as administrator(s) hereof in succession thereto, acting in its capacity as administrator of the Company and each Sub-Fund.
- “Appendix”** means an appendix to this Prospectus containing information in respect of a particular Sub-Fund.
- “Base Currency”** means, in relation to the Company, USD, being the base currency of the Company; and in relation to a Sub-Fund, the currency of account of the Sub-Fund as specified in the relevant Appendix.
- “Business Day”** means, unless otherwise specified in the relevant Appendix in respect of a particular Sub-Fund, a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for normal banking business or such other day or days as the Manager and the Custodian may agree from time to time, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day will not be a Business Day unless the Manager and the Custodian determine otherwise.
- “China” or “PRC”** means the People’s Republic of China.
- “Class”** means a class of Shares of the Sub-Fund.
- “Class Currency”** means the currency of denomination of a Class.
- “Company”** means Samsung Fund OFC 三星基金開放式基金型公司.
- “Connected Person”** has the meaning as set out in the UT Code which as 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).

“Custodian”	means HSBC Institutional Trust Services (Asia) Limited or such other person or persons for the time being duly appointed as Custodian hereof in succession thereto, acting in its capacity as custodian of the Scheme Property (including investments and uninvested cash) of the Company and each Sub-Fund.
“Custodian Agreement”	means the custodian agreement dated 17 February 2025 between the Company for itself and each Sub-Fund and the Custodian relating to the appointment and duties of the Custodian in its capacity as custodian of the Company.
“Dealing Day”	each Business Day or such other day or days as the Directors may from time to time determine either generally or in respect of a particular Class or Classes of Shares provided that a Dealing Day for the issue of a Class of Shares may be a different day or days from the Dealing Day for the redemption of such Class of Shares.
“Dealing Deadline”	means 5:00 pm (Hong Kong time) on the relevant Dealing Day.
“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.
“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.
“FDIs”	means financial derivative instruments.
“FMCC”	means the Fund Manager Code of Conduct issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC.
“government and other public securities”	has the meaning as set out in the UT Code which as 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.
“HKEX”	means Hong Kong Exchanges and Clearing Limited.
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China.
“Hong Kong Dollars” or “HKD”	means Hong Kong dollars, the lawful currency of Hong Kong.

“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“IFRS”	means International Financial Reporting Standards issued by the International Accounting Standards Board.
“Ineligible Investor”	means any person, corporation, or other entity who is a US person and for this purpose, a “US person” is defined as (i) an individual who is a United States citizen, a US green card holder, or a resident of the United States for US federal income tax purposes, (ii) a corporation or partnership organised under the laws of the United States or any political subdivision thereof, or (iii) an estate or trust, the income of which is subject to US federal income taxation regardless of its source.
“Initial Offer Period”	in respect of each Class, means the period during which Shares of that Class are offered for subscription at a fixed price, details of which are set out in the section headed “Subscription of Shares” below.
“Instrument”	means the instrument of incorporation of the Company filed to the Companies Registry of Hong Kong on, and effective as of, 9 October 2024, including its Schedules and Appendices, as amended from time to time.
“Laws and Regulations”	means all applicable laws and regulations including the SFO, the OFC Rules, the OFC Code, the Products Handbook (including the UT Code) and the FMCC.
“Mainland China” or “Mainland”	means all customs territories of the PRC, excluding for the purposes of interpretation of this Prospectus only, Hong Kong, the Macau Special Administrative Region and Taiwan.
“Management Agreement”	means the management agreement dated 17 February 2025 between the Company for itself and each Sub-Fund and the Manager relating to the appointment and duties of the Manager in its capacity as manager of the Company.
“Manager”	means Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司.
“Net Asset Value”	means the net asset value of the Sub-Fund, of a Class or of a Share, as the context may require, calculated in accordance with the provisions of the Instrument as summarised below under the section headed “Valuation” below.
“OFC Code”	means the Code on Open Ended Fund Companies issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC.
“OFC Rules”	means Securities and Futures (Open-ended Fund Companies) Rules (Chapter 571AQ of the Laws of Hong Kong), as amended from time to time.

“Ordinary Resolution”	means a resolution of the Company in general meeting or of a Class meeting or Sub-Fund meeting (as the case may be) passed by a simple majority of the votes validly cast for and against the resolution at such meeting in accordance with Rule 88 of the OFC Rules.
“PBOC”	means the People’s Bank of China.
“Products Handbook”	means the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC.
“QFI”	means a qualified foreign investor approved pursuant to the relevant PRC regulations (as amended from time to time) to invest in PRC domestic securities and futures with funds overseas, or, as the context may require, the QFI regime.
“Redemption Price”	means the price at which Shares will be redeemed as described in the section headed “Payment of Redemption Proceeds” below.
“RMB” or “Renminbi”	means the Renminbi Yuan, the lawful currency of the PRC.
“Registrar”	means The Hongkong and Shanghai Banking Corporation 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 to keep the register of the Shareholders of the Sub-Fund.
“Scheme Property”	means the scheme property of the Company.
“SFC”	means the Securities and Futures Commission of Hong Kong.
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time.
“Securities Market”	means any stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which the relevant securities are regularly traded.
“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.
“Shareholder”	means a holder for the time being of Shares.
“Special Resolution”	means a resolution of the Company in general meeting or of a Class meeting or Sub-Fund meeting (as the case may be) passed by a majority of at least 75 per cent. of the votes validly cast for and against the resolution at such meeting in accordance with Rule 89 of the OFC Rules.

“Sub-Fund”	means a separate part of the Scheme Property of the Company which is established pursuant to the Instrument.
“Subscription Price”	means the price at which Shares are issued as described in the section headed “Subscription of Shares” below.
“substantial financial institution”	has the meaning as set out in the UT Code.
“US dollars” or “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 from time to time and supplemented by published guidelines or other guidance issued by the SFC.
“Valuation Day”	means each Business Day on which the Net Asset Value of a Sub-Fund and/or the Net Asset Value of a Share or a Class falls to be calculated and in relation to each Dealing Day of any Class or Classes of Shares means either such Dealing Day or such Business Day or day as the Manager may from time to time determine either generally or in relation to a particular Sub-Fund or Class.
“Valuation Point”	unless otherwise specified in the relevant Appendix, means the close of business in the last relevant market to close on a relevant Valuation Day or such other time on that day or such other day as the Manager may from time to time determine either generally or in relation to a particular Sub-Fund or Class.

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 9 October 2024 with the company number 77160914. It is constituted by way of its Instrument filed to the Companies Registry of Hong Kong on, and effective as of 9 October 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. SFC registration or authorisation is not a recommendation or endorsement of the Company or 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 of this Prospectus.

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.

THE MANAGEMENT OF THE COMPANY AND SUB-FUNDS

The Directors

The Directors of the Company are as follows:

Lee Boyoung

Ms. Lee serves as the deputy Chief Executive Officer and director of the Manager. She oversees the overall operations of regulated activities and the day-to-day business of the Manager. Prior to serving her current role, Ms. Lee worked as the Head of Index & Analytics Sales, North Asia in London Stock Exchange Group where she was responsible for business development, product development and client consultancy of North Asia business. She managed the team in providing consultancy and data product services to clients from sell-side and hedge funds and implemented client engagement practices to ensure quality of service provided. She established a harmonious team culture and a client-centric, transparent, data-driven workflow to support the continuous growth of business development in the North Asia region. She also worked for MSCI as Vice President – Client Coverage, APAC for 4 years where she was responsible for client coverage for global, regional, and local asset managers in the Asia Pacific (ex-Australia) region. She established a unique business strategy and successfully expanded the client landscape from asset managers to Asia asset owners by designing tailor services of enterprise level of performance attribution analysis. Ms. Lee holds a Master of Business Administration in finance in Korea Advanced Institute of Science and Technology (KAIST) and a bachelor's degree of business administration in Ewha Woman's University. She is a certified Financial Risk Manager.

Yu Jin Whoan

Mr. Yu serves as a director of the Manager. As a board member of the Manager, he ensures the policy and procedures, the collaborations between the Manager and Samsung Asset Management Co., Ltd ("SAMC") would comply with applicable laws, rules and regulations. Mr. Yu also served as the team head of Global Business Development Team in SAMC. He is responsible for business development of global ETFs business strategy to expand corporate presence beyond Korea including United States, Europe, and other Asian countries. Mr. Yu was in the legal & compliance team and business development team of SAMC in the past 6 years. Mr. Yu is equipped with professional qualification of Bar admission in New York. He holds a Master of law in Duke University School of Law and a bachelor's degree of science in law in Sungkyunkwan University.

The Manager

The Manager of the Company and each Sub-Fund is Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司, a company incorporated on 1 November 2007 under the laws of Hong Kong and licenced by the SFC to carry on Types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities in Hong Kong under the SFO.

The Manager will manage each Sub-Fund and continuously supervise the portfolio of each Sub-Fund. In addition the Manager will be primarily responsible for portfolio composition file generation, cash management, trade execution and instructing money transfers.

The Manager has in place the necessary operating systems for creation, redemption and operation of each Sub-Fund.

The directors of the Manager

The directors of the Manager are as follows:

LEE Boyoung, FRM

Please refer to the section on “The Directors”.

Yu Jin Whoan

Please refer to the section on “The Directors”.

PARK Sungjin, CFA

Mr. Park is in charge of the Global Business Division of SAMC. He is responsible for the planning and execution of corporate strategies including phasing in or out of markets or products, arranging strategic alliances and identifying and executing mergers and acquisitions. Prior to serving in his current role, Mr. Park served as President and Chief Investment Officer of Samsung Asset Management New York Inc. (“SAMNY”). He oversaw investment management processes and all related activities including risk management, client service and product development of SAMNY. He was also a board member of SAMNY. Previously, he was a lead portfolio manager of SAMNY U.S. Equity Group and was responsible for managing U.S. large cap equity funds. He also worked for Samsung Life Insurance in Seoul as an equity portfolio strategist for 10 years. He holds a Master of Business Administration from the University of Rochester, Simon School and a bachelor’s degree in Economics from the University of California, Irvine. He is a Chartered Financial Analyst charterholder.

The Custodian

The Custodian of the Company is HSBC Institutional Trust Services (Asia) Limited, which is a registered trust company in Hong Kong. The Custodian was incorporated with limited liability in Hong Kong on 27 September 1974 and is an indirect wholly-owned subsidiary of HSBC Holdings plc. The Custodian is registered as a trust company under Section 78(1) of the Hong Kong Trustee Ordinance (Cap. 29) and is an approved trustee under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). The Custodian is also registered with the Hong Kong Monetary Authority under a statutory guideline to comply with the Supervisory Policy Manual (“SPM”) module on “Regulation and Supervision of Trust Business” (TB-1) under section 7(3) of the Banking Ordinance. The Custodian is licensed by the SFC to carry out Type 13 regulated activity (providing depositary services for relevant collective investment schemes under the SFO) and has a Trust or Company Service Provider (“TCSP”) License under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615). Pursuant to 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.

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 to hold certain assets of any Sub-Fund and may empower any such person or persons to appoint, with no objection in writing by the Custodian, co-custodians and/or sub-custodians. 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 person(s) not being the Custodian’s Connected Person appointed as agents, nominees, custodians or joint custodians of certain assets of any Sub-Fund. 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 agent, nominee, custodian, joint

custodian, co-custodian and/or sub-custodian to hold certain assets of any Sub-Fund (including the Custodian which is appointed by the Custodian and the Manager, being a Connected Person of the Custodian) as if the same were the acts or omissions of the Custodian.

Subject to the Custodian's proper discharge of the requirements as set out above in relation to the selection, appointment and ongoing monitoring of any Correspondent and its satisfaction that the Correspondents remain suitably qualified and competent to provide the relevant services on an ongoing basis, the Custodian shall not be liable for the insolvency, liquidation bankruptcy, act or omission of any Correspondent which is not a Connected Person of the Custodian.

Except as provided for in the Instrument, the Custody Agreement or any applicable laws and regulations, and except to the extent of any fraud or negligence on its own part or that of its Correspondents where the Custodian would be liable pursuant to the provisions of the Custody Agreement:

- (a) the Custodian shall not be under any liability (including any loss, costs, damages or inconvenience that may result from the exercise or non-exercise of powers, duties, authorities and discretions vested in it), nor shall the Custodian be liable for any act, omission, misconduct, mistake, oversight or want of prudence on the part of the Manager or any person appointed by or otherwise acting as agent of or adviser to the Manager;
- (b) the Custodian (and its directors, officers and employees) be indemnified and held harmless out of the Scheme Property of the relevant Sub-Fund(s) in respect of (in addition to any right of indemnity given by law) any action, costs, claims, expenses, damages or liabilities to which it (or they) may be put or which it (or they) may incur as a result of the Custodian acting as custodian of or in respect of the Company and/or the relevant Sub-Fund(s), and the Custodian shall for such purpose have recourse to the Scheme Property of the relevant Sub-Fund(s); and
- (c) any liability of the arising under or in connection with the Instrument or the Custody Agreement, whether in contract, in tort, by law or otherwise, is limited to the amount for which the Custodian has a right of recovery against, or any indemnity from the Company or the relevant Sub-Fund (i.e. the relevant Scheme Property).

The Custodian shall not be liable for: (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 depositaries or clearing system which may from time to time be approved by the Custodian and the Manager; 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 or any Sub-Fund.

In addition, subject to any applicable laws and regulations, the Custodian shall not be responsible for or incur any liability for matters prescribed under the Instrument, including, without limitation, (i) any error of law or matter or thing done or omitted to be done in good faith, (ii) authenticity of any signature or seal affixed to any documents affecting the title to or transmission of Shares or of Investments, (iii) acting upon any resolutions purporting to have been passed at any meeting of the Shareholders in respect whereof minutes shall have been made and signed or passed in accordance with terms of the Instrument, (iv) any consequential, special or indirect loss or punitive damages arising under or in connection with the Instrument and the Custody Agreement, whether in contract, in tort, by law or otherwise, or (v) loss of or damage to any documents in its possession or for any failure to fulfil its duties hereunder caused by or directly or indirectly due to any cause

which is beyond the reasonable control of the Custodian provided that the Custodian has taken all reasonable preventive or mitigating steps.

Notwithstanding anything to the contrary as set out in the Custody Agreement, the Custodian may not be exempted from any liability to the Shareholders imposed under the laws of Hong Kong or breaches of trust through fraud or negligence, nor may it be indemnified against any such liability by Shareholders or at the Shareholders' expense. Subject to the applicable law and the provisions of the Custody Agreement and the Instrument, the Custodian shall not, in the absence of fraud, negligence or wilful default on the part of the Custodian, be liable for any losses, costs or damage to the Company, any Sub-Fund or any Shareholder.

The Custodian will be entitled to a Custodian Fee and other service fees agreed by the Company and to be reimbursed for all costs and expenses in accordance with the provisions of the Custody Agreement.

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 descriptions under this section headed "The Custodian" and neither the Custodian nor any of its subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents or permitted delegates accept any responsibility or liability for any information contained in this Prospectus other than the description under this section headed "The Custodian".

The Administrator and the Registrar

The Hongkong and Shanghai Banking Corporation Limited has been appointed as the Administrator of the Company and Sub-Fund(s) and shall carry out certain financial, administrative functions and other services in relation to the relevant Sub-Fund on its behalf and is responsible for, among other things: (i) calculating the Net Asset Value and Net Asset Value per Share of any class relating to the relevant Sub-Fund, and (ii) the general administration of the relevant Sub-Fund, which includes the proper book keeping of the relevant Sub-Fund, arranging the administration of the issue and redemption of Shares of the relevant Sub-Fund.

The Administrator also acts as the Registrar for the Sub-Fund(s) under the terms of the Administration Agreement, unless otherwise stated in the relevant Appendix. The Registrar provides services in respect of the establishment and maintenance of the Register of the relevant Sub-Fund.

The Administrator, its delegated affiliates, directors, officers and employees of each of them, are entitled to be indemnified by the Company out of the Scheme Property of the relevant Sub-Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal costs, expenses or disbursements of any kind or nature whatsoever other than those resulting from the fraud, gross negligence or wilful default on the part of the Administrator, its delegated affiliates, directors, officers, employees and each of them which may be imposed on, incurred by or asserted against the Administrator, its delegated affiliates, directors, officers, employees and each of them, as a result of or in connection with performing the services under the Administration Agreement between for and on behalf of the relevant Sub-Fund.

In performing the services under the Administration Agreement, the Administrator is entitled, without verification or further enquiry or liability, to rely on pricing data and other information in relation to specified Investments held by the Company and the relevant Sub-Fund, which would include information provided by the Manager, or, in the absence of any such price sources, any price sources on which the Administrator may choose to rely. Without prejudice to the generality of the foregoing, the Administrator is not liable or otherwise responsible for any loss suffered by any

person other than losses resulting from fraud, gross negligence or wilful default on the part of the Administrator or any affiliate by reason of any inaccuracy, error or delay (whether as a result of deliberate action or otherwise) in any pricing or valuation information provided by pricing agents, pricing sources or pricing models provided by any person, including, without limitation, by the manager, administrator or valuation agent of any fund or portfolio into which the Company and the relevant Sub-Fund invests or for any inaccuracy, error or delay (whether as a result of deliberate action or otherwise) in information (including, without limitation, pricing or valuation information) supplied to the Administrator.

The Administrator will use reasonable endeavours to independently verify the price of any assets or liabilities of the Company and the relevant Sub-Fund using its network of automated pricing services, brokers, market makers, intermediaries or using other pricing sources or pricing models provided by any person.

In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Company and the relevant Sub-Fund (including, without limitation, private equity investments) which is processed by it or provided to it by: (1) the Manager, the Company, the Directors (or other governing body); and/or (2) third parties including, but not limited to, any valuer, third party valuation agent, intermediary or other third party including, but not limited to, those appointed or authorised by the Manager, the Company, the Directors (or other governing body) to provide pricing or valuation information in respect of the Scheme Property or liabilities to the Administrator. The Administrator is not liable for any loss suffered by any person as a result of the Administrator not providing this information for any such asset or liability of the Company and the relevant Sub-Fund.

