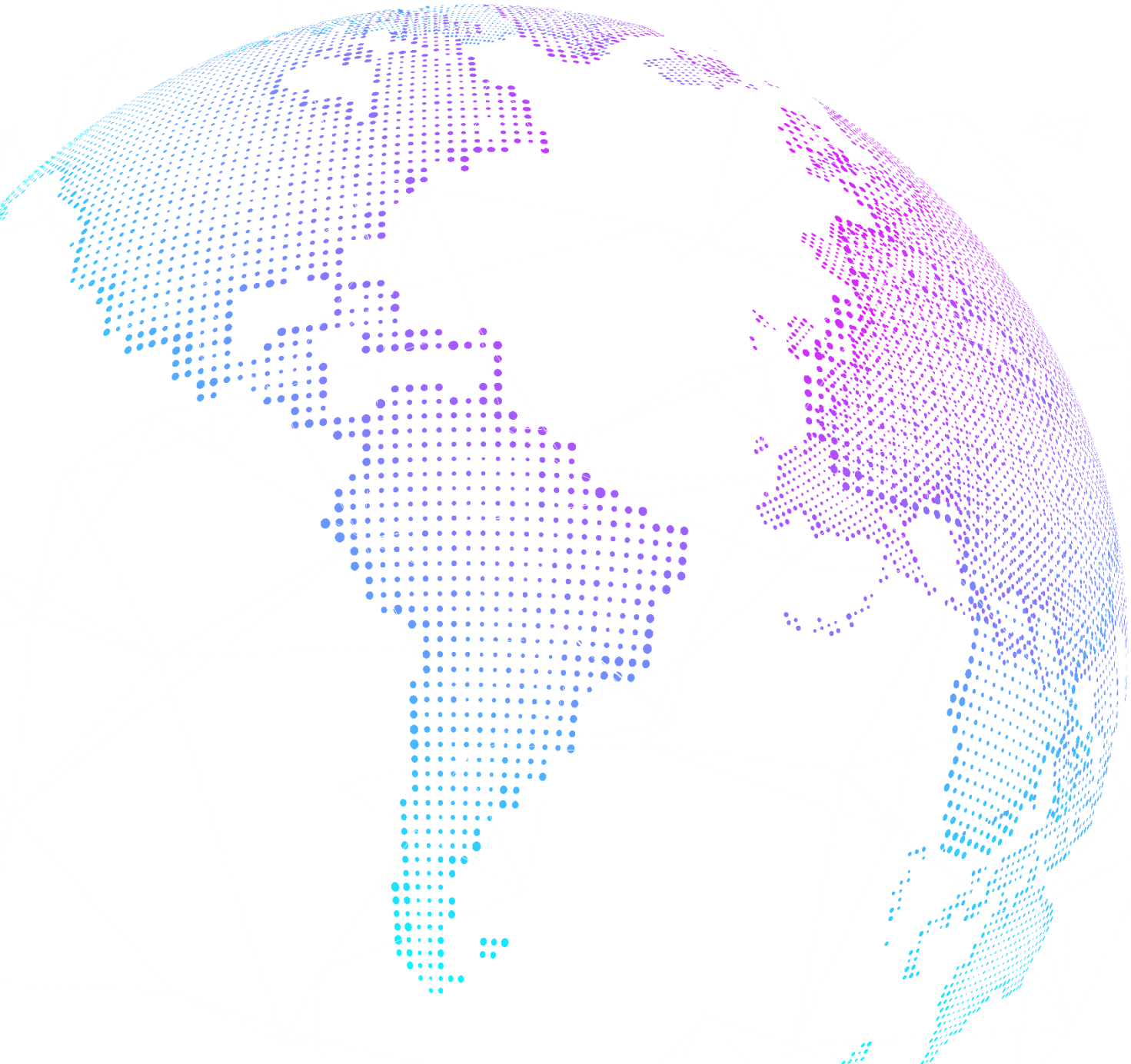
VGrowth ETF Series OFC

Prospectus

4 November 2026



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

VGrowth ETF Series OFC

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

VGrowth Digital Payments ETF

Stock Code: 3412

VGrowth AI and Automation Active ETF

Stock Code: 3413

VGrowth Web3 ETF

Stock Code: 3426

PROSPECTUS

MANAGER

VGrowth Securities International Financial Group Limited

4 November 2026

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

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

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PARTIES

Company
VGrowth ETF Series OFC
Unit 2902, 29/F,
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Manager
VGrowth Securities International Financial Group Limited
Unit 2902, 29/F,
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

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

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

Registrar
Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queens Road East
Wan Chai
Hong Kong

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

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

Directors of the Company
Li Yao Jun
Chan Yue Yuen

Directors of the Manager
Li Yao Jun
Chan Yue Yuen

Participating Dealer(s)#
Please refer to the relevant Appendix of each Sub-Fund.

Market Maker(s)#
Please refer to the relevant Appendix of each Sub-Fund.

Legal Adviser to the Manager
Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor
Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

Please refer to the Company's website and the website of the HKEX for the latest lists of Market Makers and Participating Dealers for each Sub-Fund.

PRELIMINARY

This Prospectus relates to the offer in Hong Kong of Shares in the Company and its sub-fund(s). The Company is a public umbrella open-ended fund company incorporated in Hong Kong on 22 May 2024 with variable capital and limited liability. The Company can have a number of Sub-Funds with segregated liability among them. VGrowth Securities International Financial Group Limited has been appointed as the management company of the Company and each Sub-Fund. BOCI-Prudential Trustee Limited has been appointed as the custodian of the Company and each Sub-Fund.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Fund(s). It contains important facts about the Sub-Fund(s) whose Shares are offered in accordance with this Prospectus. A product key facts statement ("**KFS**") which contains the key features and risks of each Sub-Fund is also issued by the Manager and such KFS shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the KFS of each Sub-Fund and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus or any KFS misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with *The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Code on Unit Trusts and Mutual Funds*, the *Code on Open Ended Fund Companies* and the "Overarching Principles" of the SFC *Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products* for the purposes of giving information with regard to the Shares in each Sub-Fund.

Each Sub-Fund is a fund falling within Chapter 8.6 or Chapter 8.10 of the UT Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the UT Code. The Company has been registered with the SFC as an open-ended fund company under Section 112D of the SFO. The Company and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the SFO. The SFC takes no responsibility for the financial soundness of the Company, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. They do not mean the Company or the Sub-Funds are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

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

The Shares of VGrowth Digital Payments ETF, VGrowth AI and Automation Active ETF and VGrowth Web3 ETF has been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the respective date of commencement of dealings in the Shares of VGrowth Digital Payments ETF, VGrowth AI and Automation Active ETF and VGrowth Web3 ETF on the SEHK or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

The Shares cannot be offered or sold, directly or indirectly, in the United States of America (including its territories and possessions), to or for the benefit of a "U.S. Person", as defined in the U.S. "Regulation S" adopted by the Securities and Exchange Commission (the "**SEC**").

The Manager may impose restrictions on the Shareholders by any "U.S. Person" and operate (i) compulsory redemption of Shares or (ii) transfer of Shares held by such "U.S. Person".

Such power covers any person (a) who appears to be directly or indirectly in breach of the laws or regulations of any country or governmental authority, or (b) in the opinion of the Manager, might result in a Sub-Fund suffering any disadvantage which such Sub-Fund might not otherwise have incurred or suffered.

"U.S. Person" means: (a) any natural person resident in the U.S.; (b) any partnership or corporation organised or incorporated under the laws of the U.S.; (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 U.S.; (f) any non-discretionary 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 organised, incorporated or (if an individual) resident in the U.S.; and (h) any partnership or corporation if (i) organised 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 organised or incorporated, and owned, by accredited investors (as defined under Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

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

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

Enquiries and Complaints

Investors may raise any questions on or make any complaints about the Company (including the Sub-Fund(s)) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on +852 3755 3466 during normal office hours.

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

"**Administrator**" means BOCI-Prudential Trustee Limited or such other person or persons for the time being duly appointed and acting as administrators hereof in succession thereto.

"**AFRC**" means the Accounting and Financial Reporting Council in Hong Kong or its successors.

"**After Listing**" means the period which commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

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

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

"**Application Share**", in relation to each Sub-Fund, means such number of Shares or whole multiples thereof as specified in this Prospectus for the relevant Sub-Fund or such other number of Shares from time to time determined by the Manager, approved by the Custodian and notified to the Participating Dealers.

"**A-Shares**" means shares issued by companies incorporated in Mainland China and listed on the SSE or the SZSE, traded in RMB and available for investment by domestic investors through Stock Connect.

"**Auditor**" means the person appointed and acting as auditor of the Company and the Sub-Fund(s) for the time being.

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

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

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

"**CCASS Settlement Day**" means the term "Settlement Day" as defined in the General Rules of HKSCC.

"**Company**" means VGrowth ETF Series OFC.

"**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) above; 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) above.

"**Conversion Agency Agreement**" means the agreement by which the Conversion Agent agrees with the Manager to provide its services may from time to time be entered amongst the Company, the Manager, the Conversion Agent and HKSCC.

"**Conversion Agent**" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as conversion agent in relation to a Sub-Fund.

"**Creation Application**" means an application by a Participating Dealer for the creation and issue of Shares in an Application Share size in accordance with the Operating Guidelines and the Instrument.

"**CSDCC**" means the China Securities Depository and Clearing Co., Ltd or its successors. "**CSRC**"

means the China Securities Regulatory Commission or its successors.

"**Custodian**" means, unless otherwise specified in Part 2 of this Prospectus, BOCI-Prudential Trustee Limited or such other person for the time being duly appointed as custodian by the Company in succession thereto under the Instrument to whom all the Scheme Property of a Sub-Fund is entrusted for safe keeping subject to and in accordance with the Laws and Regulations.

"**Custody Agreement**" means the custody agreement dated 24 May 2024 between the Company for itself and each Sub-Fund and the Custodian by which the Custodian is appointed, as may be further amended, modified or supplemented from time to time.

"**Dealing Day**" means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine either generally or for a particular class or classes of Shares.

"**Dealing Deadline**" means, in relation to any Dealing Day, such time or times as the Manager may from time to time in consultation with the Custodian determine generally or in relation to any particular class or classes of Shares of a Sub-Fund or any particular place for submission of Application(s) by a Participating Dealer.

"**Default**" means a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the requisite Securities, Futures Contracts and/or any relevant cash amount; or

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

"**Deposited Property**" means, in respect of a Sub-Fund, all the assets (including Income Property), received or receivable by the Company for the time being held or deemed to be held by the Company for the account of the relevant Sub-Fund but excluding (i) Income Property standing to the credit of the distribution account of such Sub-Fund (other than interest earned thereon), and (ii) any other amount for the time being standing to the credit of the distribution account of such Sub-Fund.

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

"**Duties and Charges**" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Shares or the acquisition or disposal of Securities and/or Futures Contracts (as the case may be), or the entering into or termination of any swaps (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such swaps, or any costs associated with any collateral arrangements in respect of such Securities, Futures Contracts or swaps), or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Shares or redemption of Shares, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Sub-Fund for the difference between (a) the prices used when valuing the Securities

and/or Futures Contracts (as the case may be) held for the Sub-Fund for the purpose of such issue or redemption of Shares and (b) (in the case of an issue of Shares) the prices which would be used when acquiring the same Securities and/or Futures Contracts (as the case may be) if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares and (in the case of a redemption of Shares) the prices which would be used when selling the same Securities and/or Futures Contracts (as the case may be) if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

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

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

"**Extension Fee**" means the fee payable to the relevant Administrator on each occasion the Company, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

"**FDI**" means a financial derivative instrument.

"**Fund Administration Agreement**" means the agreement for the time being subsisting between the Company for and on behalf of the relevant Sub-Fund(s) and the Administrator relating to its appointment and duties as the Administrator of the relevant Sub-Fund(s).

"**Futures Contract**" means any futures contract which is traded on any Futures Exchange.

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

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

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

"**HKEX**" means Hong Kong Exchanges and Clearing Limited or its successors.

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

"**H-Shares**" means shares issued by companies incorporated in Mainland China and listed on the Hong Kong Stock Exchange and traded in Hong Kong Dollars.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC.

"**IFRS**" means International Financial Reporting Standards.

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

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

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

"**Index Tracking Sub-Fund**" means a Sub-Fund with a principal objective to track, replicate or correspond to a financial index or benchmark, with an aim of providing or achieving investment results or returns that closely match or correspond to the performance of the Index that it tracks and has been authorised by the SFC under Chapter 8.6 of the UT Code.

"**Initial Issue Date**" means, in respect of each Sub-Fund (or class of Shares), the date of the first issue of Shares of that Sub-Fund (or class) as set out in the relevant Appendix.

"**Initial Offer Period**" means, in respect of each Sub-Fund (or class of Shares), such period as may be determined by the Manager for the purpose of making an initial offer of Shares of that Sub-Fund (or class) as set out in the relevant Appendix.

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

"**Instrument**" means the instrument of incorporation of the Company filed to the Companies Registry of Hong Kong on, and effective as of, 22 May 2024, including its Schedules and Appendices, as amended from time to time.

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

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

"**Listing Date**" means the date on which the Shares in respect of a Sub-Fund (or class of Shares) are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

"**Mainland China**" means all the custom territories of the PRC, and "**Mainland Chinese**" shall be construed accordingly.

"**Management Agreement**" means the discretionary management agreement dated 27 May 2024 between the Company for itself and each Sub-Fund and the Manager by which the Manager is appointed, as may be further amended, modified or supplemented from time to time.

"**Manager**" means VGrowth Securities International Financial Group Limited or such other person or persons for the time being duly appointed as investment manager or investment managers by the Company in succession thereto under the Instrument from time to time to whom all the investment management functions of the Company are delegated subject to and in accordance with the Laws and Regulations.

"**Market**" means in any part of the world:

(a) in relation to any Security, the SEHK or such other stock exchange from time to time determined by the Manager; and

(b) in relation to any Futures Contract, the Hong Kong Futures Exchange Limited or such other futures exchange from time to time determined by the Manager,

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

"**Market Maker**" means a broker or dealer permitted by the SEHK to act as such by making a market for the Shares in the secondary market on the SEHK.

"**Multi-Counter**" means the facility by which the Shares of a Sub-Fund traded in more than one currency are each assigned separate stock codes on the SEHK and are accepted for deposit, clearance and settlement in CCASS in more than one eligible currency as described in the relevant Appendix. Where the Share of a Sub-Fund is traded in two eligible currencies, the facility is referred to as a "**Dual Counter**".

"**Net Asset Value**" or "**NAV**" means the net asset value of the Company or, as the context may require, the net asset value of a Sub-Fund or class of Shares calculated under the Instrument.

"**N-Shares**" means shares of Mainland Chinese companies listed on a US stock exchange such as the New York Stock Exchange ("**NYSE**") or NASDAQ.

"**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.

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

"**Participating Dealer**" means a licensed broker or dealer who is (or who has appointed an agent or delegate who is) a person admitted for the time being by HKSCC as a participant of CCASS and who has entered into a Participation Agreement in form and substance acceptable to the Company, the Manager and the Custodian, and any reference in this Prospectus to "Participating Dealer" shall include a reference to any agent or delegate so appointed by the Participating Dealer.

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

"**PBOC**" means the People's Bank of China.