The Administrator in no way acts as guarantor or offeror of the Shares of the Company or any underlying investment. The Administrator is a service provider to the Company and has no responsibility or authority to make investment decisions, or render investment, commercial, accounting, legal or any other advice whatsoever, with respect to the Scheme Property. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Company and the relevant Sub-Fund or any investors in the Company and the relevant Sub-Fund as a result of any failure by the Manager or the Directors (or other governing body), as applicable, to adhere to any investment objective, investment policy, investment restrictions, borrowing restrictions, operating guidelines or other restrictions applicable to the Company and the relevant Sub-Fund.

The Administrator is not liable or otherwise responsible for any loss suffered by any person by reason of (1) any act or omission of any person prior to the commencement date of the Administration Agreement, (2) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider or (3) any inaccuracy, error or delay in information provided to the Administrator by or for the Company and the relevant Sub-Fund or Manager (including any broker, market maker or intermediary or any other third party). The Administrator is not otherwise liable for any loss in connection to the services provided to the Company or any other person unless direct loss is sustained as a result of its fraud, gross negligence or wilful default.

In addition, subject to any applicable laws and regulations, the Administrator shall not be responsible for or incur any liability for matters prescribed under the Instrument, including, without limitation, (i) any error of law or matter or thing done or omitted to be done in good faith, (ii) authenticity of any signature or seal affixed to any documents affecting the title to or transmission of Shares or of Investments, (iii) acting upon any resolutions purporting to have been passed at any meeting of the Shareholders in respect whereof minutes shall have been made and signed or passed in accordance with terms of the Instrument, (iv) any consequential, special or indirect loss or punitive damages arising under or in connection with the Instrument and the Administration

Agreement, whether in contract, in tort, by law or otherwise, or (v) loss of or damage to any documents in its possession or for any failure to fulfil its duties hereunder caused by or directly or indirectly due to any cause which is beyond the reasonable control of the Administrator provided that the Administrator has taken all reasonable preventive or mitigating steps.

Under the terms of the Administration Agreement, the Administrator is permitted to delegate certain of its functions and duties to the Administrator's affiliates as permitted by applicable laws and regulations, provided that the Administrator will remain responsible for the performance of its affiliates.

The Administration Agreement provides that the appointment of the Administrator in its capacity as the Administrator and Registrar may be terminated without cause by the Company by giving at least 90 days' prior notice in writing (or such shorter notice as the parties to the Administration Agreement may agree). The Administration Agreement may be terminated with immediate or subsequent effect by written notice in certain specified circumstances (e.g. in circumstances where a party to the Administration Agreement has committed a material breach of the terms of such agreement).

The Hongkong and Shanghai Banking Corporation Limited is not responsible for the preparation or issue of this Prospectus other than with respect to the description above in respect of the Administrator and Registrar.

The Auditor

The Directors have appointed Ernst & Young 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, 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 the Laws and Regulations and the Instrument, 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 units or shares 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 units or shares and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the relevant Sub-Fund.

None of the Manager, its delegates (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 relevant 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 Custodian Agreement.

Conflicts of interest may also arise due to the widespread business operations of the Custodian, the Manager, the Administrator or the Registrar (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, executed on the best available 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, any 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 relevant Sub-Fund.

INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS

Investment objective

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

Investment strategy

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

Investment restrictions

Unless otherwise approved by the SFC, the following principal investment restrictions apply to each Sub-Fund under the Company authorised by the SFC:

- (A) the aggregate value of the 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 the Sub-Fund, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the UT Code:
- (1) investments in securities issued by such entity;
 - (2) exposure to such entity through underlying assets of FDIs; and
 - (3) net counterparty exposure to such entity arising from transactions of over the-counter FDIs,
- for the avoidance of doubt, the restrictions and limitations on counterparty as set out in subparagraphs (A) above and (B) below and Chapter 7.28(c) of the UT Code will not apply to FDIs that are: (i) transacted on an exchange where the clearing house performs a central counterparty role; and (ii) marked-to-market daily in the valuation of their FDI positions and subject to margining requirements at least on a daily basis;
- (B) subject to paragraph (A) above and Chapter 7.28(c) of the UT Code, the aggregate value of the 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) the value of the 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 paragraph, cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by the Sub-Fund and not referable to provision of property or services;

- (D) ordinary shares issued by a single entity held for the account of the Sub-Fund, when aggregated with other holdings of ordinary shares issued by 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 the Sub-Fund may be invested in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a Securities Market;
- (F) notwithstanding paragraphs (A), (B), (D) and (E) above, 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 this Prospectus; and
 - (3) the Sub-Fund must produce the reports required by Chapter 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 paragraphs (A), (B) and (D) above, 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 a Sub-Fund which has been authorised by the SFC as an index fund, this limit may be exceeded with the approval of the SFC;
- (H) subject to paragraph (G) above, a Sub-Fund may fully invest in government and other public securities in at least six different issues, and subject to the approval of the SFC, a Sub-Fund which has been authorised by the SFC as an index fund 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, the 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 (a) 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 (b) 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 the relevant Appendix of a Sub-Fund;

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

(1) the value of the 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) the 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 relevant Appendix of the Sub-Fund,

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

(A) 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 does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraphs (K)(1) and (K)(2) above;

(B) 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) are also applicable to the investments of the underlying scheme; and

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

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

- (4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme or any quantifiable monetary benefits in connection with investments in any underlying scheme;
- (L) a Sub-Fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme and will be authorised as a feeder fund by the SFC. In this case,
- (1) the underlying scheme (“**master fund**”) must be authorised by the SFC;
 - (2) this Prospectus must state that:
 - (a) the Sub-Fund is a feeder fund into the master fund;
 - (b) 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;
 - (c) 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
 - (d) the aggregate amount of all the fees and charges of the Sub-Fund (i.e. feeder fund) and its master fund must be clearly disclosed;
 - (3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, Manager’s annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the 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 same Manager or by its Connected Person;
 - (4) notwithstanding paragraph (K)(2)(c) 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 the Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its total Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

Money market funds

For each Sub-Fund which is authorised by the SFC as a “money market fund” under Chapter 8.2 of the UT Code, the relevant Sub-Fund required to comply with the following investment restrictions:

- (i) subject to the provisions below, the Sub-Fund may only invest in short-term deposits and high quality money market instruments, and up to 10% in money market funds authorised by the SFC 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;
- (ii) the Sub-Fund must maintain a portfolio with weighted average maturity of not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of government and other public securities;

For the purposes herein:

- (1) “**weighted average maturity**” is a measure of the average length of time to maturity of all the underlying securities in the Sub-Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Sub-Fund to changing money market interest rates; and
- (2) “**weighted average life**” is the weighted average of the remaining life of each security held in the Sub-Fund; and is used to measure the credit risk, as well as the liquidity risk,

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

- (iii) notwithstanding the above, the aggregate value of the Sub-Fund’s holding of instruments and deposits issued by a single entity may not exceed 10% of the Net Asset Value of the Sub-Fund except:
 - (1) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity’s share capital and non-distributable capital reserves, the limit may be increased to 25%; or
 - (2) in the case of government and other public securities, up to 30% may be invested in the same issue; or
 - (3) in respect of any deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size.
- (iv) notwithstanding paragraphs (B) and (C) under the section headed “Investment restrictions” above, the aggregate value of the Sub-Fund’s investments in Entities within the Same Group through instruments and deposits may not exceed 20% of its total Net Asset Value except:
 - (1) in respect of any cash deposit of less than USD1,000,000 or its equivalent in the Base Currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size; and
 - (2) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity’s share capital and non-distributable capital reserves, the limit may be increased to 25%;
- (v) notwithstanding the borrowing limit as set out under the section headed “Borrowing restrictions” below, the Sub-Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses;
- (vi) the value of the Sub-Fund’s holding of investments in the form of asset-backed securities may not exceed 15% of its total Net Asset Value;
- (vii) subject to Chapter 7.32 to 7.38 of the UT Code, the Sub-Fund may engage in sale and repurchase transactions and reverse repurchase transactions in compliance with the following requirements:
 - (1) the amount of cash received by the Sub-Fund under sale and repurchase

transactions may not in aggregate exceed 10% of its total Net Asset Value;

- (2) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the Net Asset Value of the Sub-Fund;
 - (3) collateral received may only be cash, high quality money market instruments, and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and
 - (4) the holding of collateral, together with other investments of the Sub-Fund, must not contravene the investment limitations and requirements set out under this sub-section headed "Money market funds";
- (viii) the Sub-Fund may use FDIs for hedging purposes only;
- (ix) the currency risk of the Sub-Fund shall be appropriately managed and any material currency risk that arises from investments that are not denominated in the Base Currency shall be appropriately hedged;
- (x) the Sub-Fund must hold at least 7.5% of its total Net Asset Value in daily liquid assets and at least 15% of its total Net Asset Value in weekly liquid assets;

For the purposes herein:

- (1) **"daily liquid assets"** refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and
 - (2) **"weekly liquid assets"** refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities; and
- (xi) a Sub-Fund that offers a stable or constant net asset value or which adopts an amortised cost accounting for valuation of its assets may only be considered by the SFC on a case-by-case basis.

Investment prohibitions

Each Sub-Fund shall not:

- (A) invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or the directors and officers of the Manager collectively own more than 5% of those securities;
- (B) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs)). In the case of investments in such shares and REITs, they shall comply with the investment restrictions and limitations set out in paragraphs (A), (B), (D), (E) and (K) under the section headed "Investment restrictions" above, where applicable. For the avoidance of doubt, where investments are made in listed REITs, paragraphs (A), (B) and (D) under the section headed "Investment restrictions" above apply and where investments are made in unlisted REITs, which are either companies or collective

investment schemes, then paragraphs (E) and (K) under the section headed "Investment restrictions" above apply respectively;

- (C) make short sales if as a result the Sub-Fund would be required to deliver securities exceeding 10% of the total Net Asset Value of the Sub-Fund (and for this purpose securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations;
- (D) subject to paragraph (E) under the section headed "Investment restrictions" above, lend or make a loan out of the assets of the Sub-Fund except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan, or assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the UT Code;
- (E) enter into any obligation on behalf of the Sub-Fund or acquire any asset or engage in any transaction for the account of the Sub-Fund which involves the assumption of any liability which is unlimited; or
- (F) apply any part of the 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 the Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in FDIs for the purposes of the Chapter 7.29 and 7.30 of the UT Code.

Borrowing restrictions

The Manager may cause to borrow up to 10% of the total Net Asset Value of a Sub-Fund unless otherwise stated in the relevant Appendix, provided always that back to back borrowings shall not be taken into account when determining whether or not these limits have been breached by the relevant Sub-Fund. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements as set out in Chapters 7.32 to 7.35 of the UT Code are not subject to the limitations in this paragraph.

If any of the investment and borrowing restrictions are breached, the Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interests of Shareholders.

FDIs

Subject to the UT Code and the provisions of the Instrument, the Manager shall have the power on behalf of each Sub-Fund to agree and to enter into any FDI, for hedging or non-hedging (investment) purposes, provided that the exposure to the underlying assets of the FDIs, together with other investments of the relevant Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets as 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.

Hedging purposes

A Sub-Fund may acquire FDIs for hedging purpose provided that such FDIs shall meet all of the following criteria:

- (i) they are not aimed at generating any investment return;
- (ii) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss of risks arising from the investments being hedged;
- (iii) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and
- (iv) they should 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.

Non-hedging (investment) purposes

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, except this limit may be exceeded for Sub-Funds approved by the SFC under Chapter 8.8 (structured funds) or 8.9 (funds that invest extensively in FDIs) of the UT Code. For the avoidance of doubt:

- (i) 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 positions;
- (ii) 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
- (iii) 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.

Restrictions applicable to FDIs

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

- (i) 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 paragraphs (A), (B), (C) and (G) under the section headed “Investment restrictions” above provided that the relevant index is in compliance with Chapter 8.6(e) of the UT Code;
- (ii) 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;

- (iii) subject to paragraphs (A) and (B) under the section headed “Investment restrictions” above, the Sub-Fund’s net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the total Net Asset Value of the Sub-Fund. The exposure of the Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and
- (iv) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or 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 Administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

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

Subject to the foregoing paragraph, a transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund shall be covered as follows:

- (a) in the case of FDIs transactions which will, or may at the discretion of the Sub-Fund, 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
- (b) in the case of FDIs transactions which will, or may at the counterparty’s discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. In the case of holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

Where a financial instrument embeds a FDI, the requirements under the section headed “FDIs” above will also apply to the embedded financial derivative. For such purposes, an “embedded financial derivative” is a FDI that is embedded in another security, namely the host contract.

Securities financing transactions

Where indicated in the relevant Appendix, a Sub-Fund may enter into securities lending, sale and repurchase and reverse repurchase transactions (collectively, “**securities financing transactions**”) in respect of a Sub-Fund, provided that:

- (A) they are in the best interests of the Shareholders;

- (B) the associated risks have been properly mitigated and addressed; and
- (C) the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

Please refer to the section headed “Investment strategy” in each relevant Appendix for the policy regarding such arrangements for each Sub-Fund.

A Sub-Fund which engages in securities financing transactions is subject to the following requirements:

- (i) 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;
- (ii) 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; and
- (iii) 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.

Please refer to each Appendix for the use of securities financing transactions for each Sub-Fund.

In addition to the requirements relating to securities financing transactions as set out above, unless otherwise specified under the section headed “Investment strategy” in the relevant Appendix, details of the Manager’s policy in relation to securities financing transactions are as follows:

- (i) General – The summary of policy of securities financing transactions set out below is only applicable to a Sub-Fund which may engage in securities financing transactions. Securities financing transactions may only be effected in accordance with normal market practice and provided that they are in the best interest of Shareholders of the relevant Sub-Fund to do so and the associated risks have been properly mitigated and addressed;
- (ii) Securities financing transactions – Under a securities lending transaction, a Sub-Fund lends its securities to a security borrowing counterparty for an agreed fee subject to a commitment from that counterparty that it will return equivalent securities on a specified future date or when requested to do so by the relevant Sub-Fund. A Sub-Fund is expected to retain the rights of beneficial ownership as to the loaned securities, including voting rights and rights to interest or other distributions, and will generally have the right to regain record ownership of loaned securities to exercise such beneficial rights. Under a sale and repurchase transaction, a Sub-Fund sells its securities to a counterparty of reverse repurchase transactions subject to an agreement to repurchase the securities at an agreed price with a financing cost on a specified future date. Where a Sub-Fund enters into a sale and repurchase transaction under which it sells securities to the counterparty, it will incur a financing cost from engaging in this transaction which will be paid to the relevant counterparty. Under a reverse repurchase transaction, a Sub-Fund purchases securities from a counterparty of sale and repurchase transactions subject to an agreement to re-sell the relevant securities to the counterparty at an agreed price on a specified future date. A Sub-Fund must have the right to terminate the securities financing transactions at any time and demand the return of all of the securities loaned or the full amount of cash (as the case may be);
- (iii) 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

relevant Sub-Fund. Such direct and indirect expenses shall include fees and expenses payable to securities lending agents engaged for the relevant Sub-Fund from time to time. Such fees and expenses of any securities lending agents engaged for the relevant Sub-Fund, will be at normal commercial rates and will be borne by the relevant 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 relevant 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, the investment delegate (if any) or any of their Connected Persons;

- (iv) Eligible counterparties – Please refer to the sub-section headed “Collateral” below for further details;
- (v) Collateral – A Sub-Fund must have at least 100% collateralisation in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions. Please refer to the sub-section headed “Collateral” below for further details;
- (vi) Maximum and expected level of securities financing transactions – The maximum and expected level of a Sub-Fund’s assets available for securities financing transactions are set out in the Appendix of the relevant Sub-Fund;
- (vii) 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 a Sub-Fund’s investment objective and policy;
- (viii) Connected person(s) arrangement – Where any securities financing transaction has been arranged through the Custodian, the Administrator or a Connected Person of the Custodian, the Administrator or the Manager, such transaction shall be conducted at arm’s length and executed on the best available terms, and the relevant entity shall be entitled to retain for its own use and benefit any fee or commission it receives on a commercial basis in connection with such arrangement; such transactions with Connected Persons of the Custodian, the Administrator or the Manager (including the fee retained by the Custodian, the Administrator or the Manager or their Connected Persons) will be disclosed in the connected party transaction section of the relevant Sub-Fund’s annual financial reports; and
- (ix) custody/safekeeping arrangements, details of which are set out in the section headed “Collateral” below, are in place in respect of the assets subject to the securities financing transactions.