"**P-chips**" means Mainland Chinese companies listed on the SEHK and traded in HKD which are incorporated in the Cayman Islands, Bermuda and the British Virgin Islands with a majority of their business operations in Mainland China and controlled by private Mainland Chinese shareholders.

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

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

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

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

"**Red Chips**" means shares of companies incorporated outside of Mainland China with a majority of their business operations in Mainland China and traded on the SEHK in HKD.

"**Redemption Application**" means an application by a Participating Dealer for the redemption of Shares in Application Share size in accordance with the Operating Guidelines and the Instrument.

"**Redemption Value**" means, in respect of a Share, the price per Share at which such Share is redeemed, calculated in accordance with the Instrument.

"**Registrar**" means Computershare Hong Kong Investor Services 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.

"**Registrar Agreement**" means the agreement dated 31 May 2024 between the Company for itself and each Sub-Fund and the Registrar by which the Registrar is appointed.

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

"**RMB**" or "**Renminbi**" means Renminbi Yuan, the lawful currency of Mainland China. "**SAFE**" means the State Administration of Foreign Exchange of the PRC.

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

"**Scheme Property**" means all the property of the Company.

"**Securities**" has the same meaning as "securities" as defined in Part 1 of Schedule 1 to the SFO.

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

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

"**Service Agent**" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to a Sub-Fund.

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

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

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

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

"**SFO**" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time.

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

"**Share Cancellation Fee**" means the fee charged by the Conversion Agent in respect of the cancellation of Shares in connection with an accepted Redemption Application of a Sub-Fund.

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

"**SSE**" means the Shanghai Stock Exchange.

"**STA**" means the State Taxation Administration of the PRC.

"**Stock Connect**" means the securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China and Hong Kong, comprising the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

"**SZSE**" means the Shenzhen Stock Exchange.

"**Sub-Fund**" means a separate part of the Scheme Property which is established pursuant to the Instrument and as described in the relevant Appendix.

"**Transaction Fee**" means the fee, in respect of a Sub-Fund, which may be charged for the benefit of the Administrator, the Registrar, the Conversion Agent (if any) and/or the Service Agent (if any) to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

"**US**" or "**United States**" means the United States of America.

"**USD**" means United States dollars, the lawful currency of the United States of America.

"**UT Code**" means the Code on Unit Trusts and Mutual Funds issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC.

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

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

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

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

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 22 May 2024 with the business registration number 76588745. It is constituted by way of its Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 22 May 2024.

The Company is registered with the SFC under Section 112D of the SFO. The Company and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 or Chapter 8.10 of the UT Code. Registration with or authorisation by the SFC does not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. They do not mean that the Company or the Sub-Funds are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

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

Each Sub-Fund will be an exchange traded fund listed on the SEHK. Where indicated in the relevant Appendix, Shares in a Sub-Fund may be available for trading on the SEHK using a Multi-Counter.

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.

Initial Offer Period

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

Unless otherwise stated in the relevant Appendix, the latest date for making a Creation Application for Shares is 4:00 p.m. (Hong Kong time) four Business Days prior to the Listing Date or such other time as the Manager may determine on any day when the trading hours of the SEHK are reduced.

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

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

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

Please refer to the section on "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**" for the operational procedures in respect of Creation Applications.

After Listing

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

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

(a) buy and sell Shares on the SEHK; or

(b) apply for creation and redemption of Shares through Participating Dealers.

Buying and Selling of Shares on the SEHK

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

However, please note that transactions in the secondary market on the SEHK will be subject to brokerage and other fees and will occur at market prices which may vary throughout the day and may differ from Net Asset Value per Share due to market demand and supply, liquidity and scale of trading spread for the Shares in the secondary market. As a result, the market price of the Shares in the secondary market may be higher or lower than Net Asset Value per Share.

Please refer to the section on "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" for further information in respect of buying and selling of Shares on the SEHK.

Creations and Redemptions through Participating Dealers

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

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

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

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

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

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

Timetable

Initial Offer Period

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

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

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

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus and which may change from time to time. The Dealing Deadline in respect of Shares in a Sub-Fund may also change due to market related events. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

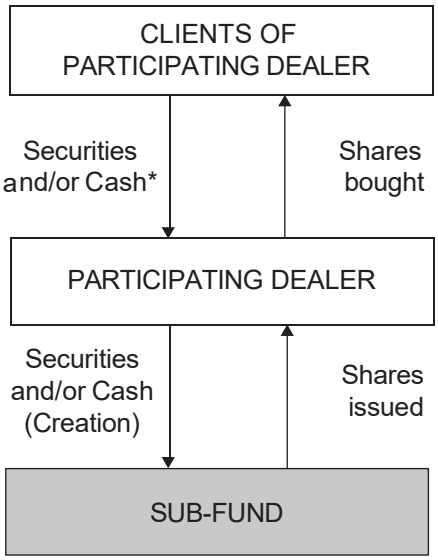
"After Listing" commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

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

Diagrammatic Illustration of Investment in a Sub-Fund

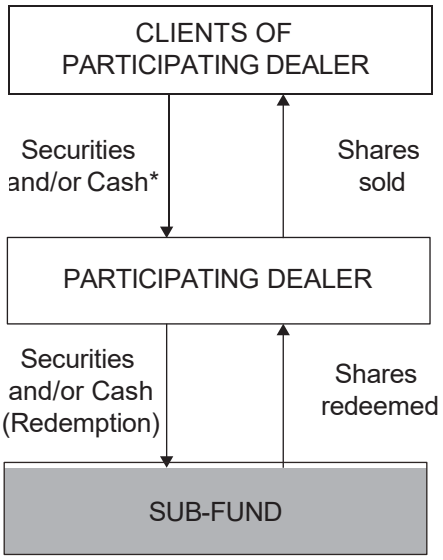
The diagrams below illustrate the creation or redemption and the buying or selling of Shares:

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



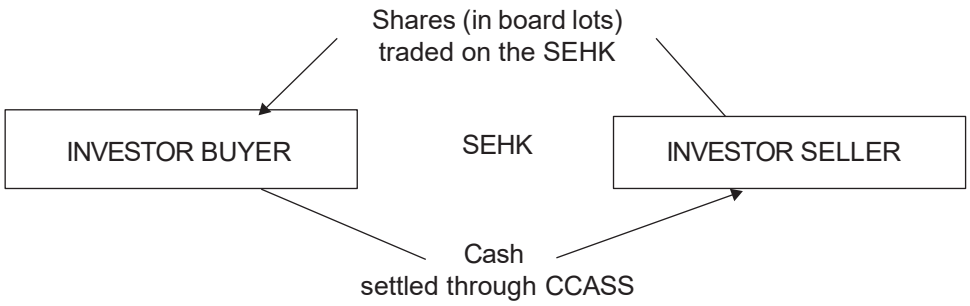
* Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the creation currency.

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



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

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



Summary of Offering Methods and Related Fees

Initial Offer Period

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

After Listing

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

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

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

** Please refer to the section headed "**FEES AND EXPENSES**" for further details. The currency for payment of subscription monies is specified in the relevant Appendix.

INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS, SECURITIES LENDING AND BORROWING

Investment Objective

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

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

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

Investment Strategy

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

Index Tracking Sub-Funds

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

Full Replication Strategy

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

Representative Sampling Strategy

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

Switching Between Strategies

Whilst the full replication strategy is likely to track the performance of the relevant Index more closely when compared to the representative sampling strategy, it may not be the most efficient way to do so. Also, it may not always be possible or it may be difficult to

buy or hold certain Securities comprising the Index. The Manager may therefore, in the appropriate circumstances, choose to use a representative sampling strategy, having regard to the number of Securities constituting the Index, the liquidity of such Securities, any restrictions on the ownership of such Securities, the transaction expenses and other trading costs, and tax and other regulatory restrictions.

Investors should note that the Manager may switch between the above investment strategies, without prior notice to investors, in its absolute discretion and as often as it believes appropriate in order to achieve the investment objective of the relevant Index Tracking Sub-Fund by tracking the relevant Index as closely (or efficiently) as possible for the benefit of investors.

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

Actively Managed Sub-Funds

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

Stock Connect

The Stock Connect is a securities trading and clearing linked programme developed by the HKEX, the SSE, the SZSE and the CSDCC, with an aim to achieve mutual stock market access between Mainland China and Hong Kong. It comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including a Sub-Fund), through their Hong Kong brokers and securities trading service companies (in Shanghai and Qianhai Shenzhen respectively) established by the SEHK and the HKSCC, are able to trade eligible shares listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through Mainland Chinese securities firms and securities trading service companies established by the SSE and the SZSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

Eligible Securities

Under the Shanghai-Hong Kong Stock Connect, a Sub-Fund, through its Hong Kong brokers may trade certain eligible securities listed on the SSE ("**SSE Securities**") and the SZSE (the "**SZSE Securities**").

SSE Securities include (i) the constituent stocks of the SSE A Share Index that fulfil all of the relevant criteria at any half-yearly review, monthly review or DVR Stock* review, as the case may be, and (ii) the SSE-listed A-Shares that are not accepted for Northbound trading by virtue of (i) but which have corresponding H-Shares accepted for listing and trading on SEHK, except the following:

(a) SSE-listed shares which are not traded in RMB; and

(b) SSE-listed shares which are included in the "risk alert board".

Investors eligible to trade shares that are listed on the Science and Technology Innovation Board (the "**STAR Board**") of SSE under the Northbound Shanghai Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

SZSE Securities include (i) SZSE-listed A-Shares that are constituent stocks of the SZSE Composite Index and fulfil all of the relevant criteria at any half-yearly review, monthly review or DVR Stock* review, as the case may be, and (ii) SZSE-listed A-Shares that are not accepted for Northbound trading by virtue of (i) but which have corresponding H-Shares accepted for listing and trading on SEHK, except the following:

(a) SZSE-listed shares which are not traded in RMB; and

(b) SZSE-listed shares which are included in the "risk alert board".

Investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed or SZSE-listed exchange-traded funds that satisfy the relevant criteria at a regular review and are accepted as eligible exchange-traded funds for Northbound trading under the Stock Connect.

It is expected that the list of eligible securities will be subject to review.

Trading Day

Investors (including a Sub-Fund) will only be allowed to trade on the other market on days where both markets are open for trading.

Trading Quota

Trading under the Stock Connect will be subject to a daily quota ("**Daily Quota**"), which will be separate for Northbound and Southbound trading, for each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The quotas do not belong to any Sub-Fund and are utilised on a

* *A stock with Differentiated Voting Rights*

first-come-first-serve basis. The SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. The Daily Quota may change in future. The Manager will not notify investors in case of a change of quota.

Settlement and Custody

The HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. Accordingly investors do not hold SSE Securities or SZSE Securities directly – these are held through their brokers' or custodians' accounts with CCASS.

Corporate Actions and Shareholders' Meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities or SZSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE or SZSE listed companies still treats the HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities. The HKSCC will monitor the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant CCASS participants informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

Currency

Hong Kong and overseas investors (including a Sub-Fund) will trade and settle SSE Securities and SZSE Securities in RMB only.

Trading Fees and Taxes

In addition to paying trading fees and stamp duties in connection with A-Share trading, a Sub-Fund may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

Coverage of China Securities Investor Protection Fund

Since a Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in Mainland China. Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en (this website has not been reviewed by the SFC).

Investment Restrictions, Securities Lending and Borrowing

1. Investment Restrictions

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

(a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity through the following may not exceed 10% of the total Net Asset Value of such Sub-Fund, save as permitted by paragraph 2.2 of this sub-section and as varied by paragraph 2.3 of this sub-section in respect of an Index Tracking Sub-Fund:

(1) investments in Securities issued by such entity;

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

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

(b) subject to paragraphs 1(a) and 5.6(c) of this sub-section and unless otherwise approved by the SFC, the aggregate value of a Sub-Fund's investments in, or exposure to, Entities within the Same Group through the following may not exceed 20% of the total Net Asset Value of the Sub-Fund:

(1) investments in Securities issued by such entities;

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

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

(c) unless otherwise approved by the SFC, the value of a Sub-Fund's cash deposits made with the same entity or Entities within the Same Group may not exceed 20% of the total Net Asset Value of the Sub-Fund, unless:

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

(2) the cash is proceeds from liquidation of investments prior to the merger or termination of a Sub-Fund, whereby the placing of cash deposits with various financial institutions would 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 1(c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

(d) ordinary shares issued by a single entity held for the account of a Sub-Fund, when aggregated with other holdings of ordinary shares issued by a single entity held for the account of all other Sub-Funds of the Company collectively may not exceed 10% of the nominal amount of the ordinary shares issued by a single entity;

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

(f) notwithstanding paragraphs 1(a), 1(b), 1(d) and 1(e) of this sub-section, where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:

(1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the UT Code;

(2) any increase in the overall fees and charges directly or indirectly borne by the Shareholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and

(3) the Sub-Fund must produce the financial reports as required under 5.10(b) of the UT Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund;

(g) notwithstanding paragraphs 1(a), 1(b) and 1(d) of this sub-section, 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;

(h) subject to paragraph 1(g) of this sub-section, a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues;

(i) unless otherwise approved by the SFC, a Sub-Fund may not invest in physical commodities;

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

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

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

will be considered and treated as listed Securities for the purposes of and subject to the requirements in paragraphs 1(a), 1(b) and 1(d) of this sub-section. However, the investments in exchange traded funds shall be subject to paragraph 1(e) of this sub-section and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

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

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

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

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

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the UT Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the UT Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the UT Code. For the avoidance of doubt, a Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the UT Code (except for hedge funds under Chapter 8.7 of the UT Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the UT Code) does not exceed 100% of its

total net asset value, and exchange traded funds satisfying the requirements in paragraph 1(j) of this sub-section in compliance with paragraphs 1(k)(1) and 1(k)(2) of this sub-section;

(ii) where the underlying schemes are managed by the Manager, or by other companies within the same group that the Manager belongs to, then paragraphs 1(a), 1(b), 1(d) and 1(e) of this sub-section are also applicable to the investments of the underlying scheme;

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

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

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

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

(1) the underlying scheme ("**master fund**") must be authorised by the SFC;

(2) the relevant Appendix must state that:

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

(ii) for the purpose of complying with the investment restrictions, the Sub-Fund (i.e. feeder fund) and its master fund will be deemed a single entity;

(iii) the Sub-Fund (i.e. feeder fund)'s annual report must include the investment portfolio of the master fund as at the financial year end date; and

(iv) the aggregate amount of all the fees and charges of the Sub-Fund (i.e. feeder fund) and its underlying master fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, the Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Shareholders or by the Sub-Fund (i.e. feeder fund) may result, if the master fund in which the Sub-Fund (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and

(4) notwithstanding proviso (iii) to paragraph 1(k)(2) of this sub-section, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraphs 1(k)(1), 1(k)(2) and proviso (i), (ii) and (iii) to paragraph 1(k)(2) of this sub-section; and

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

2. Investment Prohibitions

2.1 A Sub-Fund shall not:

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

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

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

(d) lend or make a loan out of the assets of a Sub-Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(e) subject to paragraph 1(e) of this sub-section, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for Reverse Repurchase Transactions in compliance with the UT Code;

(f) enter into any obligation on behalf of a Sub-Fund or acquire any asset or engage in any transaction for the account of a Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Shareholders is limited to their investment in the relevant Sub-Fund; or

(g) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of a Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in FDIs for the purposes of paragraph 5.7 of this sub-section.