Collateral

A Sub-Fund may receive collateral from a counterparty to over-the-counter FDI transactions and securities financing transactions. A Sub-Fund may receive collateral from each counterparty provided that the collateral complies with the requirements set out below:

- (A) Eligible collateral – A Sub-Fund will receive as collateral sufficient cash and/or liquid assets, the value of which, during the duration of the securities financing agreement, will be equal to at least 100% of the global valuation of the securities lent (interests, dividends and other eventual rights included), marked to market on a daily basis. Cash collateral may include cash, cash equivalents and money market instruments. Liquid assets as collateral may comprise of government or corporate bonds whether investment grade / non-investment grade, long/short term bonds, listed or traded in any regulated markets;

- (B) Criteria for selecting counterparties – the Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of securities financing transactions and Over-the-counter (“OTC”) derivative 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, and legal status of the counterparty. No constraint regarding the country of origin will apply. The counterparty of securities financing transactions must be financial institutions which are subject to ongoing prudential regulation and supervision. The counterparties of OTC derivative transactions will be entities with legal personality typically located in Organisation for Economic Co-operation and Development (OECD) 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 and an OTC derivative transaction must be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or equivalent, or must be deemed by the Manager to have an implied rating of BBB- or equivalent assigned by an internationally recognised credit agency (e.g. Standard & Poor’s or Moody’s) or be licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority when entering into such transactions. Alternatively, an unrated counterparty will be acceptable where the Manager is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of BBB- or equivalent assigned by an internationally recognised credit agency (e.g. Standard & Poor’s or Moody’s);
- (C) 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 marketplace with transparent pricing;
- (D) Valuation – collateral should be marked-to-market daily by using independent pricing source;
- (E) 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;
- (F) 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. The price volatility of the asset used as collateral should be taken into account when devising the haircut policy;
- (G) Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group and the 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;
- (H) Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs, or the counterparty of securities financing transactions to the extent that it would undermine the effectiveness of the collateral. Securities issued by the counterparty or the issuer of the FDIs, or the

counterparty of securities financing transactions or any of their related entities should not be used as collateral;

- (I) Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;
- (J) Independent custody – collateral must be held by the Custodian of the relevant Sub-Fund;
- (K) Enforceability – collateral must be readily accessible/enforceable by the Custodian of the Sub-Fund without further recourse to the issuer of the FDIs, or the counterparty of the securities financing transactions;
- (L) Re-investment of collateral – unless otherwise specified in the relevant Appendix and subject to prior consultation with the SFC, and in compliance with the Laws and Regulations, 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. Non-cash collateral received may not be sold, re-invested or pledged.

For the purpose herein, “money market instruments” refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers’ acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account. Any re-investment of cash collateral shall be subject to the following further restrictions and limitations and all other restrictions and limitations as may be imposed from time to time by the SFC:

- (1) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapters 8.2(f) and 8.2(n) of the UT Code;
 - (2) cash collateral received is not allowed to be further engaged in any securities financing transactions; and
 - (3) 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;
- (M) Collateral should be free of prior encumbrances; and
 - (N) Collateral generally should not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

A description of holdings of collateral (if any) (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 reports for the relevant period as required under Appendix E of the UT Code.

SUBSCRIPTION OF SHARES

Initial issue of Shares

During an Initial Offer Period, Shares in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Share as specified in the relevant Appendix.

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

The Manager may decide not to issue any Shares in the event that less than a minimum amount for aggregate subscriptions in respect of a Sub-Fund or any Class of Shares (as specified in the relevant Appendix, if any) 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 circumstances, all subscription monies paid by an applicant will be returned by cheque by post or by telegraphic transfer or such other means as the Manager considers appropriate at the applicant's risk (without interest) promptly after the close of the relevant Initial Offer Period.

Shares will be issued on the Business Day following the close of the relevant Initial Offer Period or such other Business Day as the Manager may determine. Unless otherwise specified in the relevant Appendix, dealing of the Shares will commence on the Dealing Day immediately following the close of the relevant Initial Offer Period.

Monies received from applicants during the Initial Offer Period will not be invested until after the close of the Initial Offer Period. Interest earned, if any, on these monies will accrue for the benefit of the relevant Sub-Fund.

Subsequent issue of Shares

Following the close of the relevant Initial Offer Period, Shares will be available for issue on each Dealing Day at the relevant Subscription Price, unless otherwise specified in the relevant Appendix.

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

The Manager is entitled to impose a subscription fee on the allotment of any Share. The Manager may, either generally or in any particular case, differentiate as to the amount of the subscription fee to be levied in respect of different Classes of 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. The Subscription Fee levied on the issue of any Share shall be payable in addition to the Subscription Price in respect of such Share and shall be retained by or paid to the Manager for its own use and benefit. Details of the subscription fee are set out in the section headed "Expenses and charges" below. The Manager may require an applicant for Shares to pay, in addition to the Subscription Price or the subscription proceeds and any subscription fee, an additional amount which it considers represents an appropriate provision for extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, which are likely to be incurred by the relevant Sub-Fund in investing a sum equal to the subscription monies and issuing the

relevant Shares or the remittance of money to the Custodian. Any such additional amount will be retained by the Company and will form part of the assets of the relevant Sub-Fund.

Application procedure

To subscribe for Shares, an applicant should complete the application form supplied with this Prospectus and return the original form, together with the required supporting documents, to the Administrator.

Unless otherwise specified in the relevant Appendix, applications for Shares during the relevant Initial Offer Period, together with cleared funds, must be received by no later than 5:00 pm (Hong Kong time) on the last day of the relevant Initial Offer Period. After the close of the Initial Offer Period, applications must be received by the relevant Dealing Deadline, unless otherwise specified in the relevant Appendix. Unless otherwise specified in the relevant Appendix, if any application is received after the relevant Dealing Deadline in respect of a Dealing Day, then the application will be deemed to have been received on the next Dealing Day following such receipt or such other day as the Manager may in its absolute discretion determine.

Applications for subscription may be made in writing by post or sent via fax or electronic means accepted by the Directors. Unless otherwise agreed by the Administrator, application forms that are sent via fax or electronic means accepted by the Directors to the Administrator must always be followed by their original promptly. Applicants who choose to send an application form by fax or electronic means accepted by the Directors bear the risk of the form being illegible, mis-delivered or not being received by the Administrator. Applicants should therefore, for their own benefit, confirm with the Administrator safe receipt of an application form. None of the Company, the Directors, the Administrator, the Registrar, the Custodian, the Manager or their respective delegates or agents will be responsible to an applicant for any loss arising as a result of the non-receipt or illegibility of such transmission or any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the applicant. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

Each applicant whose application is accepted will be sent a contract note by the Administrator confirming details of the purchase of Shares but no certificates will be issued.

Applicants may apply for 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 Shares through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Where an applicant applies for Shares through a distributor, the Manager and the Administrator will treat the distributor (or its nominee) as the applicant. The distributor (or its nominee) will be registered as Shareholder of the relevant Shares. The Manager and the Administrator 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 Shares and any related matters, as well as any costs or losses that may arise therefrom.

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 SFO.

The Manager may reject in whole or in part any application for Shares without giving any reason for doing so. In the event that an application is rejected in whole or in part, the subscription monies received, or the balance thereof, shall be returned to the applicant (without interest) by such means as the Manager considers appropriate.

No applications for 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 the section headed "Suspension of determination of Net Asset Value" below).

Payment procedure

Subscription monies should be paid in the currency in which the relevant Class of Shares is denominated. Payment details are set out in the application form.

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

Unless otherwise specified in the relevant Appendix, no Shares of a Sub-Fund will be issued unless and until the relevant subscription monies have been received in cleared funds by or on behalf of the Company for the account of the relevant Sub-Fund. If payment in full in cleared funds is not received by such time as aforesaid, the application may, unless the Manager determines otherwise, be rejected and, if Shares are issued prior to receipt of the payment, the Directors may cancel the relevant allotment of Shares. Upon such cancellation, the relevant Shares are deemed never to have been issued and the applicant has no right to claim against the Company in respect of any loss, damages, liability, costs or expenses the applicant incurs as a result of such cancellation. The Company may charge the applicant (and retain for the account of the relevant Sub-Fund) a cancellation fee of such amount as the Directors may from time to time determine to represent the administrative costs involved in processing the application for such Shares from such applicant. The Manager may require the applicant to pay, for the account of the relevant Sub-Fund, in respect of each Share so cancelled, the amount (if any) by which the Subscription Price of each such Share exceeds the Redemption Price which would have applied in relation to each cancelled Share on the date on which the Share is cancelled.

Unless the applicant has made arrangements with the Administrator to make payment in some other currency or by some other method, payment must be made in the Class Currency of the Shares by telegraphic transfer to the account specified in the application form. Subscription monies other than in the relevant Class Currency will be converted into the relevant Class Currency (or the Base Currency of the relevant Sub-Fund) and all bank charges and other conversion costs will be deducted from the subscription monies before investment in Shares. The currency conversion into the relevant Class Currency (or Base Currency, as the case may be) shall be effected by the Administrator on the instruction of the Manager at the applicant's risk at market rates and expenses. None of the Company, the relevant Sub-Fund, the Manager or the Administrator will be liable to any Shareholder for any loss suffered by such Shareholder arising from such currency conversion.

Suspension of allotment or issue of Shares

No Share of a Class shall be allotted or issued during any period when determination of the Net Asset Value of the Company or the relevant Sub-Fund is suspended (please refer to the section headed "Suspension of determination of Net Asset Value" below for details), or when the Manager has suspended the issuance of Shares of the relevant Class. The Manager may, in consultation with the Custodian, suspend the allotment or issue of Shares of any Class for the whole or any part of any period:

- (A) during which there is a closure (other than customary weekend and holiday closing) of, or restriction or suspension of trading on, any Securities Market on which a substantial part of the investments of the Company or a Sub-Fund is normally traded;
- (B) during which for any other reason the prices of investments held or contracted for by the Company or a Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly or fairly be ascertained;

- (C) when circumstances exist as a result of which in the opinion of the Manager it is not reasonably practicable for the Company to realise a substantial part of the investments held or contracted for the account of the Company or a Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Class;
- (D) during which 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 of the Company or a Sub-Fund or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange;
- (E) during a breakdown in the systems and/or means of communication usually employed in ascertaining the value of investments or the Net Asset Value or the Subscription Price or Redemption Price per Share of any Class or when for any other reason the value of any of the investments or the Net Asset Value of the Company or a Sub-Fund or the Subscription Price or the Redemption Price per Share of any Class cannot in the opinion of the Manager reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner;
- (F) when in the opinion of the Manager such suspension, delay or extension is required by law or applicable legal process or the issue, redemption or transfer of Shares would result in the violation of any applicable law;
- (G) where the Company or a Sub-Fund is invested in one or more collective investment schemes and the realisation of interests in any relevant collective investment scheme(s) (representing a substantial portion of the assets of the Company or that Sub-Fund) is suspended or restricted; or
- (H) during which the business operations of the Manager, the Administrator, the Custodian or their delegates in respect of the Company are substantially interrupted or closed as a result of or arising from sabotage, storm, tempest, typhoon, earthquake, accident, fire, flood, explosion, toxicity, radioactivity, acts of God, act of any government or other competent authority, hostilities (whether war be declared or not), act of terrorism, riot, civil commotion, strikes or industrial action of any kind, insurrection, rebellion or other cause, which is beyond the reasonable control of the relevant party.

Any suspension in respect of the allotment or issue of Shares of a Class shall take effect at such time as the Manager shall declare but not later than the close of business on the next Business Day following the declaration. There shall be no allotment or issue of Shares of the relevant Class until the Manager shall declare the suspension at an end, except that such suspension shall terminate in any event on the first Business Day on which: (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised shall exist.

General

All holdings of Shares will be in registered form and certificates will not be issued. Evidence of title 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. Fractions of Shares may be issued calculated to 4 decimal places or such other number of decimal places (if any) as specified in the relevant Appendix. Subscription monies representing smaller fractions of a Share will be retained by the Company for the benefit of the relevant Sub-Fund. A maximum of 4 persons may be registered as joint Shareholders.

REDEMPTION OF SHARES

Redemption procedure

Shareholders who wish to redeem their Shares in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Administrator.

Any redemption request must be received by the Administrator before the Dealing Deadline. Investors redeeming Shares through a distributor or a nominee should submit their redemption requests to the distributor or nominee in such manner as directed by the distributor or nominee. Distributors and nominees may have different dealing procedures, including earlier cut-off times for receipt of redemption requests. Where an investor holds its investment in Shares through a nominee, the investor wishing to redeem Shares must ensure that the nominee, as the registered Shareholder, submits the relevant redemption request by the Dealing Deadline. A redemption request received after the applicable Dealing Deadline in respect of any Dealing Day will be treated as a request for the redemption of the relevant Shares on the next Dealing Day following such receipt or such other day as the Manager may in its absolute discretion determine.

Redemption requests may be made in writing by post or sent via fax or electronic means accepted by the Directors and must specify the name of the Sub-Fund, the Class (if applicable) and the value or number of Shares to be redeemed, the name(s) of the registered Shareholder(s) and give payment instructions for the redemption proceeds.

Unless otherwise agreed by the Administrator, redemption requests that are sent via fax or electronic means accepted by the Directors must always be promptly followed by their original. Shareholders who choose to send the redemption request by fax or electronic means accepted by the Directors bear the risk of the request being illegible or not being received by the Administrator. Shareholders should therefore, for their own benefit, confirm with the Administrator safe receipt of a redemption request. None of the Company, the Directors, the Administrator, the Registrar, the Custodian, the Manager or their respective delegates or agents will be responsible to a Shareholder for any loss howsoever arising as a result of the non-receipt, mis-delivery or illegibility of such transmission or any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the Shareholder. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

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

Payment of redemption proceeds

Unless otherwise specified in the relevant Appendix, the Redemption Price on any Dealing Day will be the price per Share of the relevant Class ascertained by dividing the Net Asset Value of such Class as at the Valuation Point in respect of the relevant Dealing Day by the number of Shares of that Class then in issue and rounded to 4 decimal places (0.00005 and above being rounded up; below 0.00005 being rounded down) or such other rounding as the Manager may determine. Any rounding adjustment will be retained by the relevant Class. The Redemption Price will be calculated and quoted in the Class Currency.

The Manager may at its option impose a redemption fee in respect of the Shares to be redeemed as described in the section headed "Expenses and charges" below. The Manager may, either generally or in any particular case, differentiate as to the amount of the redemption fee to be levied in respect of different Classes of Shares and/or allow to persons a discount to the redemption fee on such basis or on such scale as the Manager may think fit. The redemption fee shall be retained by or paid to the Manager for its own absolute use and benefit.

The Manager is entitled to deduct an additional amount which it considers represents an appropriate provision for extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, which are likely to be incurred in selling the Investments constituting the relevant Sub-Fund or the remittance of money to the Custodian. Any such additional amount will be retained by the Company and will form part of the relevant Sub-Fund.

The amount due to a Shareholder on the redemption of a Share will be the Redemption Price, less any redemption fee and any additional amount referred to in the foregoing paragraph.

Redemption proceeds will not be paid to any redeeming Shareholder until (a) unless otherwise agreed in writing by the Administrator and the Manager, the written original of the redemption request duly signed by the Shareholder has been received by the Administrator; and (b) the signature of the Shareholder (or each joint Shareholder) has been verified to the satisfaction of the Company or its duly authorised agents. In accordance with the relevant Sub-Fund's anti-money laundering (AML) obligations, requests for transfer or payment of redemption proceeds will not be effected until receipt of all outstanding information and identification documents. None of the Company, the Directors, the Administrator, the Registrar, the Custodian, the Manager or their respective delegates or agents accept any responsibility for any loss caused as a result of any such delay for refusal to process transfer requests or effect payment of redemption proceeds (as the case may be) and claims for payment of interest due to such delays are not accepted.

Subject as mentioned above, and save as determined by the Directors at the request or with the agreement of the redeeming Shareholder, and so long as relevant account details have been provided, redemption proceeds will normally be paid in the relevant Class Currency 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 by the Company or its duly authorised agents of a duly completed redemption request and such other documents and information as the Directors may reasonably require, 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, but in such a case the details of such legal or regulatory requirements will be set out in the relevant Appendix and the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s). All bank charges and other conversion costs associated with the payment of such redemption proceeds will be borne by the redeeming Shareholder and deducted from the redemption proceeds.

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

Suspension of redemption of Shares

A Shareholder's right to redeem Shares shall be suspended during any period when determination of the Net Asset Value of the Company or the relevant Sub-Fund or the relevant Class is suspended (please refer to the section headed "Suspension of determination of Net Asset Value" below for details) or when the Manager has determined to suspend the redemption of the relevant Class of Shares.

The Manager may, in consultation with the Custodian, suspend the right of Shareholders to redeem Shares of any Class and/or the payment of the Redemption Price for the whole or any part of any period:

- (A) during which there is a closure (other than customary weekend and holiday closing) of, or restriction or suspension of trading on, any Securities Market on which a substantial part of the investments of the Company or a Sub-Fund is normally traded;
- (B) during which for any other reason the prices of investments held or contracted for by the Company or a Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly or fairly be ascertained;
- (C) when circumstances exist as a result of which in the opinion of the Manager it is not reasonably practicable for the Company to realise a substantial part of the investments held or contracted for the account of the Company or a Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Class;
- (D) during which 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 of the Company or a Sub-Fund or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange;
- (E) during a breakdown in the systems and/or means of communication usually employed in ascertaining the value of investments or the Net Asset Value or the Subscription Price or Redemption Price per Share of any Class or when for any other reason the value of any of the investments or the Net Asset Value of the Company or a Sub-Fund or the Subscription Price or the Redemption Price per Share of any Class cannot in the opinion of the Manager reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner;
- (F) when in the opinion of the Manager such suspension, delay or extension is required by law or applicable legal process or the issue, redemption or transfer of Shares would result in the violation of any applicable law;
- (G) where the Company or a Sub-Fund is invested in one or more collective investment schemes and the realisation of interests in any relevant collective investment scheme(s) (representing a substantial portion of the assets of the Company or that Sub-Fund) is suspended or restricted; or
- (H) during which the business operations of the Manager, the Administrator, the Custodian or their delegates in respect of the Company are substantially interrupted or closed as a result of or arising from sabotage, storm, tempest, typhoon, earthquake, accident, fire, flood, explosion, toxicity, radioactivity, acts of God, act of any government or other competent authority, hostilities (whether war be declared or not), act of terrorism, riot, civil commotion, strikes or industrial action of any kind, insurrection, rebellion or other cause, which is beyond the reasonable control of the relevant party.

Any suspension in respect of redemption of Shares of a Class shall take effect at such time as the Manager shall declare but not later than the close of business on the next Business Day following the declaration. There shall be no redemption of Shares of the relevant Class until the Manager shall declare the suspension at an end, except that such suspension shall terminate in any event on the first Business Day on which: (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised shall exist.

Deferred redemption

With a view to protecting the interests of Shareholders and unless otherwise specified in the relevant Appendix, the Manager in consultation with the Custodian may limit the total Net Asset Value of Shares of a Sub-Fund which Shareholders are entitled to redeem on any Dealing Day to 10% or, subject to the acceptance of the SFC, such other percentage as the Manager may determine either generally or in respect of any particular Dealing Day, of the total number or value of Shares of the relevant Class in issue on such Dealing Day. In this event, the limitation will be applied pro rata to all Shareholders seeking to redeem Shares on the relevant Dealing Day. Shares that are not redeemed but which would otherwise have been redeemed will be redeemed on the next succeeding Dealing Day for such Shares (subject to any further deferral on any subsequent Dealing Day) in priority to any other Shares in the relevant Sub-Fund for which redemption requests have been received. If requests for redemption are so carried forward, the Manager will give notice to the affected Shareholders.

Compulsory redemption

If the Directors reasonably suspect that any Shares are owned directly, indirectly or beneficially by any person or persons (i) who is an Ineligible Investor; (ii) in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Company, the Manager, the Custodian or the relevant Sub-Fund incurring or suffering any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the Manager, the Custodian or the relevant Sub-Fund to any additional regulation which the Company, the Manager, the Custodian or the relevant Sub-Fund might not otherwise have incurred or suffered to which the Company, the Manager, the Custodian or the relevant Sub-Fund might not otherwise have been subject; or (iii) in breach of any applicable law or applicable requirements of any country/region or governmental authority, the Directors may give notice to the relevant Shareholder requiring him to transfer such Shares to a person who would not thereby be in contravention of any such restrictions as aforesaid within 30 days of the date of the notice or take such other actions as they reasonably believe are required by the Laws and Regulations. If any Shareholder upon whom such a notice is served pursuant to the Instrument does not, within 30 days of the date of such notice, transfer such Shares as aforesaid or establish to the satisfaction of the Directors (whose judgment shall be final and binding) that such Shares are not held in contravention of any such restrictions, he shall be deemed to have given a redemption request in respect of the relevant Shares on the notice.

SWITCHING

The Manager may from time to time permit Shareholders to switch some or all of their Shares of any Class of a Sub-Fund (the “**Existing Class**”) into Shares of another Class of the same Sub-Fund or of another Sub-Fund (the “**New Class**”), as specified in the relevant Appendix. Where permitted, Shareholders may request switching by giving notice in writing by post or via fax or electronic means accepted by the Directors. A Shareholder who chooses to send the request by fax or other electronic means accepted by the Directors bears the risk of the request being illegible or not being received by the Administrator. Shareholders should therefore, for their own benefit, confirm with the Administrator safe receipt of a switching request. None of the Company, the Directors, the Administrator, the Registrar, the Custodian, the Manager or their respective delegates or agents shall be responsible to any Shareholder for any loss arising as a result of the non-receipt or illegibility of such transmission or any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the Shareholder. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

Unless otherwise determined by the Manager, a request for the switching of part of a holding of Shares will not be effected if, as a result, the Shareholder would hold less than the minimum holding amount specified for the New Class (if any). The Administrator has discretion to accept applications received after the Dealing Deadline provided they are received before the Valuation Point relating to the relevant Switching Redemption Day (as defined below).

Under the Instrument, the Manager is entitled to impose a switching fee on the switching of Shares of up to 1% of the Redemption Price of each Share of the Existing Class converted or the subscription price of each share of the New Class subscribed. The switching fee will be deducted from the amount reinvested in the New Class and will be retained by or paid to the Manager for its own absolute use and benefit.

Any switching request must be received by the Administrator prior to the Dealing Deadline applicable to the Existing Class and the Dealing Deadline applicable to the New Class. Where a request for switching is received by the Administrator 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**”);
- (B) where the Existing Class and the New Class have different Class Currencies, the redemption proceeds of Shares of the Existing Class, after deduction of any switching fee, shall be converted into the Class Currency of the New Class; and
- (C) the resulting amount will be used to subscribe for Shares of the New Class at the relevant Subscription Price on the 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 (and 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 following Dealing Day that is a Dealing Day of the New Class), provided that cleared funds in the Class Currency of the New Class shall be received 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 cleared funds in the Class Currency of the New Class are received by the Dealing Deadline of the New Class, unless otherwise determined by the Manager.

The Manager may suspend the switching of Shares during any period in which the determination of the Net Asset Value of the relevant Cass or Shares of the relevant Sub-Fund is suspended (for details see the section headed "Suspension of determination of Net Asset Value" below). Shares will not be switched when the Manager has determined that subscriptions for Shares of the New Class or redemptions of Shares of the Existing Class are closed.

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

VALUATION

Valuation rules

The Net Asset Value of each Sub-Fund will be calculated by valuing the assets of the Sub-Fund and deducting the liabilities attributable to the Sub-Fund. These liabilities include, without limitation, any management fee, performance fee, custodian fee, any taxes, any borrowings and the amount of any interest and expenses thereon, any other costs or expenses expressly authorised by the Instrument, and an appropriate allowance for any contingent liabilities.

Where a Sub-Fund has more than one Class of Shares, to ascertain the Net Asset Value of a Class of Shares, a separate Class account (a “**Class Account**”) will be established in the books of the Sub-Fund. An amount equal to the proceeds of issue of each Share will be credited to the relevant Class Account. Any increase or decrease in the Net Asset Value of the Sub-Fund (disregarding for these purposes any increase in the Net Asset Value due to new subscriptions or decreases due to redemptions or any designated Class Adjustments (as defined below)) will be allocated to the relevant Class Account on a pro-rata basis based on the previous Net Asset Value of each such Class Account. There will then be allocated to each Class Account the “**designated Class Adjustments**” being those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Manager determines relate to a single Class.

The value of the assets of a Sub-Fund will be determined as at each Valuation Point in accordance with the Instrument. The Instrument provides (inter alia) that:

- (A) the value of any investments (other than a commodity, futures contract or an interest in a collective investment scheme) quoted, listed, traded or dealt in on any Securities Market will be valued by reference to the price appearing to the Manager to be the last traded price or the “exchange close” price as calculated and published by the relevant exchange of that market in accordance with its local rules and customs, provided that:
 - (1) if an investment is quoted, listed, traded or dealt in on more than one such market, the Manager shall adopt the last traded price or the exchange close price as published by the market in accordance with its local rules and customs which, in the opinion of the Manager, provides the principal market for such investment, provided that if the Manager considers that the prices published on a Securities Market other than the principal market for such investment provides, in all circumstances, a fairer criterion of value in relation to any such investment, such prices may be adopted;
 - (2) if prices on such market are not available at the relevant time, the value of the investment shall be certified by such firm or institution making a market in such investment or by the Manager after consultation with the Custodian;
 - (3) interest accrued on any interest-bearing investments shall be taken into account, unless such interest is included in the quoted or listed price; and
 - (4) the Manager or the Administrator shall be entitled to use and rely on electronically transmitted data from such source or sources or pricing systems as they may from time to time think fit and the prices provided by any such source or pricing system shall be deemed to be the last traded prices for the purposes of valuation;
- (B) the value of any investment (other than a commodity or an interest in a collective investment scheme) which is not quoted, listed, traded or ordinarily dealt in on any Securities Market shall initially be the amount expended out of the assets of the Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Custodian). Thereafter the Manager may at any time in consultation with the Custodian (and shall at

such times or at such intervals as the Custodian shall request) cause a revaluation to be made by reference to the latest bid price, asked price or mean thereof, as the Manager considers appropriate, quoted by a person, firm or institution making a market in such investment or otherwise approved by the Custodian as qualified to value such investment (which may, if the Custodian agrees, be the Manager);

- (C) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager in consultation with the Custodian, any adjustment should be made to reflect the value thereof;
- (D) the value of any commodity shall be ascertained in accordance with the following:
 - (1) if a commodity is dealt in on any recognised commodities market, then the Manager shall have regard to the latest ascertainable price ruling or officially fixed on such recognised commodities market or (if there shall be more than one such recognised commodities market) on such recognised commodities market as the Manager, in consultation with the Custodian, shall consider appropriate;
 - (2) if any such price as referred to in (1) is not, in the opinion of the Manager, reasonably up-to-date or is not ascertainable at any relevant time, then the Manager shall have regard to any certificate as to the value of such commodity provided by a firm or institution making a market in such commodity;
 - (3) the value of any futures contract (the "**relevant Contract**"), to the extent that it is not determined in accordance with (1) or (2), shall be valued:
 - (a) where the relevant Contract is for the sale of a commodity, by subtracting, from the contract value of the relevant Contract, the sum of the amount determined by the Manager (based on the latest available price) to be the contract value of such futures contract as would be required to be entered into by the Manager for the account of the Sub-Fund in order to close the relevant Contract and the amount expended out of the Sub-Fund in entering into the relevant Contract (including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith); and
 - (b) where the relevant Contract is for the purchase of a commodity, by subtracting, from the amount determined by the Manager (based on the latest available price) to be the contract value of such futures contract as would be required to be entered into by the Manager for the account of the Sub-Fund in order to close the relevant Contract, the sum of the contract value of the relevant Contract and the amount expended out of the Sub-Fund in entering into the relevant Contract (including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith); and
 - (4) if the provisions of (1) and (2) do not apply to the relevant commodity, then the value shall be determined in accordance with (B) above as if such commodity were an unquoted investment;
- (E) the value of each unit, share or other interest in any collective investment scheme which is valued as at the same day as the relevant Sub-Fund shall be the net asset value per unit, share or other interest in such collective investment scheme calculated as at that day or, if the Manager so determines, or if such collective investment scheme is not valued as at the same day as the relevant Sub-Fund, shall be the last published net asset value per unit,

share or other interest in such collective investment scheme (where available) or (if the same is not available) the last published bid price for such a unit, share or other interest, provided that if no net asset value and bid prices are available, the value thereof shall be determined from time to time in such manner as the Manager shall determine in consultation with the Custodian;

- (F) notwithstanding paragraphs (A) to (E) above, the Manager may, upon consultation with the Custodian or with the prior written consent of the Custodian, adjust the value of any cash, deposits and/or investments or permit some other method of valuation to be used if such adjustment is required to reflect the fair value of the investment provided that such adjustment may only be made in compliance with the Laws and Regulations; and
- (G) the value (whether of a liability or an investment or cash) and any borrowing in a currency other than the Base Currency of the Sub-Fund or the Class Currency of the relevant Class will be converted into the Base Currency of the relevant Sub-Fund or the Class Currency of such Class (as the case may be) at the rate (whether official or otherwise) which the Custodian or its delegates or the Manager (after consultation with the Custodian) shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.

Suspension of determination of Net Asset Value

Subject to the Laws and Regulations and the Instrument, the Manager may, in consultation with the Custodian, suspend the determination of the Net Asset Value of the Company or of any Sub-Fund or of any Class of Shares, the allotment or issue of Shares of any Class and/or the right of Shareholders to redeem or switch Shares of any Class and/or the payment of the Redemption Price for the whole or any part of any period:

- (A) during which there is a closure (other than customary weekend and holiday closing) of, or restriction or suspension of trading on, any Securities Market on which a substantial part of the investments of the Company or a Sub-Fund is normally traded;
- (B) during which for any other reason the prices of investments held or contracted for by the Company or a Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly or fairly be ascertained;
- (C) when circumstances exist as a result of which in the opinion of the Manager it is not reasonably practicable for the Company to realise a substantial part of the investments held or contracted for the account of the Company or a Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Class;
- (D) during which 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 of the Company or a Sub-Fund or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange;
- (E) when a breakdown in the systems and/or means of communication usually employed in ascertaining the value of investments or the Net Asset Value or the Subscription Price or Redemption Price per Share of any Class or when for any other reason the value of any of the investments or the Net Asset Value of the Company or a Sub-Fund or the Subscription Price or the Redemption Price per Share of any Class cannot in the opinion of the Manager reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner;

- (F) when in the opinion of the Manager such suspension, delay or extension is required by law or applicable legal process or the issue, redemption or transfer of Shares would result in the violation of any applicable law;
- (G) where the Company or a Sub-Fund is invested in one or more collective investment schemes and the realisation of interests in any relevant collective investment scheme(s) (representing a substantial portion of the assets of the Company or that Sub-Fund) is suspended or restricted; or
- (H) during which the business operations of the Manager, the Administrator, the Custodian or their delegates in respect of the Company are substantially interrupted or closed as a result of or arising from sabotage, storm, tempest, typhoon, earthquake, accident, fire, flood, explosion, toxicity, radioactivity, acts of God, act of any government or other competent authority, hostilities (whether war be declared or not), act of terrorism, riot, civil commotion, strikes or industrial action of any kind, insurrection, rebellion or other cause, which is beyond the reasonable control of the relevant party.

During a period of suspension:

- (i) where the suspension is in respect of the determination of the Net Asset Value, there shall be no determination of the Net Asset Value of the Company or the relevant Sub-Fund or the relevant Class (as applicable) (although an estimated Net Asset Value may be calculated and published) and any application for issue or request for redemption of Shares of the Company or the relevant Sub-Fund or the relevant Class (as applicable) shall be similarly suspended; and
- (ii) where the suspension is in respect of the allotment or issue and/or the redemption of Shares of a Class, there shall be no allotment, issue and/or redemption of Shares of that Class. For the avoidance of doubt, the allotment, issue or redemption of Shares of a Class may be suspended without suspending the determination of the Net Asset Value.

Any such suspension shall take effect at such time as the Manager shall declare but not later than the close of business on the next Business Day following the declaration, and there shall be no determination of the Net Asset Value of the Company or of the relevant Sub-Fund or of the relevant Class and/or allotment or issue of Shares of the relevant Class and/or redemption of Shares of the relevant Class by Shareholders (as the case may be) until the Manager shall declare the suspension at an end, except that such suspension shall terminate in any event on the first Business Day on which:

- (i) the condition giving rise to the suspension shall have ceased to exist; and
- (ii) no other condition under which suspension is authorised shall exist.

Each declaration of suspension by the Manager shall be consistent with the Laws and Regulations. Whenever the Manager shall declare a suspension, the Manager (i) shall, immediately after any such declaration notify the SFC of such suspension; and (ii) shall, immediately after any such declaration and at least once a month during the period of such suspension, publish a notice on the Manager's website at www.samsungetfhk.com (this website has not been reviewed by the SFC) that such declaration has been made.

No Shares in a Sub-Fund may be allotted, issued, switched and/or redeemed during such a period of suspension.

Publication of Net Asset Value

The latest Subscription Price and Redemption Price in respect of Shares and the Net Asset Value per Share of each Sub-Fund are available on the Manager's website at www.samsungetfhk.com (this website has not been reviewed by the SFC).

EXPENSES AND CHARGES

There are different levels of fees and expenses applicable to investing in each Sub-Fund as set out below. For information concerning actual fees payable in respect of each Sub-Fund, please refer to the relevant Appendix.

Fees payable by Shareholders

The following fees and charges are payable by Shareholders:

Subscription fee

Under the Instrument, the Manager is entitled to impose a subscription fee on the issue 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 per Share. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the subscription fee (either generally or in any particular case) of a Sub-Fund.

Redemption fee

Under the Instrument, the Manager is entitled to impose a redemption fee on the redemption 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 the redemption of Shares. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the redemption fee (either generally or in any particular case) of a Sub-Fund.

Switching fee

Under the Instrument, the Manager is entitled to impose a switching fee on the switching of Shares of up to 1% of the Redemption Price payable in respect of the Shares of the Existing Class being switched or the Subscription Price payable in respect of the Shares of the New Class subscribed.

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

Fees payable by the Sub-Fund

The following fees and charges are payable out of the assets of each Sub-Fund:

Management fee

The Instrument provides that the Manager is entitled to a management fee in respect of each Sub-Fund it manages, the maximum amount of which is equal to 1.5% 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, will be subject to approval by way of a Special Resolution. The management fee will be accrued as at each Valuation Day and will be payable monthly in arrears.

The Manager may share any fees, charges or amounts it receives in its capacity as manager of the Sub-Funds 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 any performance fee are set out in the relevant Appendix.

Custodian fee and Administrator fee

The Instrument provides that the Custodian and the Administrator are entitled to receive in aggregate 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 the 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 way of a Special Resolution. The custodian fee will be accrued as at each Valuation Day and will be payable monthly in arrears.

In addition to the fees payable to the Custodian and if applicable, the Custodian and the Administrator shall also be entitled to such transactional fees as may be agreed by the Company in relation to transactions involving the whole or any part (whether in the nature of capital and/or income, including gross income) of the Scheme Property. Such fees may be charged to the Scheme Property. In addition to the fees payable to the Custodian and if applicable, the Custodian and the Administrator may also be entitled (where agreed by the Company) to a custody account maintenance fee per month per custody account established in respect of the Company and payable monthly.

Registrar fee

The Registrar is entitled to receive various transaction, processing, valuation fees and other applicable fees as agreed pursuant to the Administration Agreement and to be reimbursed by the relevant Sub-Fund for all out-of-pocket expenses properly incurred by it in the performance of its duties as Administrator and the Registrar.

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 US\$30,000 per Director and, where payable, such remuneration shall be allocated fairly as between Sub-Funds by reference to their respective Net Asset Values. As at the date of this Prospectus, all of the Directors have waived their entitlements to receive a Director's fee.

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.