2.2 The investment restrictions set out in paragraphs 1 and 2.1 of this sub-section apply to each Sub-Fund, subject to the following in relation to an Index Tracking Sub-Fund:

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

(b) however, the restrictions in paragraph 2.2(a) of this sub-section do not apply if:

(1) the relevant Index Tracking Sub-Fund adopts a representative sampling strategy which does not involve full replication of the constituent Securities of the Index in the exact weightings of such Index;

(2) the strategy is clearly disclosed in the relevant Appendix;

(3) the excess of the weightings of the constituent Securities held by the relevant Index Tracking Sub-Fund over the weightings in the Index is caused by the implementation of the representative sampling strategy;

(4) any excess weightings of the relevant Index Tracking Sub-Fund's holdings over the weightings in the Index must be subject to a maximum limit reasonably determined by the relevant Index Tracking Sub-Fund after consultation with the SFC. In determining this limit, the relevant Index

Tracking Sub-Fund must consider the characteristics of the underlying constituent Securities, their weightings and the investment objectives of the Index and any other suitable factors;

(5) limits laid down by the relevant Index Tracking Sub-Fund pursuant to the point (4) above must be disclosed in the relevant Appendix; and

(6) disclosure must be made in the relevant Index Tracking Sub-Fund's interim and annual reports as to whether the limits imposed by such Index Tracking Sub-Fund itself pursuant to the point (4) above have been complied with in full. If there is non-compliance with the said limits during the relevant reporting period, this must be reported to the SFC on a timely basis and an account for such non-compliance should be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to investors.

2.3 Subject to approval of the SFC, the investment restrictions in paragraphs 1(b) and 1(c) of this sub-section may be modified and the 30% limit in sub-paragprah 1(g) of this sub-section may be exceeded, and an Index Tracking Sub-Fund may invest all of its assets in Government and Other Public Securities in any number of different issues despite sub-paragraph 1(h) of this sub-section.

3. Securities Financing Transactions

3.1 Where indicated in the relevant Appendix, a Sub-Fund may enter into Securities Lending Transactions, Sale and Repurchase Transactions and Reverse Repurchase Transactions or other similar over-the-counter transactions ("**Securities Financing Transactions**"), provided that they are in the best interests of the Shareholders, the associated risks have been properly mitigated and addressed, and the counterparties to the Securities Financing Transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

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

(a) it shall have at least 100% collateralisation in respect of the Securities Financing Transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;

(b) all the revenues arising from Securities Financing Transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the Securities Financing Transactions to the extent permitted by applicable legal and regulatory requirements, shall be returned to the Sub-Fund;

(c) it shall ensure that it is able to at any time to recall the securities or the full amount of cash/collateral (as the case may be) subject to the Securities Financing Transactions or terminate the Securities Financing Transactions into which it has entered.

4. Borrowing

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

(a) facilitating the creation or redemption of Shares or defraying operating expenses;

(b) enabling the Manager to acquire Securities for the account of such Sub-Fund; or

(c) for any other proper purpose as may be agreed by the Manager from time to time, except to enhance the performance of any Sub-Fund.

5. FDIs

5.1 Subject always to the provisions of the Instrument and the UT Code (including paragraphs 5.4 and 5.6 of this sub-section), the Manager may on behalf of a Sub-Fund enter into any transactions in relation to FDIs, for hedging or non-hedging (investment) purposes.

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

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

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

(c) they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

5.3 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.

5.4 Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for non-hedging purposes ("**investment purposes**"), subject to the limit that the Sub-Fund's net exposure relating to these FDIs ("**net derivative exposure**") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for a Sub-Fund pursuant to Chapter 8.8 or Chapter 8.9 of the UT Code), provided that such limit may be exceeded in such circumstances as permitted under the UT Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. For the avoidance of doubt:

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

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

(c) FDIs acquired for hedging purposes under paragraph 5.2 will not be counted towards the 50% limit referred to in this paragraph 5.4 so long as there is no residual derivative exposure arising from such hedging arrangement.

5.5 Subject to paragraphs 5.4 and 5.6 of this sub-section, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in paragraphs 1(a), 1(b), 1(c), 1(g), 1(h), 1(k)(1), 1(k)(2), proviso (i), (ii) and (iii) to paragraph 1(k)(2) and paragraph 2.1(b) of this sub-section.

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

(a) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. Where a Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in paragraphs 1(a), 1(b), 1(c) and 1(g) of this sub-section provided that the relevant Index is in compliance with Chapter 8.6(e) of the UT Code;

(b) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;

(c) subject to paragraphs 1(a) and 1(b) of this sub-section, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund. The exposure of a Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by such Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

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

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

- in the case of FDI transactions which will, or may at the Manager's discretion, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

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

5.8 Paragraphs 5.1 to 5.7 of this sub-section apply to financial instruments which embeds a financial derivative as well. For the purposes herein, an "embedded financial derivative" is a FDI that is embedded in another security.

6. Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut – collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. The price volatility of the asset used as collateral should be taken into account when devising the haircut policy. Other specific characteristics of the collateral, including, among others, asset types, issuer creditworthiness, residual maturity, price sensitivity, optionality, expected liquidity in stressed period, impact from foreign exchange, and correlation between securities accepted as collateral and the securities involved in the transactions, should also be considered where appropriate;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or Entities within the Same Group and a Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in paragraphs 1(a), 1(b), 1(c), 1(g), 1(h), 1(k)(1), 1(k)(2), proviso (i), (ii) and (iii) to paragraph 1(k)(2) and paragraph 2.1(b) of this sub-section;

- 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 in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs, or the counterparty of Securities Financing Transactions or any of their related entities should not be used as collateral;

- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;

- Independent custody – collateral must be held by the Custodian of the Sub-Fund;

- Enforceability – collateral must be readily accessible/enforceable by the Company for the Sub-Fund without further recourse to the issuer of the FDIs, or the counterparty of the Securities Financing Transactions;

- Cash collateral – any re-investment of cash collateral received for the account of the Sub-Fund shall be subject to the following requirements:

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

  (ii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and (n) of the UT Code;

  (iii) cash collateral received is not allowed to be further engaged in any Securities Financing Transactions;

  (iv) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any Securities Financing Transactions; and

  (v) non-cash collateral received may not be sold, re-invested or pledged;

- Encumbrances – collateral should be free of prior encumbrances; and

- 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.

The collateral policy adopted by the Manager applicable to a particular Sub-Fund (if any) is set out in the Appendix of the relevant Sub-Fund.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are two methods of making an investment in a Sub-Fund and of disposing of Shares to realise an investment in a Sub-Fund.

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

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

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Participation Agreement and the Instrument. The section on "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" relates to the second method of investment.

Creation of Shares through Participating Dealers

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

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

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such requests; (ii) completion to its satisfaction of client acceptance procedures and requirements;

(iii) no objection from the Manager to create Shares for the relevant initial Participating Dealer on behalf of such clients (please refer to the sub-section on "***Creation Process***" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such creation requests.

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

(a) any period during which (i) the creation or issue of Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(c) where acceptance of the creation request or any Security in connection with such creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;

(d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Requirements Relating to Creation Requests by Potential Investors

As of the date of this Prospectus, only cash creation is available to the Participating Dealers in respect of the Sub-Fund(s).

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

neither the Custodian, the Administrator, the Registrar nor the Company can ensure effective arbitrage by Participating Dealer.

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

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

Creation Process

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

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

(a) be given by a Participating Dealer in accordance with the Instrument, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Shares and the class of Shares (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Participation Agreement and the Operating Guidelines (if any) in respect of creations of Shares, together with such certifications and opinions of counsel (if any) as either the Company or the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the creation of Shares which are the subject of the Creation Application.