Other charges and expenses

Each Sub-Fund will bear the costs set out in the Instrument which are directly attributable to it. Where such costs are not directly attributable to a Sub-Fund, such costs will be allocated between all Sub-Funds pro-rata to the Net Asset Value of each Sub-Fund, unless otherwise determined by

the Manager after consultation with the Custodian and/or the Auditor. Such costs include but are not limited to the costs of investing and realising the investments of a Sub-Fund, the fees and expenses of safekeeping of the assets of the Company and each Sub-Fund, any fees, charges or expenses (including without limitation, stamp duty) incurred in connection with counterparty risk management procedures, the fees and expenses of any administrators, auditors, valuation costs, legal fees, the costs incurred in connection with any listing or regulatory approval, the costs of holding meetings of Shareholders and the costs incurred in the preparation and printing of any Prospectus and preparation and printing of any financial statements. The Manager may in its discretion bear part of or all of the costs attributable to a Sub-Fund set out in this section.

Expenses arising out of any advertising or promotional activities in connection with any Sub-Fund authorised by the SFC will not be charged to the Company or that Sub-Fund.

Establishment costs

The costs of establishing the Company and the first Sub-Fund, being Samsung Bitcoin Futures Fund, are estimated to be approximately HKD1,362,000. Such costs are charged to and amortised over the first 5 accounting periods of the first Sub-Fund (or such other period as determined by the Manager). Where subsequent Sub-Funds under the Company are established, the Manager may determine that the unamortised establishment costs of the Company (if any) or a part thereof may be re-allocated to such subsequent Sub-Funds.

Unless otherwise specified in the relevant Appendix, the costs of establishing a subsequent Sub-Fund will be charged to the relevant Sub-Fund and amortised over such period as the Manager may determine, and details are set out in the relevant Appendix.

Investors should also note that under IFRS, establishment costs should be expensed as incurred and that amortisation of the expenses of establishing Sub-Funds 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 Sub-Funds. 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 statements for the financial statements to be in compliance with IFRS.

Cash rebates and soft commissions

None of the Manager, the investment delegate (if any) and any of their respective Connected Persons receive any cash commissions or other rebates from brokers or dealers in respect of transactions for the account of any Sub-Fund. However, the Manager, the investment delegate (if any) and/or any of their respective Connected Persons reserve the right to effect transactions by or through the agency of another person (the “**Agent**”) with whom the Manager, the investment delegate (if any) and/or any of their respective Connected Persons has such an arrangement.

The Manager, the investment delegate (if any) and/or any of their respective 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, the investment delegate (if any) and/or any of their respective 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.

RISK FACTORS

The nature of each Sub-Fund's investments involves certain risks and uncertainties, including those inherent in any investment. There can be no assurance that the investment objective of any Sub-Fund will be achieved. This section sets out what the Manager believes are the general risks associated with investments in the Sub-Funds, but investors should note that the relevant Appendix may include additional risk factors which are specific or particular to a particular Sub-Fund. The risk factors below do not offer advice on the suitability of investing in any Sub-Fund. Prospective investors should carefully evaluate the merits and risks of an investment in a Sub-Fund in the context of their overall financial circumstances, knowledge and experience as an investor and should consult their independent professional or financial advisers before making any investment in a Sub-Fund.

General risks

Investment risk

Investors should be aware that investment in any Sub-Fund is subject to normal market fluctuations and other risks inherent in the underlying assets into which the Sub-Fund may invest. There can be no assurance that any appreciation in value of investments will occur. There is no assurance that the investment objectives of a Sub-Fund will actually be achieved, notwithstanding the efforts of the Manager since changes in political, financial, economic, social and/or legal conditions are not within the control of the Manager. Accordingly, there is a risk that investors may not recoup the original amount invested in a Sub-Fund or may lose a substantial part or all of their initial investment.

Market risk

The Net Asset Value of a Sub-Fund will change with changes in the market value of the investments of such Sub-Fund. The value of such investments, and consequently the price of Shares of the relevant Sub-Fund, may go down as well as up.

Concentration risk

Certain Sub-Funds may invest only in a specific country, region, sector or type of investment with a particular focus. Although there are various investment restrictions with which the Manager has to comply when managing the investments of any Sub-Fund, the concentration of a Sub-Fund's investments may subject it to greater volatility than portfolios which comprise broad-based global investments.

Emerging market risk

Certain Sub-Funds may invest in emerging markets (including Mainland China), which subjects such Sub-Funds to a higher level of market risk than investments in a developed country/region. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk (including risks arising from settlement procedures), greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets.

Counterparty risk

A Sub-Fund will be subject to the risk of the inability of any counterparty to perform with respect to any investments or contracts purchased by the Sub-Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Sub-Fund may experience significant delays in obtaining any recovery in bankruptcy or other reorganisation proceeding. Such

Sub-Fund is likely to be an unsecured creditor in any such proceeding and may obtain only a limited recovery or may obtain no recovery in such circumstances.

A Sub-Fund may be exposed to the counterparty risk of the Custodian with which the Scheme Property is deposited. The 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.

Liquidity risk

A Sub-Fund may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by a Sub-Fund may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be no willing buyer and the investments cannot be readily sold at the desired time or price, and the relevant Sub-Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect the Net Asset Value of a Sub-Fund or prevent a Sub-Fund from being able to take advantage of other investment opportunities. .

Liquidity risk also includes the risk that a Sub-Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, a Sub-Fund may be forced to sell investments, at an unfavourable time and/or conditions.

Exchange rate risk

Assets of certain Sub-Funds may be denominated in currencies other than the base currencies of such Sub-Funds and the currency of some assets may not be freely convertible. These Sub-Funds may be adversely affected by changes in exchange rates between the currencies in which the assets of the relevant Sub-Fund are held and the Base Currency of such Sub-Fund.

Restricted markets risk

Certain Sub-Funds may invest in securities in jurisdictions (including Mainland China) which impose limitations or restrictions on foreign ownership or holdings. In such circumstances, such Sub-Funds may be required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers.

Legal and compliance risk

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

Suspension risk

Under the terms of the Instrument in certain circumstances, the Manager may suspend the determination of the Net Asset Value of Shares in a Sub-Fund as well as suspend subscriptions and redemptions for Shares in a Sub-Fund. Investors may not be able to subscribe or redeem when such a suspension is invoked. Investors may not be able to obtain a market value of their investment if the share price is suspended.

Please refer to the section headed "Suspension of determination of Net Asset Value" for further information in this regard.

Early termination risk

Under the Instrument, a Sub-Fund may be terminated by the Manager or the Custodian in certain conditions and in the manner as described in "Termination (otherwise than by winding up)" in the section headed "General". It is possible that, in the event of such termination, a Sub-Fund will not be able to achieve its investment objective and investors will have to realise any investment loss and will receive an amount less than the capital they originally invested.

Cross Class liability risk

The Instrument allows the Custodian and the Manager to issue Shares in separate Classes. The Instrument provides for the manner in which liabilities are to be attributed across the various Classes within a Sub-Fund under the Company (liabilities are to be attributed to the specific Class of a 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 Class (in the absence of the Custodian granting that person a security interest). However, the Custodian will have a right of reimbursement and indemnity out of the assets of the Company which may result in Shareholders of one Class of Shares of a Sub-Fund being compelled to bear the liabilities incurred in respect of another Class of the Sub-Fund which Shares such Shareholders do not themselves own if there are insufficient assets attributable to that other Class to satisfy the amount due to the Custodian. Accordingly, there is a risk that liabilities of one Class of a Sub-Fund may not be limited to that particular Class and may be required to be paid out of one or more other Classes of that Sub-Fund.

Cross Sub-Fund liability risk

The assets and liabilities of each Sub-Fund under the Company will be tracked, for bookkeeping 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 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.

Valuation and accounting risk

Investors should note that, under IFRS, establishment costs should be expensed as incurred. However for the purpose of determining the Net Asset Value for subscription and redemption purposes, establishment costs are to be amortised over a period of 5 years (or such other period as determined by the Manager), which may lead to a different valuation had the accounting been in accordance with IFRS. The Manager has considered the impact of such non-compliance and does not expect this issue to affect the results and the determination of Net Asset Value of the Sub-Fund(s) materially. To the extent that the valuation or accounting basis adopted by any Sub-Fund deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS.

Reliance on the Manager risk

Shareholders must rely on the Manager in formulating the investment strategies and the performance of each Sub-Fund is largely dependent on the services and skills of its officers and

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

Investment risks

Risk of investing in equity securities

Sub-Funds which invest directly or indirectly in equity securities are exposed to the risk that the market value of such equity securities may go down as well as up. Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on such Sub-Funds. When equity markets are extremely volatile, such Sub-Fund's Net Asset Value may fluctuate substantially.

Risk of investing in fixed income instruments

Interest rate risk: Sub-Funds which invest in fixed income instruments are subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, market value of fixed income instruments tends to fall. Long-term fixed income instruments in general are subject to higher interest rate risk than short-term fixed income instruments.

Credit risk: Investment in fixed income instruments is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the fixed income instruments held by a Sub-Fund, that Sub-Fund's Net Asset Value will be adversely affected and investors may suffer a substantial loss as a result.

Fixed income instruments are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income instruments only after all secured claims have been satisfied in full. Each Sub-Fund holding such investments is therefore fully exposed to the credit risk of its counterparties as an unsecured creditor.

Risks of investing in lower graded or unrated fixed income instruments: A Sub-Fund may invest in fixed income instruments which are rated with a relatively lower grade or which are non-rated. As mentioned above, such instruments are generally more susceptible to the credit risk of the issuers, and as a result such investments assume greater risks because of generally reduced liquidity and greater fluctuation in value. The valuation of these instruments may also be more difficult and thus the relevant Sub-Fund's prices may be more volatile.

Risks of credit rating downgrades: Credit rating of fixed income instruments and/or issuers of fixed income instruments may be downgraded, thus adversely affecting the value and performance of a Sub-Fund holding such investments.

Risks of fixed income instruments from Mainland China: Certain Sub-Funds may invest in fixed income instruments issued or distributed within Mainland China. The financial market of Mainland China is at an early stage of development, and many of such Mainland Chinese fixed income instruments may be unrated, which exposes such Sub-Funds to greater risks because of generally reduced liquidity, greater price volatility and greater credit risk. Such a Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers who will generally be incorporated in Mainland China and therefore not subject to the laws of Hong Kong.

Limited availability of offshore RMB fixed income instruments: Certain Sub-Funds may invest in RMB fixed income instruments issued or distributed outside Mainland China. However, the quantity of RMB fixed income instruments issued or distributed outside Mainland China that are available is currently limited, and the remaining duration of such instruments may be short. In the absence of available fixed income instruments, or when such instruments held are at maturity, a Sub-Fund holding such investments may have to allocate a significant portion of its portfolio in RMB negotiated term deposits with authorised financial institutions until suitable fixed income instruments are available in the market. This may adversely affect the relevant Sub-Fund's return and performance.

Risk of investing in FDIs

Certain Sub-Funds may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes a Sub-Fund to additional risks, including: (1) volatility risk (derivatives can be highly volatile and expose investors to a high risk of loss); (2) leverage risk (as the low initial margin deposits normally required to establish a position in derivatives permits a high degree of leverage, there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin); (3) liquidity risk (daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of derivatives and transactions in over-the-counter derivatives may involve additional risk as there is no exchange market on which to close out an open position); (4) correlation risk (when used for hedging purposes there may be an imperfect correlation between the derivatives and the investments or market sectors being hedged); (5) counterparty risk (the Sub-Fund is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations); (6) valuation risks (valuation of a Sub-Fund's investments may involve uncertainties and judgmental determinations, if such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of a Sub-Fund); (7) legal risks (the characterisation of a transaction or a party's legal capacity to enter into it could render the derivative contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); and (8) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of a Sub-Fund which uses FDIs.

Risk of investing in structured debt instruments (including mortgage-backed securities)

Certain Sub-Funds may invest in securitised or structured debt instruments (collectively, "**structured debt instruments**"). Such structured debt instruments include asset-backed securities, mortgage-backed securities, collateralised debt instruments and collateralised loan obligations. provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such instruments involve multiple instruments and cash flow profiles such that it is not possible to predict with certainty the outcome from all market scenarios. Also, the price of such an investment could be contingent on, or highly sensitive to, changes in the underlying components of the structured debt instrument. The underlying assets can take many forms including, but not limited to, credit card receivables, residential mortgages, corporate loans, manufactured housing loans or any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some structured debt instruments may employ leverage which can cause the price of the instruments to be more volatile than if they had not employed leverage. In addition, investments in structured debt instruments may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying assets' value and consequently Sub-Funds investing in structured debt instruments may be more susceptible to liquidity risk. The liquidity of a structured debt instrument can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Over-the-counter markets risk

Over-the-counter (OTC) markets are subject to less governmental regulation and supervision of transactions (in which many types of FDIs and structured products are generally traded) than organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions carried out on OTC markets. Therefore, a Sub-Fund entering into transactions on OTC markets will be subject to the risk that its direct counterparty will not perform its obligations under the transactions.

In addition, certain instruments traded on the OTC markets (such as certain customised FDIs and structured products) can be illiquid. The market for relatively illiquid investments tends to be more volatile than the market for more liquid investments.

Hedging risk

The Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market risks. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result.

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

A Sub-Fund may enter into securities financing transactions or other similar over-the-counter transactions, which is subject to risks including:

Risk relating to securities lending transactions: Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a Sub-Fund engaged in securities lending transactions may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the Sub-Fund to meet delivery or payment obligations arising from redemption requests and may trigger claims. The value of the collateral received as part of the lending transaction may also fall below the value of the securities lent out. Securities lending also entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the Sub-Fund to meet delivery or payment obligations arising from redemption requests and may trigger claims.

Risk relating to repurchase transactions: In the event of the failure of the counterparty with which collateral has been placed, the 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, adverse market movements in the value of the collateral, intra-day increase in the value of the securities, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded.

Risk relating to reverse repurchase transactions: In the event of the failure of the counterparty with which cash has been placed, the 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.

Re-investment of cash collateral risk: A Sub-Fund may re-invest any cash collateral. Investors should note that there are risks associated with the re-investment of cash collateral. If a Sub-Fund reinvests cash collateral, such re-investment is subject to investment risks including the potential loss of principal.

TAXATION

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

Hong Kong taxation

Profits Tax

Taxation of the Company and Sub-Fund(s)

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.

Taxation of the Shareholders

Where the Shareholders do not carry on a trade, profession or business in Hong Kong or the Shares in a Sub-Fund are held by the Shareholders as capital assets for Hong Kong profits tax purposes, gains arising from the sale or disposal or redemption of the Shares in the Sub-Fund should not be taxable. For Shareholders carrying on a trade, profession or business in Hong Kong, such gains could 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 unincorporated business; with the first HKD2 million of assessable profits, subject to certain conditions being met, 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. Shareholders should seek 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) according to the current law and practice of the IRD of Hong Kong (as at the date of this Prospectus).

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

Stamp Duty

Hong Kong stamp duty is payable on the transfer of Hong Kong stock at the current rate of 0.2% of the consideration or the fair market value (whichever is higher). "Hong Kong stock" is defined as "stock" the transfer of which is required to be registered in Hong Kong. The Shares of the Sub-

Fund should fall within the definition of “Hong Kong stock” as the register of Shareholders will be kept in Hong Kong.

No Hong Kong stamp duty is payable on issue or redemption of Shares of the Sub-Fund.

No Hong Kong stamp duty is payable on transfer of the Hong Kong stock as consideration of any issue or redemption of Shares of the Sub-Fund, subject to conditions.

Common Reporting Standard (the “CRS”)

The Inland Revenue (Amendment) (No.3) Ordinance (the “**Ordinance**”) (as amended from time to time) came into force on 30 June 2016. This is the legislative framework for the implementation of the OECD’s Standard for Automatic Exchange of Financial Account Information (commonly known as “**CRS**”) in Hong Kong. The CRS requires financial institutions (“**FIs**”) in Hong Kong to obtain information from the account holders, conduct due diligence on the account holders and file such information as it relates to the reportable account holders who are tax resident in Reportable Jurisdictions (as defined below) with the Hong Kong Inland Revenue Department (“**IRD**”) which in turn will exchange the information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions which Hong Kong has activated an exchange relationship (“**Reportable Jurisdictions**”); however, under CRS, the Company, a Sub-Fund and/or its agents are not restricted from obtaining information relating to residents of jurisdictions other than Reportable Jurisdictions.

The Company will be 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 the Shareholders where required.

The Ordinance as implemented by Hong Kong requires the Company to, amongst other things: (i) register as a “Reporting Financial Institution” with the IRD to the extent the Company maintains any reportable accounts; (ii) conduct due diligence on its accounts (i.e. Shareholders) to identify whether any such accounts are considered “Reportable Accounts” under the Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts on an annual basis. Broadly, CRS requires that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a Reportable Jurisdiction; and (ii) certain entities controlled by individuals who are tax resident in a Reportable Jurisdiction.

Under the Ordinance, details of reportable Shareholders or their controlling persons (as the case may be), including but not limited to their name, date of birth, address, jurisdiction of tax residence, tax identification number(s) (if any), account details, account balance/value regarding their interest in the Company, and income or sale or redemption proceeds, is required to be reported to the IRD.

The IRD is expected on an annual basis to transmit the required information reported to it to the competent authorities of the relevant Reportable Jurisdiction(s).

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Shareholders acknowledge that they may be required to provide additional information or documents to the Company and/or its agents in order for the Company to comply with the Ordinance. Each Shareholder will update the relevant information when such information is no longer accurate. A Shareholder’s information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect Shareholders or other persons associated with such Shareholders as appropriate) may be exchanged by the IRD to the authorities in other jurisdictions. The failure of a Shareholder to provide any requested information, may result in the Company, the Manager and/or other agents of the Company taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Shareholder concerned in accordance with applicable laws and regulations, exercised by the Manager acting in good faith and on reasonable grounds.

Each Shareholder and prospective investor should consult with its own tax advisor as to the potential impact of CRS in its own tax situation, as well as the potential impact of CRS on the Sub-Funds.

Foreign Account Tax Compliance Act (“FATCA”)

Sections 1471 – 1474 (commonly referred to as “**FATCA**”) of the US Internal Revenue Code of 1986, as amended from time to time (“**US Code**”) imposes rules with respect to certain payments to non-US persons, such as the Company and the Sub-Funds, including dividends and interest from securities of US issuers and potentially on gross proceeds from the sale of such securities at a later date. All such payments (referred to as “**Withholdable Payments**”) may be subject to withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service (the “**IRS**”) to identify U.S. persons (within the meaning of the US code) that own, directly or indirectly, Shares in the Company and the Sub-Funds. To avoid such withholding on payments made to it, a foreign financial institution (an “**FFI**”), such as the Company and each Sub-Fund (and, generally, other investment funds organised outside the US), generally will be required to enter into an agreement (an “**FFI Agreement**”) with the IRS under which it will agree to identify its direct or indirect owners who are U.S. persons and report certain information concerning such US owners to the IRS.

In general, an FFI which does not sign an FFI Agreement and is not otherwise exempt will face a 30% withholding tax on Withholdable Payments, including dividends, interest and certain derivative payments derived from US sources. In addition, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating US source dividends or interest and certain non-US source payments attributable to the amounts that would be subject to FATCA withholding (referred to as a “foreign passthru payments”) may also be subject to FATCA withholding in the future.

The United States and Hong Kong government have entered into an intergovernmental agreement (the “**IGA**”) on 13 November 2014 for the implementation of FATCA, adopting “Model 2” IGA arrangement. Under such “Model 2” IGA arrangement, FFIs in Hong Kong (such as the Company and the Sub-Funds) can enter into an FFI Agreement with the IRS, register with the IRS and comply with the terms of an FFI Agreement. Otherwise, each Sub-Fund will be subject to a 30% withholding tax on relevant US-sourced payments and other Withholdable Payments.

It is expected that FFIs in Hong Kong (such as the Company and the Sub-Funds) complying with the terms of an FFI Agreement (i) will generally not be subject to the above described 30% withholding tax; and (ii) will not be required to withhold tax on Withholdable Payments to “non-consenting U.S. accounts” (i.e. certain accounts of which the holders do not consent to FATCA reporting and disclosure to the IRS) or close such accounts (provided that information regarding such account is reported to the IRS pursuant to the provisions of the IGA).

The Company and the Sub-Funds will endeavour to satisfy the requirements imposed under FATCA, the IGA and the terms of an FFI agreement to avoid any withholding tax. Broadly, the IGA requires the Company and each Sub-Fund to, amongst other things: (i) register as a “reporting financial institution” with the IRS; (ii) conduct due diligence on its accounts (i.e. Shareholder) to identify whether any such accounts are considered a “US Account” under the IGA; and (iii) report to the IRS the required information on such U.S. Accounts on an annual basis, when applicable. The Company and the Sub-Funds have already registered with the IRS to be treated as a “reporting financial institutions” under a Model 2 IGA with a Global Intermediary Identification Number (“**GIIN**”) 3HCTGY.99999.SL.344.

Each Shareholder (i) will be required to, upon demand by the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Manager that is necessary for the Company or a Sub-Fund (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding (or mitigate backup withholding) in any jurisdiction from or through which the Company or the relevant Sub-Fund receives payments and/or (B) to satisfy reporting or other obligations under US Code

and the United States Treasury Regulations promulgated under the US Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction, (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certification or other information is no longer accurate, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation or future applicable laws.

Subject to applicable laws and regulations in Hong Kong and the consent to report from the Shareholder as required under the IGA, the Company or the Sub-Funds (through its agents or service providers) or any of their authorised person(s) (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the US IRS), certain information in relation to a Shareholder, including but not limited to the Shareholders' name, address, taxpayer identification number (if any), and certain information relating to the Shareholder's holdings, to enable the Company or the relevant Sub-Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA). In any event, the Company shall comply with personal data protection principles, and requirements as set out in the Personal Data (Privacy) Ordinance (Chapter 468 of the Laws of Hong Kong) and all other applicable regulations and rules governing personal data use in Hong Kong from time to time.

Although the Company and the Sub-Funds will endeavour to satisfy any obligations imposed on the Company and the Sub-Funds to avoid the imposition of FATCA withholding tax, no assurance can be given that the Company and the Sub-Funds will be able to fully satisfy these obligations. In the event that the Company or a Sub-Fund is not able to comply with the requirements imposed by FATCA, the IGA or the terms of an FFI Agreement and the Company or such Sub-Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Company and such Sub-Fund may be adversely affected and the Company and such Sub-Fund may suffer significant loss as a result.

In the event a Shareholder does not provide the requested information and/or documentation related to FATCA, whether or not that actually leads to FATCA compliance failures by the Company or the relevant Sub-Fund, or a risk of the Company or the relevant Sub-Fund being subject to withholding tax under FATCA, the Manager on behalf of the Company and each of such relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, (i) reporting the relevant information of such Shareholder to the IRS (subject to applicable laws or regulations in Hong Kong); (ii) withholding or deducting any reasonable amount from such Shareholder's redemption proceeds or other distribution proceeds to the extent permitted by applicable laws and regulations; (iii) deeming such Shareholder to have given notice to redeem all his Shares in the Company and the relevant Sub-Fund; and/or (iv) bringing legal action against such Shareholder for losses suffered by the Company or the relevant Sub-Fund as a result of such withholding tax. The Manager in taking any such action or pursuing any such remedy must act in good faith and on reasonable grounds and in accordance with all applicable laws and regulations.

The FATCA provisions are complex and continue to evolve. As such, the effects which the FATCA provisions may have on the Company and each Sub-Fund may be subject to change. 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-compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA. The above description is based in part on regulations, official guidance and Model 2 IGA, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Shareholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. Each Shareholder and prospective investor should consult its own tax advisor as to the potential impact of FATCA in its own tax situation, in respect of its investment in the Company and each Sub-Fund, as well as the potential impact of FATCA on the Company and on each Sub-Fund. In cases where Shareholders

invest in the Company and Sub-Funds through an intermediary, Shareholders are reminded to check whether such intermediary is FATCA compliant and in accordance with all applicable laws and regulations.

GENERAL

Reports

The Company's and each Sub-Fund's financial year-end is 31 March in each year.

Audited annual financial reports drawn up in accordance with IFRS and unaudited interim financial reports will be prepared for each financial year. Financial reports will be available in English only.

Once issued the financial reports will be available in electronic from the Manager's website at www.samsungetfhk.com (this website has not been reviewed by the SFC) and in hardcopy for inspection at the Manager's office free of charge during usual business hours (hardcopies are also available for Shareholders to take away free of charge upon request).

Distribution policy

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends in respect of any Sub-Fund, details of which are set out in the relevant Appendix.

The Instrument

The Company was incorporated in Hong Kong under the SFO on 9 October 2024. Its constitution is set out in the Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 9 October 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 party having custody or possession of the Company's assets from time to time; or
- (e) any depository and clearance or settlement system.

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 in the Instrument or the Management Agreement shall be construed as (i) providing for any exemption of any liability of the Manager to the Shareholders imposed under Hong Kong law or for breaches of obligations through fraud or negligence or indemnifying the Manager 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.

Modification of 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; 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 the Instrument and any alteration to the Company generally in accordance with the Laws and Regulations.

Removal and retirement of the Directors

A person ceases to be a Director:

- (a) if the person 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) if the person becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
- (c) if the person becomes a mentally incapacitated person;
- (d) if the person resigns from the office of Director by notice in writing of the resignation of not less than 28 days;

- (e) if the person, 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 person as Director or if such agreement is summarily terminated in accordance with its terms; or
- (g) if the person is removed from the office of Director by an Ordinary Resolution.

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. In relation to a resolution to remove a Director before the end of the Director's term of office, no Share may, on a poll, carry a greater number of votes than it would carry in relation to the generality of matters to be voted on at a general meeting of the Company.

Removal and retirement of the Manager

Under the Instrument and 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 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; or
- (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 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 Instrument and the Custodian 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 the 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 open-ended fund company 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.

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, 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 USD5,000,000 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 USD5,000,000 or its equivalent in the Base Currency of the Company; or
- (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 Class of Shares, the relevant Sub-Fund or the Company.

The Directors shall give reasonable notice of termination of the Company, the relevant Sub-Fund, or the relevant Class of Shares (as the case may be) to the Shareholders in the Company, the relevant Sub-Fund or the relevant 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.

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, the 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, 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 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 the 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.

Meetings of Shareholders and voting rights

Meetings of Shareholders may be convened by the Directors. Shareholders representing at least 10% of the total voting rights of all the Shareholders having a right to vote at general meetings may require a meeting to be convened. A general meeting at which (a) a Special Resolution is to be proposed must be called by notice of at least 21 days in writing; and (b) an Ordinary Resolution is to be proposed must be called by notice of at least 14 days in writing.

The quorum for all meetings is Shareholders present in person or by proxy representing 10% of the Shares for the time being in issue except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution is Shareholders present in person or by proxy representing 25% of the Shares in issue. In the case of an adjourned meeting of which separate notice will be given, such Shareholders as are present in person or by proxy will form a quorum. Every individual Shareholder present in person, by proxy or by representative has one vote for every Share of which he is the Shareholder. In the case of joint Shareholders the senior of those who tenders a vote (in person or by proxy) will be accepted and seniority is determined by the order in which the names appear on the Register of Shareholders.

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.

Transfer of Shares

Shares may be transferred by an instrument in writing in any usual form or any other form approved by the Directors signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the Shareholder of the Shares transferred until the name of the transferee is entered in the register of Shareholders in respect of such Shares. A reasonable fee may be charged by the Company for registering any instrument of transfer or other document relating to or affecting the title to any Share.

Transfers of Shares are subject to prior consent of the Directors and the Directors may instruct the Custodian not to enter the name of a transferee in the register of Shareholders or recognise a transfer of any Shares if the Directors believe that such will result in or is likely to result in the contravention of any applicable laws or requirements of any country or region, any governmental authority or any stock exchange (if any) on which such Shares are listed.

Documents available for inspection

Copies of the Instrument, the Management Agreement, the Custodian Agreement and the latest audited annual and unaudited interim financial reports (if any) of the Company and each Sub-Fund are available for inspection free of charge at any time during normal business hours on a Business Day at the offices of the Manager. Copies of the Instrument can be purchased from the Manager at a nominal amount.

Anti-money laundering regulations

As part of the Custodian's and the Manager's responsibility to prevent money laundering, they and/or their respective delegates or agents may require detailed verification of a prospective investor's identity and the source of the payment of subscription monies. Depending on the circumstances of each application, a detailed verification may not be required where: (a) the prospective investor makes payment from an account in the prospective investor's name at a recognised financial institution; (b) the prospective investor is regulated by a recognised regulatory authority; or (c) the application is made through a recognised financial intermediary. The exceptions will only apply if the financial institution, regulatory authority or intermediary referred to above is within a country or jurisdiction recognised by Hong Kong as having sufficient anti-money laundering regulations.

The Custodian, the Manager and their respective delegates and agents each reserves the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. In the event of delay or failure by the applicant to produce any information required for verification purposes by any of the above parties, the Manager may refuse to accept the application and return the subscription monies relating to such application.

The Company also reserves the right to refuse to make any redemption payment to a Shareholder if the Manager reasonably suspects or is advised that the payment of redemption proceeds to such Shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary to ensure the compliance by the Company or the relevant Sub-Fund(s) or the Custodian or the Manager or other service provider to the Company with any such laws or regulations in any relevant jurisdiction.

None of the Custodian, the Manager or their respective delegates or agents shall be liable to the prospective investor or Shareholder for any loss suffered by such party as a result of the rejection or delay of any subscription application or payment of redemption proceeds.

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 of each Sub-Fund, 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.

The tools that may be employed by the Manager to manage liquidity risks include (but, not limited to) the following:

- (i) the Manager may limit the number of Shares of any Sub-Fund redeemed on any Dealing Day to 10% of the total number of Shares of the relevant Sub-Fund in issue (subject to the conditions under the sub-heading entitled "Deferred redemption" in the section headed "Redemption of Shares". If such limitation is imposed, this would restrict the ability of a Shareholder to redeem in full the Shares he intends to redeem on a particular Dealing Day;
- (ii) subject to the restrictions under the sub-heading "Borrowing restrictions" in the section headed "Investment Objective, Strategy and Restrictions", the Manager may borrow in respect of a Sub-Fund to meet redemption requests;
- (iii) the Manager may suspend redemption under exceptional circumstances as set out in the sub-section headed "Suspension of redemption of Shares" under the heading "Redemption of Shares". During such period of suspension, Shareholders would not be able to redeem their investments in the relevant Sub-Fund.

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

Conflicts of interest

The Manager, the Custodian and the Administrator (and any of their affiliates) (each a "**relevant party**") may from time to time act as administrator, registrar, manager, custodian, investment manager or investment delegate, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of any Sub-Fund. It is, therefore, possible that any relevant party may, in the course of business, have potential conflicts of interest with the Company or any Sub-Fund. Each relevant party will, at all times, have regard in such event to its obligations to the Company and the relevant Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly. Each relevant party shall be entitled to retain for its own use and benefit all fees and other monies payable thereby and shall not be deemed to be affected with notice of or to be under any duty to disclose to the Company, any Sub-Fund, any Shareholder or any other relevant party any

fact or thing which comes to the notice of the relevant party in the course of its rendering 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 Instrument. In any event, the Manager will ensure that all investment opportunities will be fairly allocated.

The Manager has established policies in relation to the identification and monitoring of potential conflicts of interest situations, to ensure that clients' interests are given priority at all times. Key duties and functions must be appropriately segregated and there are strict policies and dealing procedures designed to avoid, monitor and deal with conflicts of interests situations, such as rules and procedures in relation to order allocation, best execution, receipt of gifts or benefits, retention of proper records, prohibition of certain types of transactions and handling of client complaints. The Manager has designated staff to monitor the implementation of such trading policies and dealing procedures with clear reporting lines to and oversight by senior management. In any event, the Manager will ensure that all investment schemes and accounts which it manages, including each Sub-Fund, are treated fairly.

It is expected that transactions for any Sub-Fund may be carried out with or through Connected Persons of the Manager. The Manager will ensure that all transactions carried out by or on behalf of each Sub-Fund will be in compliance with all applicable laws and regulations. The Manager will use due care in the selection of such Connected Persons to ensure that they are suitably qualified in the circumstances, and will ensure that all such transactions are conducted on an arm's length basis and are consistent with best execution standards, and will monitor such transactions to ensure compliance with the Manager's obligations. The fees or commissions payable to any such Connected Persons will not be greater than those which are payable at the prevailing market rate for such transactions of that size and nature. The nature of any such transactions and the total commissions and other quantifiable benefits received by such Connected Persons will be disclosed in the relevant Sub-Fund's annual report.

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

Samsung Fund OFC

Units 301-2
3rd Floor
Agricultural Bank of China Tower
50 Connaught Road, Central
Hong Kong

Manager

Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司

Units 301-2
3rd Floor
Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Custodian

HSBC Institutional Trust Services (Asia) Limited

1 Queen's Road
Central
Hong Kong

Websites

The offer of the Shares is made solely on the basis of information contained in this Prospectus. This Prospectus may refer to information and materials included in websites, which may be updated or changed from time to time without any notice. Such information and materials do not form part of this Prospectus and they have not been reviewed by the SFC. Investors should exercise an appropriate degree of caution when assessing the value of such information and materials.

APPENDIX 1: SAMSUNG BITCOIN FUTURES FUND

This Appendix (which forms part of, and should be read together with the rest of, the Prospectus) relates to Samsung Bitcoin Futures Fund (the “Sub-Fund”), a Sub-Fund of the Company. All references in this Appendix to the Sub-Fund are to Samsung Bitcoin Futures Fund. Terms defined in the main body of this Prospectus have the same meaning when used in this Appendix.

What is the investment objective?

The Sub-Fund seeks to provide economic exposure to the value of bitcoin by investing substantially in Samsung Bitcoin Futures Active ETF (the “**Underlying Fund**”), which is managed by the Manager. There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the investment strategy?

The Sub-Fund

Investment strategy

The Sub-Fund is a feeder fund that seeks to achieve its investment objective by investing 90% or more of its total Net Asset Value in the Underlying Fund, which is a sub-fund of Samsung ETFs Trust III and is authorised by the SFC*. The Sub-Fund will invest in the Underlying Fund via the primary and/or the secondary market.

The Sub-Fund may also invest up to 10% of its net asset value on an ancillary basis in cash and cash equivalents. The Sub-Fund does not invest directly in bitcoin.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in this Prospectus. For the purpose of complying with the investment restrictions, the Sub-Fund and the Underlying Fund are deemed to be a single entity. Please refer to the offering documents of the Underlying Fund for further details on its investment and borrowing restrictions.

Use of financial derivatives instrument

The Sub-Fund will not use financial derivative instruments for any purpose. However, due to the Sub-Fund’s investment in the Underlying Fund, the Sub-Fund’s net derivative exposure may be up to 100% of the Sub-Fund’s Net Asset Value.

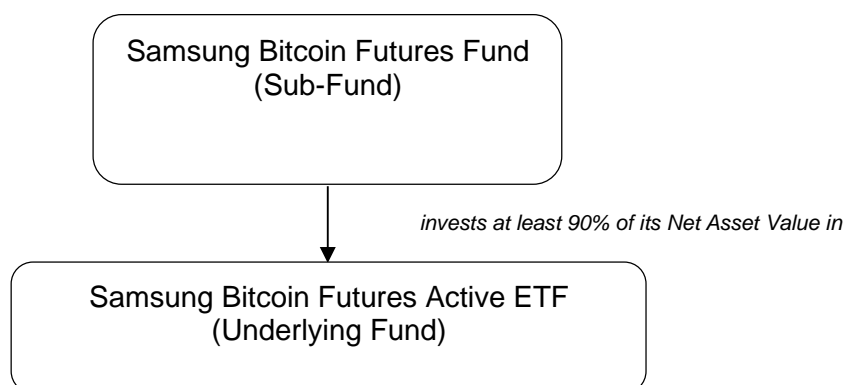
Securities financing transactions

Currently, the Manager has no intention to enter into securities lending transactions, sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions on the part of the Sub-Fund. 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.