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

(a) any period during which (i) the creation or issue of Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund or class;

(c) where, if relevant to a Sub-Fund, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market on which (i) for an Index Tracking Sub-Fund, a Security and/or Futures Contract, as the case may be, that is a constituent of the Index for the relevant Index Tracking Sub-Fund, or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing;

(d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts as the case may be in the relevant Index, or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(e) where acceptance of the Creation Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable Laws and Regulations;

(f) circumstances outside the control of the Company or the Manager which make it for all practicable purposes impossible to process the Creation Application;

(g) any period during which the business operations of the Company or any delegate of the Company in respect of a Creation Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

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

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

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

Issue of Shares

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

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

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

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

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

Fees Relating to Creation Applications

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

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

(a) the prices used when valuing the Securities and/or Futures Contracts, as applicable, of the Sub-Fund for the purpose of such issue of Shares; and

(b) the prices which would be used when acquiring the same Securities and/or Futures Contracts, as applicable, if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares.

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

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

Cancellation of Creation Applications

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

The Company may cancel Shares created and issued in respect of a Creation Application if (a) all the Securities and/or Futures Contracts relating to the Creation Application have not been invested by or on the Initial Issue Date or the relevant Settlement Day (as the case may be) or to the Company's satisfaction or evidence of title and instruments of transfer satisfactory to the Company have not been produced to or to the order of the Company; or (b) the full amount of (i) any cash payable in connection with the relevant Creation Application and (ii) any Duties and Charges, incidental costs associated with the creation of Shares and Transaction Fee payable have not been received in cleared funds by or on behalf of the Administrator by such time on the Initial Issue Date or the relevant Settlement Day (as the case may be) as prescribed in the Operating Guidelines, provided that in either event the Company may at its discretion, (i) extend the settlement period (either for the Creation Application as a whole or for a particular Security) such extension to be on such terms and conditions (including as to the payment of an Extension Fee or otherwise as the Company may determine) as the Directors may determine and in accordance with the provisions of the Operating Guidelines; or (ii) partially settle the Creation Application to the extent to which Securities and/or Futures Contracts and/or

cash have been vested in, or to the account of the Sub-Fund, on such terms and conditions as the Directors may determine including terms as to any extension of the settlement period for the outstanding Securities, Futures Contracts or cash.

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

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

(a) the Administrator may charge the relevant Participating Dealer for the account of the Administrator an application cancellation fee (see the section on "**FEES AND EXPENSES**" for further details);

(b) the Company may at its absolute discretion require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Share exceeds the Redemption Value which would have applied in relation to each such Share if the Participating Dealer had, on the date on which such Shares are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund as a result of any such cancellation;

(c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Company, the Administrator, the Registrar, the Conversion Agent and/or the Service Agent (see the section on "**FEES AND EXPENSES**" for further details); and

(d) no previous valuations of the Scheme Property shall be re-opened or invalidated as a result of the cancellation of such Shares.

Redemption of Shares Through Participating Dealers

Any application for the redemption of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size or whole multiples thereof. Investors cannot redeem Shares directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Company and the Manager (with a copy to the Administrator and Registrar).

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

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

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

(a) any period during which (i) the creation or issue of Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;

(d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the redemption request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Requirements Relating to Redemption Requests by Potential Investors

As at the date of this Prospectus, only cash redemption is available to the Participating Dealers in respect of the Sub-Fund(s).

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

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

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

Redemption Process

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

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

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Instrument, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Shares and the class of Shares (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Participation Agreement and the Operating Guidelines (if any) in respect of redemptions of Shares, together with such certifications and opinions of counsel (if any) as either the Company or the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Shares which are the subject of the Redemption Application.

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

(a) any period during which (i) the creation or issue of Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund or class;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to (i) for an Index Tracking Sub-Fund, any of the Securities and/or Futures Contracts in the relevant Index or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund;

(d) where acceptance of the Redemption Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Company or the Manager which make it for all practicable purposes impossible to process the Redemption Application; or

(f) any period during which the business operations of the Company or any delegate of the Company in respect of a Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

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

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

Where the Company accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Shares; and (ii) require the Custodian and/or the Administrator to transfer to the Participating Dealer Securities and/or cash in accordance with the Operating Guidelines and the Instrument.

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

Redemption of Shares

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

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

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

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

The Company may at its discretion extend the settlement period upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms and conditions (including as to the payment of the Extension Fee or otherwise as the Company may determine) as the Manager and the Custodian may in their discretion determine, in accordance with the Operating Guidelines.

Fees Relating to Redemption Applications

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

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

(a) the prices used when valuing the Securities and/or Futures Contracts, as applicable of the Sub-Fund for the purpose of such redemption of Shares; and

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

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

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

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

Cancellation of Redemption Applications

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

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

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

(a) the Administrator may charge the relevant Participating Dealer for the account of the Administrator an application cancellation fee (see the section on "**FEES AND EXPENSES**" for further details);

(b) the Company may at its absolute discretion require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Share is less than the Issue Price which would have applied in relation to each such Share if the Participating Dealer had, on the actual date when the Company is able to repurchase any replacement Securities and/or Futures Contracts made a Creation Application in accordance with the provisions of the Instrument plus such other amount as the Company reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Company, the Administrator, the Registrar, the Conversion Agent and/or the Service Agent (see the section on "**FEES AND EXPENSES**" for further details); and

(d) no previous valuations of the Scheme Property shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred Redemption

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

relevant Sub-Fund then in issue) in priority to any other Shares in the relevant Sub-Fund for which redemption requests have been received on the next Dealing Day. Shares will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Suspension of Creations and Redemptions

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

(a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(b) during any period when a market on which (i) for an Index Tracking Sub-Fund, a Security and/or Futures Contract, as the case may be, that is a constituent of the Index for the relevant Index Tracking Sub-Fund, or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, a Security and/or Futures Contract, as the case may be, that is a constituent of the Index for the relevant Index Tracking Sub-Fund, or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or Futures Contracts, as the case may be, in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or Futures Contracts, as the case may be, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Shareholders of the relevant Sub-Fund;

(f) in respect of an Index Tracking Sub-Fund only, during any period when the Index for the relevant Index Tracking Sub-Fund is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Securities and/or

Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund or class of Shares is suspended or if any circumstance specified in the sub-section on "**Suspension of Determination of Net Asset Value**" under the section "**DETERMINATION OF NET ASSET VALUE**" below arises;

(i) during any period when the business operations of the Company, the Manager, the Custodian, the Administrator, the Registrar or any delegate of the Company or the Manager in respect of a Creation Application or Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(j) in respect of a Creation Application, if as a result of the investment of the proceeds of issue of such Shares in accordance with the investment objective of the Sub-Fund, the Company collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single entity.

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

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension (or by posting prominent message(s) with a hyperlink to the published notice of suspension), on the Company's website at www.vgrowth.hk (this website has not been reviewed by the SFC) or in such other publications as it decides.

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

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

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

Evidence of Shareholding

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

Restrictions on Shareholders

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

(a) in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Shares are listed;

(b) in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the Directors' opinion, might result in the Company, the Sub-Fund, the Directors, any service provider and/or other Shareholders incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company, the Sub-Fund, the Directors, service provider and/or other Shareholders might not otherwise have incurred or suffered; or

(c) in breach of any applicable anti-money laundering or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Company.

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

Transfer of Shares

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

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

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

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

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

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

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

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

The Shares of VGrowth Digital Payments ETF, VGrowth AI and Automation Active ETF and VGrowth Web3 ETF are accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the date of commencement of dealings in the Shares of VGrowth Digital Payments ETF, VGrowth AI and Automation Active ETF and VGrowth Web3 ETF on the SEHK or such other date as may be determined by HKSCC.