** SFC authorisation is not a recommendation or endorsement of the Underlying Fund nor does it guarantee the commercial merits of the Underlying Fund or its performance. It does not mean the Underlying Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.*

Structure of the Sub-Fund and the Underlying Fund

Please find below an illustrative diagram showing the structure of the Sub-Fund and the Underlying Fund.



The Underlying Fund

Investment objective

The Underlying Fund seeks to provide economic exposure to the value of bitcoin by investing predominately in front-month bitcoin futures contracts and/or micro bitcoin futures contracts traded on the Chicago Mercantile Exchange (“**CME**”) (collectively the “**Bitcoin Futures on CME**”). The Underlying Fund does not invest directly in bitcoin and will not receive any bitcoin from Bitcoin Futures on CME. There is no assurance that the Underlying Fund will achieve its investment objective.

The manager of the Underlying Fund is Samsung Asset Management (Hong Kong) Limited, which is also the manager of the Sub-Fund.

Investment strategy

In seeking to achieve the Underlying Fund’s investment objective, the Manager adopts an active investment strategy whereby it will enter into and have exposure of up to 100% of the Underlying Fund’s net asset value in Bitcoin Futures on CME.

The Underlying Fund will be actively managed to allow flexibility in portfolio composition (e.g. diversification of futures position with multiple expiry dates), rollover strategy (depending on liquidity and contango / backwardation situation), and handling of any market disruption events.

While the Underlying Fund intends to predominately invest in front-month Bitcoin Futures on CME (i.e. contracts with the nearest expiration date), the Manager may, in its absolute discretion and without prior notice to investors, invest in subsequent-month Bitcoin Futures on CME (contracts with expiration dates later than that of front-month contracts), in the best interests of the Underlying Fund and the unitholders of the Underlying Fund (the “**Unitholders**”) and for the protection of the Underlying Fund. Bitcoin Futures on CME are cash-settled on their expiration date unless they are replaced with subsequent-month contracts (i.e. rolling) prior to expiration. When setting the rolling strategy, the Manager will consider the liquidity, bid-ask spread and roll spread of the front-month and next-month futures contracts. The front-month contracts will normally be rolled to the next-month contracts on a monthly basis over several business days immediately before the last trade day of the front-month Bitcoin Futures on CME (i.e. the last

Friday of the contract month). “Next-month” contracts are the contracts with the nearest expiration date after the front-month contracts. “Next-month” contracts will become the next front-month contracts immediately after current front-month contracts expired. The specifications of Bitcoin Futures on CME are set out in the offering documents of the Underlying Fund. The Underlying Fund does not invest directly in bitcoin and will not receive any bitcoin from Bitcoin Futures on CME.

In entering into the Bitcoin Futures on CME, the Manager anticipates that no more than 80% of the net asset value of the Underlying Fund from time to time will be used as margin to acquire such futures contracts. If an exchange or a clearing broker imposes more stringent margin requirement under exceptional circumstances, the margin may increase beyond 80% of the Underlying Fund’s net asset value.

Not less than 20% of the Underlying Fund’s net asset value (this percentage may be reduced proportionally under the abovementioned circumstances where there is a higher margin requirement) will be invested in USD denominated cash, bank deposits, high-quality money market instruments such as government bills, certificates of deposit, commercial papers, fixed and floating rate short-term notes and bankers’ acceptances, as well as funds which invest primarily in money market instruments (for less than 30% of the Underlying Fund’s net asset value only).

Under exceptional circumstances and in the best interest of investors, no more than 10% of the net asset value of the Underlying Fund will be invested in exchange traded funds with primary exposure to bitcoin. For the avoidance of doubt, the sum of notional value of Bitcoin Futures on CME and investments in such bitcoin exchange traded funds will not exceed 100% of the net asset value of the Underlying Fund. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in Chapter 7.11, 7.11A and 7.11B of the UT Code. The Underlying Fund will not hold more than 10% of any units, shares or interests in any single collective investment scheme. For the avoidance of doubt, the Underlying Fund’s investment in non-eligible schemes and not authorised by the SFC will be no more than 10% of its net asset value.

Use of financial derivatives instrument

Other than margin for the Bitcoin Futures on CME, the Underlying Fund will not itself use leverage and the Underlying Fund’s exposure to financial derivative instruments (based on the settlement price of the Bitcoin Futures on CME) will not exceed 100% of its net asset value. The SFC has granted a waiver to the Underlying Fund from compliance with the requirement under 7.26 of the UT Code, which limits a fund’s net derivative exposure to up to 50% of its net asset value. Pursuant to such waiver, the Underlying Fund’s net derivative exposure may be more than 50% but up to 100% of the Underlying Fund’s net asset value.

Securities financing transactions

Currently, the Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase transactions and other similar over-the-counter transactions on the part of the Underlying Fund.

Risk factors specific to the Sub-Fund

As the Sub-Fund will invest all or substantially all of its assets in the Underlying Fund as a feeder fund, the performance of the Sub-Fund will be affected by a number of risk factors involved in investing in the Underlying Fund. Where applicable, the relevant risks highlighted in this “Risk factors specific to the Sub-Fund” section would apply to both the Sub-Fund as well as the Underlying Fund.

The Underlying Fund is an actively managed futures-based exchange-traded fund (“**ETF**”). The

risks of investing in the Underlying Fund are therefore greater than those of investing in other conventional ETFs. Bitcoin and Bitcoin Futures on CME are relatively new investments with limited history. They are 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, 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. Your investment in the Sub-Fund should only be ancillary in your portfolio. Please refer to the Prospectus for details including the risk factors.

In addition to the risk factors presented in this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable to the Sub-Fund and/or the Underlying Fund. Please also refer to the offering documents of the Underlying Fund for the risks applicable to the Underlying Fund.

Risks associated with master-feeder fund structure

The Sub-Fund invests all or substantially all of its assets in the Underlying Fund. Therefore, the Sub-Fund is subject to the risks associated with the Underlying Fund.

Due to the Sub-Fund's holdings in investments other than the Underlying Fund, as well as the Sub-Fund's fees and expenses, the Sub-Fund's performance may not be equal to the performance of the Underlying Fund.

The Sub-Fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved which may have a negative impact on the Net Asset Value of the Sub-Fund. Past performance of the Underlying Fund is not necessarily a guide to the future performance of the Underlying Fund or the Sub-Fund.

In addition to the fees and expenses charged by the Sub-Fund, there may be additional fees involved when investing into the Underlying Fund, such as fees and expenses charged by the service providers of the Underlying Fund.

Furthermore, there is no guarantee that the Underlying Fund will have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made. For example, if the Underlying Fund receives substantial redemption requests on a dealing day (either from the Sub-Fund or other investors of the Underlying Fund), the Underlying Fund may limit the total number of units which may be redeemed on any dealing day ("**Redemption Gate**"). If such a Redemption Gate is exercised by the Underlying Fund on a dealing day, the shares of the Underlying Fund may be redeemed on a pro rata basis on such dealing day and the redemption request which is not effected by the Underlying Fund by virtue of this Redemption Gate may be dealt with on the following dealing days. The Sub-Fund and its Shareholders may be adversely affected by the suspension of dealing and/or trading suspension (if any) in the Underlying Fund. In these circumstances, the Sub-Fund's request for redemption from the Underlying Fund may be delayed. Consequently, the Sub-Fund may experience difficulties and/or delays in satisfying redemption requests from the Shareholders. Also, the price at which the Sub-Fund redeems from the Underlying Fund may fluctuate due to the potential deferral of the redemption requests by the Underlying Fund. The value of the Sub-Fund may therefore be adversely affected.

The Sub-Fund will bear a proportion of the fees and charges of the Underlying Fund, which would be reflected in the Net Asset Value of the Underlying Fund.

Conflict of interest risk

Since the Sub-Fund invests in the Underlying Fund which is managed by the Manager, potential conflict of interest may arise. The Manager will endeavour to ensure that such conflicts are resolved fairly and all transactions between the Sub-Fund and the Underlying Fund are on an arm's length basis. Please refer to the section headed "Conflicts of Interest and Soft Dollars" in the main body of the Prospectus for further information.

New product risk

The Underlying Fund is a futures-based ETF investing directly in Bitcoin Futures on CME. The novelty of such an ETF and the fact that the Underlying Fund is one of the first few virtual asset futures-based ETFs in Hong Kong makes the Underlying Fund potentially riskier than traditional ETFs investing in equity or debt securities.

Bitcoin risk

The Underlying Fund is exposed to the risks of bitcoin through its investments in Bitcoin Futures on CME. Bitcoin is a new and highly speculative investment. Investments linked to bitcoin can be highly volatile compared to investments in traditional securities and the Underlying Fund may experience sudden and large losses, including total loss. An investor should be prepared that the investment value may be lost suddenly (including total loss) and without warning.

The markets for bitcoin and bitcoin futures may become illiquid and their prices may fluctuate widely due to numerous events or factors that are potentially difficult to evaluate and unforeseeable, including the following:

- New innovation risk

Bitcoin is a relatively new innovation and is subject to rapid price swings, changes and uncertainty. It is not backed by any authorities, government or corporations. The open-source, decentralized, peer-to-peer computer network ("**Bitcoin Network**") was launched in January 2009. Platform trading in bitcoin began in 2010, and bitcoin futures trading began in 2017, each of which limits a potential investor's ability to evaluate an investment in the Underlying Fund. Continued and further development of the Bitcoin Network and the acceptance and use of bitcoin are subject to a variety of factors that are difficult to predict or evaluate. Any cessation or reversal of such development of the Bitcoin Network or the acceptance of bitcoin may adversely affect the price of bitcoin, and thus the Underlying Fund's investment in bitcoin futures.

- Unforeseeable risks

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.

- Price volatility risk

Investing in bitcoin and related products is highly speculative, and their price movements are difficult to predict. The prices of bitcoin and bitcoin futures have historically been extremely volatile. For example, for the year of 2022, bitcoin price dropped approximately 64%. The value of the Underlying Fund's investments in bitcoin futures – and therefore the value of the Underlying Fund – could decline significantly and without warning, including to zero.

- Risk relating to the limited history of bitcoin and Bitcoin Futures on CME

Bitcoin and the Bitcoin Network have a limited history, therefore, it is unclear how all elements of bitcoin will unfold over time, specifically with regard to governance between miners,

developers and users, as well as the long-term security model as the mining reward of bitcoin decreases over time. Insufficient software development or any other unforeseen challenges that the bitcoin community is not able to resolve could have an adverse impact on bitcoin price and thus the Underlying Fund's investment in bitcoin futures.

- Risk on less regulated trading platforms

Unlike the exchanges for more traditional assets, such as equity securities and futures contracts, bitcoin and bitcoin trading venues are largely unregulated, and are thus prone to fraud or market manipulation. Over the past several years, a number of bitcoin trading venues have experienced fraud, failure or security breaches. Investors who have traded or otherwise held bitcoin with such intermediaries may have little or no recourse and could suffer significant losses. This may adversely affect the value of bitcoin by reducing the acceptance of and confidence on bitcoin and thus the Underlying Fund's investment in bitcoin futures.

- Fraud, market manipulation and security failure risk

Bitcoin may be subject to the risk of fraud, theft, manipulation or security failures, operational or other problems that impact bitcoin trading venues. In particular, the Bitcoin Network and entities that custody or facilitate the transfers or trading of bitcoin are vulnerable to various cyber attacks. Malicious actors may also 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 identifying information, or issue significant amounts of bitcoin in contravention of the protocols. A significant portion of bitcoin is held by a small number of holders sometimes referred to as "whales", who may have the ability to manipulate the price of bitcoin. If parties acting in concert were to gain substantial control of the Bitcoin Network, they would have the ability to manipulate transactions, halt payments and fraudulently obtain bitcoin. These events may reduce user confidence in bitcoin, the Bitcoin Network and the fairness of bitcoin trading venues which in turn may have a negative impact on the price of bitcoin. The occurrence of any of the above may have negative impact on the price of bitcoin and the value of the Underlying Fund's investments.

- Changes in acceptance of bitcoin

As a new asset and technological innovation, the bitcoin industry is subject to a high degree of uncertainty. 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. As such, the value of bitcoin is subject to risks related to its usage, and there is no assurance that bitcoin usage will continue to grow over the long-term to support its value. Reduction or slowdown in the acceptance and/or prevalence of bitcoin may result in lack of liquidity, increased volatility or a significant reduction in the price of bitcoin and the value of the Underlying Fund's investments.

- Cybersecurity risk

Bitcoin is subject to cybersecurity risks including the potential exploitation of flaws in its code or structure by malicious actors which enable them for examples, to control the bitcoin blockchain, steal bitcoin and personal information or issue significant amounts of bitcoin in contravention of the Bitcoin Protocols. These may derogate the confidence on use of bitcoin and adversely impact on the price and liquidity of bitcoin and bitcoin futures contracts and therefore the value of an investment in the Underlying Fund.

Further, as the Bitcoin Network's functionality relies on the Internet, the functionality of the Bitcoin Network may be impeded if there is a significant disruption of Internet connectivity affecting large numbers of users or geographic areas or there are technical disruptions or regulatory limitations that affect Internet access. These in turn may adversely impact on the price of bitcoin and the value of the Underlying Fund's investments.

- Open source risk

The open source nature of the Bitcoin Protocol permits any developer to review the underlying code and suggest changes. If some users and miners adopt a change while others do not and that change is not compatible with the existing software, a fork occurs. Several forks have already occurred in the Bitcoin Network resulting in the creation of new, separate digital assets. Which fork will be considered to be bitcoin for purposes of the bitcoin reference rate is determined by CF Benchmarks. Forks and similar events could adversely affect the price and liquidity of bitcoin and the value of an investment in the Underlying Fund.

- Regulatory risk

The regulation on bitcoin, digital assets and related products and services continues to evolve and increase. The regulatory landscape for different jurisdictions at different points in time may be inconsistent or even conflicting. This may impede the growth of the bitcoin economy and have an adverse effect on consumer adoption of bitcoin. Regulation of bitcoin continues to evolve, the ultimate impact of which remains unclear and may adversely affect, among other things, the availability, value or performance of bitcoin and, thus, the bitcoin futures contracts in which the Underlying Fund invests. To the extent that future regulatory actions or policies limit or restrict bitcoin usage, bitcoin trading or the ability to convert bitcoin to fiat currencies, the demand for and value of bitcoin may be reduced significantly. Changes to existing regulation (e.g. regarding dealing in virtual asset-related products) may also impact the ability of the Underlying Fund to achieve its investment objective or operate as planned.

These events may reduce user confidence in bitcoin, the Bitcoin Network and the fairness of bitcoin trading venues which in turn may have a negative impact on the price of bitcoin and thus the value of the Underlying Fund.

- Fork 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. The occurrence of such “fork” may result in an adverse impact on the price and liquidity of bitcoin and the value of the Underlying Fund’s investments.

- Air drop risk

A substantial giveaway of bitcoin to participants in the Bitcoin Network (sometimes referred to as an “air drop”) may result in a significant and unexpected declines in the value of bitcoin and the value of the Underlying Fund’s investments.

- Contagion risk

The operation of virtual assets including bitcoin depends upon the centralised elements of the crypto ecosystem (e.g. wallets and exchanges) which is exposed to concentration risks given its concentrated reliance on a few entities where certain entities handle more than half of the trading volumes. Therefore, the collapse of any major players in the crypto ecosystem may have contagious adverse effects on the values of virtual assets including bitcoin and the value of the Underlying Fund’s investments.

Bitcoin futures risk

Bitcoin futures are relatively new asset classes and are subject to unique and substantial risks. Bitcoin futures have historically been much more volatile than traditional asset classes and their prices are heavily influenced by factors contributing to the bitcoin's price volatility as discussed above. As such, the value of the Underlying Fund's investments in bitcoin futures could decline rapidly, including to zero. You may lose your entire investment within a single day.

The market for bitcoin futures may be less developed, and potentially less liquid and more volatile, than more established futures markets. While the bitcoin futures market has grown substantially since bitcoin futures commenced trading, there can be no assurance that this growth will continue.

The risks associated with bitcoin futures include the following:

- *Market risk*

Futures contracts generally involve risks that are in addition to, and potentially greater than, the risk of investing directly in securities and other traditional assets. The prices of bitcoin futures have historically been highly volatile and are heavily influenced by factors contributing to the bitcoin's price volatility as discussed above. The market of Bitcoin Futures on CME may be less developed, less liquid, more volatile subject to greater risks than traditional markets. The value of Bitcoin Futures on CME is similarly heavily influenced by factors contributing to the bitcoin's price volatility as discussed above. The value of the Underlying Fund's investments in bitcoin futures (the value of which is based on bitcoin's performance), and hence the net asset value of the Underlying Fund, may be subject to fluctuations and decline significantly without warning.

- *Supply and demand for bitcoin futures contracts*

Market conditions and expectations, position limits, willingness of counterparties to transact, collateral requirements, and other factors each can impact the supply of and demand for bitcoin futures contracts. Investing in futures contracts, in particular where the underlying investment of which is considered speculative such as bitcoin, may be considered aggressive and may expose the Underlying Fund to significant risks, such as counterparty risk and liquidity risk.

Increased demand for bitcoins and/or bitcoin futures contracts, in particular when paired with supply constraints and other factors, may result in bitcoin futures trading at a significant premium to the "spot" price of bitcoin. It is not possible to predict when such conditions will arise or whether or for how long such conditions would continue. To the extent the Underlying Fund purchases bitcoin futures contracts at a premium and the premium declines, the value of an investment in the Underlying Fund is also expected to decline.

- *Liquidity risk*

The bitcoin futures market is relatively new and may be subject to periods of illiquidity, market disruptions or volatility, during which it may be difficult or impossible to find a counterparty willing to transact or to buy or sell at the desired price at sufficient size. The market for Bitcoin Futures on CME is still developing and the trading volume of the longer-term Bitcoin Futures on CME is currently thin. The liquidity may be further impacted by factors including market conditions and expectations, position limits and collateral requirements. Illiquid markets may cause significant losses. The large size of the positions which the Underlying Fund and other similar funds may acquire increases the risk and magnitude of illiquidity, which may accordingly make the Underlying Fund's positions more difficult to liquidate, and may increase the losses incurred while trying to do so. Limits imposed by counterparties, exchanges or

other regulatory organisations, such as accountability levels, position limits and daily price fluctuation limits, may also contribute to a lack of liquidity.

- *Risks associated with financial derivative instruments*

The Underlying Fund's investment in bitcoin futures are also subject to the risks associated with financial derivative instruments. Please refer to the offering documents of the Underlying Fund for further details.

- *Bitcoin futures capacity risk*

The Underlying Fund may not be able to achieve its investment objective if it is unable to gain exposure to bitcoin futures contracts in line with its investment objective for any reason such as illiquidity in the bitcoin futures market, disruption to the bitcoin futures market, limitations imposed by the Underlying Fund's brokers or the listing exchanges or as a result of margin requirements, position limits or accountability levels. Consequently, the investment strategy and rolling strategy of the Underlying Fund may be adversely affected. As a result, the Manager may need to suspend new creations of units in the Underlying Fund ("**Units**"). This may result in divergence between the trading price of the Unit and the net asset value per Unit.

- *Rolling of futures contracts risk and contango risk*

The Manager will seek to carry out the rolling of futures contracts invested by the Underlying Fund in accordance with the rolling strategy set out in the offering documents of the Underlying Fund. The net asset value of the Underlying Fund may be adversely affected by the cost of rolling futures positions forward (due to the higher prices of the Bitcoin Futures on CME with later expiration date if the market is in contango). The change in price of a Bitcoin Futures on CME may reflect many factors such as perceived economic / market changes or political circumstances as well as increased demand. The Underlying Fund's rolling strategy involves the replacement of shorter-dated Bitcoin Futures on CME with longer-dated Bitcoin Futures on CME. Excluding other considerations, if the market for Bitcoin Futures on CME is in a "contango" market, where the prices are higher in the distant delivery months than in the nearer delivery months, the sale of the Bitcoin Futures on CME would take place at a price lower than the price of the contract which such Bitcoin Futures on CME will be rolled to. Accordingly, sale proceeds from selling existing Bitcoin Futures on CME when rolling will not be sufficient to purchase the same number of contracts with later expiration date at a higher price, thereby creating a negative "roll yield" which could adversely affect the net asset value of the Underlying Fund over time. In addition, contango could last for an undetermined period of time, therefore, the Underlying Fund may be subject to a negative roll yield for a long time.

Additionally because of the frequency with which the Underlying Fund may roll Bitcoin Futures on CME, the impact of contango on the Underlying Fund's performance may be greater than it would have been if the Underlying Fund rolled Bitcoin Futures on CME less frequently.

- *Risk of material non-correlation with spot/current market price of bitcoin*

The Underlying Fund invests in Bitcoin Futures on CME and the price of such futures contracts reflects the expected value of bitcoin upon delivery on the delivery date, whereas the spot price of bitcoin reflects the daily immediate delivery value of bitcoin. Given the futures-based investment strategy of the Underlying Fund, its net asset value may substantially differ from the spot price performance of bitcoin. Accordingly, the Underlying Fund may underperform a similar investment that is linked to the spot price of bitcoin.

If the Underlying Fund invests more in subsequent-month Bitcoin Futures on CME, its performance may deviate more significantly from bitcoin spot price.

- *Mandatory measures imposed by relevant parties risk*

Certain parties (such as clearing brokers, execution brokers and CME Globex) may impose certain mandatory measures in respect of the Underlying Fund's investment in bitcoin futures contracts under extreme market circumstances. These measures may include suspending trading, limiting the size and number of the Underlying Fund's futures positions and/or mandatory liquidation of the Underlying Fund's futures positions without advance notice to the Manager. For example, the Underlying Fund's investment in Bitcoin Futures on CME will be subject to position limits (i.e. the maximum number of futures contracts it may hold or control) established by CME. If such limit is reached, the Underlying Fund may be prohibited from purchasing Bitcoin Futures on CME exceeding these limits. Further, the brokers engaged for the Underlying Fund may impose limits on the amount of exposure to futures contracts the Underlying Fund can obtain through such broker. The Underlying Fund may not be able to achieve its investment objective if it cannot obtain sufficient exposure to Bitcoin Futures on CME. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interests of and without prior notice to the Unitholders and in accordance with the Underlying Fund's constitutive documents, including but not limited to implementing alternative investment strategies as provided for in the set out in the offering documents of the Underlying Fund. These corresponding actions may have an adverse impact on the Underlying Fund. While the Manager will endeavour to provide advance notice to investors regarding these actions, such advance notice may not be possible in some circumstances.

- *Price limit risk*

The CME has set dynamic price fluctuation limits on Bitcoin Futures on CME. Once the dynamic price fluctuation limit has been reached, trading may be temporarily halted or no trades may be made at a price beyond that limit. This may limit the Underlying Fund's ability to invest in Bitcoin Futures on CME.

- *Leverage risk*

The Underlying Fund's investment in Bitcoin Futures on CME involves the posting of margin. Additional funds may need to be posted as margin to meet such calls based upon daily marking to market of the Bitcoin Futures on CME. Increases in the amount of margin or similar payments may result in the need for the Underlying Fund to liquidate its investments at unfavourable prices in order to meet margin calls. This may result in substantial losses to investors.

- *Exchange's clearing house's failure risk*

In the event of the bankruptcy of the relevant exchange's clearing house, the Underlying Fund could be exposed to a risk of loss with respect to its assets that are posted as margin. There can be no assurance that the protections against bankruptcy of the clearing house (if any) will be effective in allowing the Underlying Fund to recover all, or even any, of the amounts it has deposited as margin.

- *Valuation risk*

The use of Bitcoin Futures on CME involves the risk of mispricing or improper valuation. The market value of Bitcoin Futures on CME may be subject to greater fluctuation than futures on traditional assets. The Underlying Fund's ability to value the Bitcoin Futures on CME may also be impacted by technological issues or errors by pricing services or other third-party service providers. There is no assurance that the Underlying Fund could sell or close out the Bitcoin Futures on CME position for the value established for it at any time, and it is possible that the Underlying Fund would incur a loss because the Bitcoin Futures on CME position is sold or closed out at a discount to the valuation established by the Underlying Fund at that time.

- *Counterparty risk*

Investing in Bitcoin Futures on CME involves risks that are different from those associated with ordinary portfolio securities transactions as involves entering into contracts with third parties (i.e. counterparties). The counterparty to exchange-traded Bitcoin Futures on CME is the clearing house. Exchange-traded Bitcoin Futures on CME are held through a futures broker acting on behalf of the Underlying Fund. Consequently, the counterparty risk on exchange-traded Bitcoin Futures on CME is the creditworthiness of the futures broker and the clearing house. From time to time, the Underlying Fund may only have one futures broker, which may heighten such counterparty risk. The futures broker or the clearing house could fail to perform its obligations, causing significant losses to the Underlying Fund. For example, the Underlying Fund could lose margin payments it has deposited with a futures broker as well as any gains owed but not paid to the Underlying Fund, if the futures broker or clearing house becomes insolvent or otherwise fails to perform its obligations. If a futures broker does not comply with the applicable laws and regulations, or in the event of bankruptcy, a fraud or misappropriation of customer assets by the futures broker, the Underlying Fund could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker.

- *No rights in the futures contracts risk*

Owning Units of the Underlying Fund is not the same as directly owning Bitcoin Futures on CME. As an owner of Units in the Underlying Fund, a Unitholder will not have rights that holders of bitcoin or Bitcoin Futures on CME may have. A Unitholder will have no right to receive delivery of any bitcoin or Bitcoin Futures on CME. A Unitholder will have no right to receive any payment or delivery of bitcoin or any other payment in respect of the Bitcoin Futures on CME. The return on Units will not reflect the return investors would realise if investors actually purchased bitcoin or Bitcoin Futures on CME.

Risks related to unscheduled roll of the Underlying Fund

It is specified in the offering documents of the Underlying Fund that, the Manager may in its discretion and without prior notice to investors deviate from the rolling strategy disclosed in the best interests of the Underlying Fund and the Unitholders and for the protection of the Underlying Fund. There is no guarantee that such strategy will produce the desired results.

Active investment management risk

The Manager employs an actively managed investment strategy for the Underlying Fund. The Underlying Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the Underlying Fund will be based on the Manager's view of market conditions and international investment trends and environment. The Underlying Fund may fail to meet its objective as a result of the Manager's selection of investments for the Underlying Fund, and/or the implementation of processes which may cause the Underlying Fund to underperform as compared to other funds with a similar objective. Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the Underlying Fund or may lose a substantial part or all of their initial investment.

Risks associated with bank deposits

Bank deposits are subject to the credit risks of the relevant financial institutions. As such deposits may not be protected or fully protected under any deposit protection schemes, a default by the

relevant financial institution which offers such deposits may result in losses to the Underlying Fund.

Risks associated with money market instruments

Investment by the Underlying Fund in money market instruments is not the same as placing funds on deposit with a bank or deposit-taking company. Money market instruments are subject to liquidity risk, credit/counterparty risk, interest rate risk, credit rating risk, valuation risk, and downgrade risk. The net asset value of the Underlying Fund may be adversely affected when the value of such money market instruments falls.

Regulatory change to the Underlying Fund risk

The regulations applicable to the Underlying Fund and its underlying investments may be subject to rapid change by government and judicial action. The effect of any such regulatory changes on the Underlying Fund is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Underlying Fund and what can be done, if anything, to try and limit such impact.

Governments and regulators may intervene in the financial markets and bitcoin and bitcoin futures related markets, such as by the imposition of trading restrictions and/or position limits. This may affect the operation and market making activities of the Underlying Fund, and may create negative market sentiment which may in turn affect the performance of the Underlying Fund.

Concentration risk

As the exposure of the Underlying Fund is concentrated in the bitcoin market via investing in Bitcoin Futures on CME, it is more susceptible to the effects of bitcoin price volatility than more diversified funds. Moreover, the Underlying Fund holds a limited number of Bitcoin Futures on CME which are predominately front-month contracts, this may result in a larger concentration risk and price volatility of the Underlying Fund than a fund which has a more diversified holding.

Risks of investing in other collective investment schemes

The Underlying Fund may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The Underlying Fund does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the net asset value of the Underlying Fund. The underlying schemes in which the Underlying Fund may invest may not be authorised by the SFC. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the Underlying Fund's redemption requests as and when made. If the Underlying Fund invests in other active or passive collective investment schemes managed by the Manager or its Connected Persons, all initial charges and redemption charges on these listed or unlisted schemes must be waived, and the Manager must not obtain rebate of any fees or charges levied by these schemes or any quantifiable monetary benefits in connection with investments in these schemes. In addition, where an underlying scheme is managed by the Manager, all management and performance fees charged by the underlying scheme will be waived for the Underlying Fund. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Currency risk

Units may be traded in a currency other than the base currency of the Underlying Fund. Investors

may be affected unfavourably by fluctuations in the exchange rates between such currencies and the base currency of the Underlying Fund and by changes in exchange rate controls. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the trading currency and base currency when trading Units in the secondary market.

Trading hours differences risk

As the CME Globex may be open when Units in the Underlying Fund are not priced, the value of the investments in the Underlying Fund's portfolio may change on days when the Sub-Fund will not be able to purchase or sell the Underlying Fund's Units. Furthermore, the market price of underlying investments listed on the above exchange which is established outside Hong Kong may not be available during part or all of the SEHK trading sessions due to trading hour differences which may result in the trading price of the Underlying Fund deviating away from the net asset value.

Investments listed on the exchange may be subject to trading bands which restrict increases and decreases in the trading price, while Units listed on the SEHK may not be subject to the same trading bands. The prices quoted by the SEHK market maker(s) would therefore be adjusted to take into account any accrued market risk that arises due to the foregoing and as a result, the level of premium or discount of the Unit price of the Underlying Fund to its net asset value may be higher.

Other currency distributions risk

Investors should note that all Shares will receive distributions in the base currency (i.e. USD) only. In the event that the relevant Shareholder has no USD account, the Shareholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or any other currency. The Shareholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Shareholders are advised to check with their brokers regarding arrangements for distributions.

Distributions out of or effectively out of capital risk

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 the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per 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.

Available classes

The Sub-Fund currently has the following classes of Shares which are available to investors:

<u>Class</u>	<u>Class Currency</u>
Class A HKD Shares	HKD
Class A USD Shares	USD

Base Currency

The Base Currency of the Sub-Fund is USD.

Initial Offer Period and initial Subscription Price

The Initial Offer Period of the Sub-Fund will be 9:30 a.m. (Hong Kong time) of 8 May 2025 to 4:00 p.m. (Hong Kong time) of 8 May 2025, or such dates or times as the Manager may determine.

The initial Subscription Price in respect of each class of Shares is as follows:

Class	Initial Subscription Price
Class A HKD Shares	HKD 10
Class A USD Shares	USD 1

The Manager may at any time decide to close the Sub-Fund 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 sections headed “Subscription of Shares”, “Redemption of Shares” and “Switching” in the main body of this Prospectus.

The following apply to the Sub-Fund:

<i>Dealing Day</i>	each Business Day.
<i>Dealing Deadline</i>	5:00 p.m. (Hong Kong time) on the relevant Dealing Day

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

Investment Minima

The following investment minima apply to the Sub-Fund:

	Class A HKD Shares	Class A USD Shares
Minimum initial investment	HKD 100	USD 10
Minimum subsequent investment	HKD 100	USD 10
Minimum holding	HKD 100	USD 10
Minimum redemption amount	HKD 100	USD 10

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

Valuation

The Valuation Day will be the Business Day immediately following each Dealing Day and the Valuation Point is 9:30 a.m. (Hong Kong time) on each Valuation Day (or such other time on that day or such other day as the Manager may from time to time determine either generally or in relation to the Sub-Fund or a Class of the Sub-Fund), the first Valuation Day being the first Dealing Day following the Initial Offer Period.

Publication of Net Asset Value

The Subscription Price and Redemption Price in respect of the Sub-Fund on any Dealing Day will be the price per Share 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 that class then in issue and rounded to 4 decimal places (0.00005 and above being rounded up; below 0.00005 being rounded down). Any rounding adjustment will be retained by the relevant class.

The latest Subscription Price and Redemption Price in respect of Units or the Net Asset Value per Share of the Sub-Fund are available on each Dealing Day on the Manager's website <https://www.samsungetfhk.com> (this website has not been reviewed by the SFC).

Expenses and Charges

The following are the actual fees and charges payable in respect of each class of the Sub-Fund. Maximum fees permitted to be charged on one month's notice to Shareholders are set out under the section entitled "EXPENSES AND CHARGES" in the main body of this Prospectus.

Fees payable by Shareholders

Subscription fee*	Up to 5% of the subscription monies
Redemption fee*	Nil
Switching fee [^] *	Up to 1% of the subscription monies

[^] Certain distributors may impose a charge for each switching of Shares in a class of the Sub-Fund acquired through them for Shares in another class of the Sub-Fund or another sub-fund of the Company (if any), which will be deducted at the time of the switching and paid to the relevant distributors. Shareholders who intend to switch their Shares in one class to Shares in another class should check with their respective distributors for the charge on switching.

Fees payable by the Sub-Fund and the Underlying Fund

	The Sub-Fund	The Underlying Fund	Aggregate fees
Management fee*	0%	0.89% per annum of the Net Asset Value of the Underlying Fund subject to a maximum rate of 1.5% per annum of the Net	0.89% per annum of the Net Asset Value of the Underlying Fund subject to a maximum rate of 1.5% per annum of the Net

		Asset Value of the Underlying Fund	Asset Value of the Sub-Fund
Performance fee	N/A	N/A	N/A
Trustee fee	N/A	N/A, as the trustee fee in respect of the Underlying Fund is included in the administration fee.	N/A
Custodian fee*	0.0125% per annum of the Net Asset Value of the Sub-Fund.	N/A	0.0125% per annum of the Net Asset Value of the Sub-Fund
Administration fee	0.06% per annum of the Net Asset Value of the Sub-Fund	0.06% per annum of the Net Asset Value of the Underlying Fund, subject to a monthly minimum fee of USD750 and a maximum fee of 0.12% per annum of the Net Asset Value of the Underlying Fund	0.12% per annum of the Net Asset Value of the Sub-Fund

** Please note that some fees may be increased up to a permitted maximum amount by providing one month's prior notice to Shareholders. Please refer to the section headed "Expenses and charges" in the main body of this Prospectus for further details on the permitted maximum of such fees allowed.*

Reports and accounts

The first accounts for the Sub-Fund will cover the period to 31 March 2026.

The Sub-Fund's annual report shall include the investment portfolio of the Underlying Fund as at the financial year end date.

Distribution policy

The Manager intends to declare and distribute net dividends to Shareholders in such amount, on such date and at such frequency (usually in March of each year) as the Manager may determine. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD. Distributions may be made out of capital as well as income at the Manager's discretion. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to investors.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend or

distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions. There can be no assurance that the Manager will pay distributions for the Sub-Fund.

Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share.

The composition of distributions payable on Shares (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website <https://www.samsungetfhk.com> (this website has not been reviewed or approved by the SFC).

Appendix dated 18 March 2025