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

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

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

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

Please also refer to the sub-sections on "**Exchange Listing and Trading (Secondary Market)**" in the relevant Appendix of the Sub-Fund for additional disclosures on secondary market trading.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

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

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

(a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Custodian) determines that some other method is more appropriate, be valued by reference to the official closing price or, if unavailable, the last traded price on the Market on which the relevant Security is quoted, listed, traded or ordinarily dealt in as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted, listed, traded or dealt in on more than one Market, the Manager shall adopt the official closing price or, if unavailable, the last traded price on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be such price as certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager, or, if the Custodian so requires, by the Manager after consultation with the Custodian if the prices on that Market is not available for more than such period of time as may be agreed between the Manager, the Custodian and/or any delegates appointed by the Custodian applicable to the Sub-Fund; (iii) (for an Index Tracking Sub-Fund only) in the case of a Security that is a debt instrument which may or may not be a constituent of the relevant Index, the value shall be determined in accordance with the relevant Index's valuation policy (this being the fair value), and the Manager in consultation with the Custodian shall be entitled to use prices furnished by the Index Provider; (iv) interest accrued on any interest-bearing Securities shall be taken into account up to the date as at which the valuation is made, unless such interest is included in the quoted or listed price; (v) the Manager, the Administrator or its delegates may accept as sufficient evidence of the value of any asset of a Sub-Fund or the cost price or sale price thereof, any market quotation or certification by a calculation agent, broker, any professional person, firm or association qualified in the opinion of the Custodian or its delegates or the Manager to provide such a quotation; (vi) the Manager, the Administrator or its delegates may rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any assets of the Sub-Fund or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters; and (vii) the Manager and the Administrator shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the official closing prices or the last traded prices (as the case may be);

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or, if such net asset value is not available or not considered by the Manager to be appropriate, the latest available bid or offer price for such unit, share or other interest;

(c) Futures Contracts will be valued based on the formulae set out in the Instrument;

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

(e) 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; and

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

Currency conversion will be performed at such rates as may be agreed between the Administrator and/or the Custodian with the Manager from time to time.

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

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

Suspension of Determination of Net Asset Value

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

(a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of any Securities and/or Futures Contracts held or contracted for the account of the relevant Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Shareholders of the relevant Sub-Fund;

(c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, a substantial part of the Securities and/or Futures Contracts or other property of the relevant Sub-Fund or the subscription or redemption of Shares of the relevant class is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or

(f) the business operations of the Company or any delegate of the Company or the Manager in respect of the determination of the Net Asset Value of the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

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

The Manager shall immediately after declaration of any such suspension by the Manager notify the SFC and publish, following the suspension, and at least once a month during the suspension, on the Company's website at www.vgrowth.hk (this website has not been reviewed by the SFC) or in such other publications as the Company decides, the fact that such declaration has been made.

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

Issue Price and Redemption Value

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund (or a class of Shares) will be a fixed amount per Share, or (for an Index Tracking Sub-Fund only) a percentage of the closing level of the relevant Index

(expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), or such other amount from time to time determined by the Manager. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix.

After the expiry of the Initial Offer Period, the Issue Price of Shares of a Sub-Fund (or class of Shares) created and issued pursuant to a Creation Application on a Dealing Day, shall be the Net Asset Value of the relevant Sub-Fund (or class of Shares) as at the relevant Valuation Point of the relevant Dealing Day on which the Creation Application is received divided by the total number of Shares in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

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

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

The latest Net Asset Value of the Shares will be available on the Company's website at www.vgrowth.hk (this website has not been reviewed by the SFC) or published in such other publications as the Manager decides.

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

FEES AND EXPENSES

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

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Shares (applicable both during the Initial Offer Period and After Listing)	**Amount**
Transaction fee payable to the Administrator	Please refer to the Appendix for the relevant Sub-Fund
Service Agent's Fee	HK1,000[1] per book-entry deposit and book-entry withdrawal transaction
Application cancellation fee	USD1,300[2] per Application
Extension Fee	USD1,300[3] per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Custodian or the Manager in connection with the creation or redemption	As applicable

1 The Service Agent's Fee of HKD1,000 is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction.

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

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

Fees and expenses payable by investors	Amount
(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)	
Fees and charges imposed by the Participating Dealer[4]	Such amounts as determined by the relevant Participating Dealer
(ii) Fees payable by all investors in respect of dealings in the Shares on SEHK (applicable After Listing)	
Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027%[5] of the trading price
AFRC transaction levy	0.00015%[6] of the trading price
SEHK trading fee	0.00565%[7] of the trading price
Stamp duty	Nil[8]
Fees and expenses payable by a Sub-Fund	See the relevant Appendix

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

Fees and Expenses Payable by a Sub-Fund

Management Fee

The Manager is entitled to receive in respect of a Sub-Fund (or any class thereof), a management fee accrued daily and calculated as at each Dealing Day and payable monthly in arrears as a percentage of the Net Asset Value of such Sub-Fund (or such class) at the rates as specified in the relevant Appendix subject to a maximum fee as specified in the relevant Appendix.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Company out of the Management Fee it receives from the Company. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

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

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

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

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

8 Stamp duty is waived with effect from 13 February 2015 pursuant to the Stamp Duty (Amendment) Ordinance 2015.

Custodian and Fund Administration Fee

The Custodian and the Administrator are entitled to receive in respect of a Sub-Fund (or any class thereof), an aggregate fee accrued daily and calculated as at each Dealing Day and payable monthly in arrears as a percentage of the Net Asset Value of such Sub-Fund (or such class) at the rates as specified in the relevant Appendix subject to a minimum fee (if applicable) and a maximum fee as specified in the relevant Appendix.

The Custodian and the Administrator are also entitled to receive various safekeeping, transaction and processing fees and other applicable fees as remuneration for providing the relevant services to the relevant Sub-Fund as agreed with the Company from time to time and to be reimbursed by the relevant Sub-Fund for all out-of-pocket expenses properly incurred on behalf of the relevant Sub-Fund by the Custodian and/or the Administrator in the performance of their respective duties (including, but are not limited to, sub-custody fees and expenses, stamp duties, transaction levies and other market costs).

Registrar Fee

The Registrar charges a fee of HKD8,000 per month for each Sub-Fund. The Registrar is also entitled to receive various transaction and processing fees as agreed with the Company from time to time and to be reimbursed by the relevant Sub-Fund (or the relevant class) properly incurred by it in the performance of its duties.

Directors' Remuneration and Expenses

Under the Instrument, the Directors shall not be entitled to remuneration for their services as Directors.

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

Estimated Ongoing Charges

The estimated ongoing charges of any newly established Sub-Fund, which are the sum of estimated ongoing expenses chargeable to the relevant Sub-Fund over a 12-month period expressed as a percentage of its estimated average Net Asset Value over the same period, and the actual ongoing charges of any existing Sub-Fund, which are the sum of actual ongoing expenses chargeable to the relevant Sub-Fund over a 12-month period expressed as a percentage of its actual average Net Asset Value over the same period, are set out in the KFS of the relevant Sub-Fund. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund may also be included in the ongoing charges calculation payable by a Sub-Fund and in those cases will be set out in the relevant Appendix. Ongoing expenses may be deducted from the assets of a Sub-Fund where these are permitted by the Instrument, the UT Code, the OFC Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its

operation or the remuneration of any party. For Index Tracking Sub-Funds, the estimated or actual ongoing charges do not represent the estimated or actual tracking error. Where disclosed in an Appendix of a Sub-Fund, ongoing charges and expenses of that Sub-Fund may be borne by the Manager.

Promotional Expenses

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

Other Expenses

The Sub-Funds will bear all operating costs relating to the administration of the Sub-Funds including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Shares on the SEHK or other exchange and maintaining the Company's and the Sub-Funds' authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Funds by the Manager, the Custodian and/or the Administrator (as referred to in the sub-section on "***Custodian and Fund Administration Fee***" above) or the Registrar or any of its service providers, the expenses incurred in convening meetings of Shareholders, preparing, printing and distributing annual and interim financial reports and other circulars relating to the Sub-Funds and the expenses of publishing Share prices.

Establishment Costs

The cost of establishing the Company and the initial Sub-Funds (namely VGrowth Digital Payments ETF, VGrowth AI and Automation Active ETF and VGrowth Web3 ETF) including the initial preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, is approximately USD200,000 (the "**Establishment Costs**") and will be borne by the initial Sub-Funds equally (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and will be amortised over the first five financial years of the Company and the initial Sub-Funds (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

In 2021, the Hong Kong government established the Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts (the "**Grant Scheme**") to subsidise the setting up of OFC. The Manager will apply to the SFC for a grant under the Grant Scheme on behalf of the Company. If the application for the grant is successful, the Company will receive a grant equivalent to 70% of the Establishment Costs subject to the

terms of the Grant Scheme (e.g. the eligibility of the expenses, the cap of HKD1 million per OFC, clawback of the grant if the Company is terminated within two years from the date of incorporation, etc.).

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

The attention of investors is drawn to the risk factor entitled "***Valuation and Accounting Risk***" in the section headed "**RISK FACTORS**".

Increase in Fees

The current fees in respect of each Sub-Fund payable to the Manager, the Custodian and the Administrator as described in the relevant Appendix may be increased up to or towards the maximum rates set out in the relevant Appendix on not less than one week's notice to Shareholders (or such shorter period as may be allowed by the SFC). In the event that such fees are to be increased beyond the maximum rates set out in the relevant Appendix, such increase is subject to the prior approval by the SFC and not less than one month's notice shall be given to Shareholders.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Shares. A Sub-Fund's investment portfolio may fall in value due to any of the risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal. Investors should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to each Sub-Fund. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix.

General Investment Risks

Investment Objective Risk

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

Market Risk

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

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of each Sub-Fund, the returns from the types of Securities and/or Futures Contracts in which the Sub-Fund invests (either directly or indirectly) may underperform

or outperform returns from other Securities and/or Futures Contracts markets or from investment in other assets. Different types of Securities and/or Futures Contracts tend to go through cycles of out-performance and underperformance when compared with other general Securities and/or Futures Contracts markets.

Possible Business Failure Risk

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

Management Risk

Each Sub-Fund is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Shareholders' rights with respect to Securities and/or Futures Contracts comprising a Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Sub-Fund being achieved. For an Index Tracking Sub-Fund, because there can be no guarantee that such an Index Tracking Sub-Fund will fully replicate the relevant Index, it is also subject to the above management risk.

Single Region/Single Industry Sector/Concentration Risk

A Sub-Fund may be subject to concentration risk as a result of having a strategy of concentrating in a single region or industry sector or (for an Index Tracking Sub-Fund) tracking the performance of a single geographical region or country or industry sector. For an index tracking Sub-Fund, the Index may be comprised of a limited number of securities. The value of such Sub-Fund is likely to be more volatile than a fund having a more diverse portfolio of investments, such as a global equity fund, as it is more susceptible to fluctuations in value of the Securities or the Index resulting from adverse conditions in the particular geographical region, country or industry sector (including economic, political, policy, foreign exchange, liquidity, tax, legal or regulator event). Where an Index Tracking Sub-Fund's Index tracks a particular region or country or industry sector or where the Index has a small number of constituents, or where the active strategy of a Sub-Fund is concentrated in a single region or industry sector, risk factors specific to the relevant Sub-Fund are set out in its Appendix. Please refer to each Sub-Fund's Appendix for details.

Securities and/or Futures Contracts Risk

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

Counterparty Risk

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

A Sub-Fund may be exposed to the counterparty risk of the Custodian or other depositaries used by the Custodian with which the Scheme Property is deposited. The Custodian or other depositaries may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In the event of the insolvency of the Custodian or other depositaries, a Sub-Fund will be treated as a general creditor of the Custodian or other depositaries in relation to cash holdings of the relevant Sub-Fund. 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. The Sub-Fund's assets are however maintained by the Custodian and other depositaries in segregated accounts and should be protected in the event of insolvency of the Custodian or such other depositaries.

Equity Market Risk

A Sub-Fund's investment in equity Securities by a Sub-Fund is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Emerging Market Risk

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

Emerging market regions are also subject to increased risks and special considerations not typically associated with investment in more developed markets including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; currency risks/control; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; legal and taxation risks (such as difficulties in enforcing contracts and imposition of taxes); higher transaction and custody costs; settlement delays and risk of loss; less liquidity and smaller market capitalisations; less well-regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Sub-Fund to sub-custodial risk in circumstances whereby the

Custodian will have no liability as provided under the provisions of the Instrument; the risk of expropriation of assets and the risk of war.

Loss of Capital Risk

There is no guarantee that a Sub-Fund's investments will generate positive returns for the Sub-Fund. In addition, errors in the execution of investment orders are an intrinsic factor in any investment process, and may occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. The above may adversely affect the value of the relevant Sub-Fund and therefore a Shareholder's capital investment in the relevant Sub-Fund may suffer losses.

Indemnity Risk

Under the Custody Agreement and the Management Agreement, the Custodian and the Manager (and their respective directors, officers, employees, delegates and agents) shall be entitled, except to the extent of any fraud, negligence, or wilful default on its (or their) part, to be indemnified and held harmless out of the assets of the relevant Sub-Fund in respect of any (in addition to any right of indemnity given by law) actions, proceedings, liabilities, costs, claims, damages, expenses or demands to which it (or they) may be put or which it (or they) may incur or suffer by virtue of the proper performance of its (or their) respective obligations or duties. Any reliance by the Custodian or the Manager on the right of indemnity would reduce the assets of a Sub-Fund and the value of the Shares.

Dividends May Not be Paid Risk

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

Distributions Out Of or Effectively Out Of Capital Risk

Subject to the disclosures in the relevant Appendix, the Manager may, at its discretion make distributions out of (i) capital and/or (ii) gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by each Sub-Fund and therefore, each Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share and will reduce the capital available for future investment. The Manager may amend its distribution policy subject to the SFC's prior

approval (if required) and by giving not less than one month's prior notice to Shareholders.

Early Termination Risk

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

Borrowing Risk

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

Government Intervention and Restriction Risk

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

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

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

Reliance on the Manager Risk

Shareholders must rely on the Manager in implementing the investment strategies and the performance of the Sub-Funds is largely dependent on the services and skills of their officers and employees. The Directors of the Company will use reasonable care, skill and diligence to oversee the activities of the Manager and in the case of loss of service of the

Manager or any of their 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 will use its best endeavours to find successor managers (or successor key personnel) or investment delegates with the requisite skills and qualifications. However, there is no guarantee that the Company will be able to do so quickly or at all and the new appointment may not be on equivalent terms or of similar quality, in which case the occurrence of those events could cause a deterioration in the Company's performance and investors may lose money in those circumstances.

Currency Risk

Underlying investments of a Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of Shares may be designated in a currency other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. If the relevant Sub-Fund's Net Asset Value is determined on the basis of HKD, an investor may lose money if he invests in any Sub-Fund if the local currency of a foreign market depreciates against the HKD, even if the local currency value of the Sub-Fund's holdings goes up.

Foreign Security Risk

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

Some non-Hong Kong stock exchanges may have the right to suspend or limit trading in any Security traded on the relevant exchange. The government or the regulators in different jurisdictions may also implement policies that may affect the financial markets. Some countries prohibit or restrict foreign investment, or the repatriation of income, capital or the proceeds from sale of Securities. The Sub-Fund may incur higher costs investing in these countries. High market volatility and potential settlement difficulties in the markets in which a Sub-Fund invests may also result in significant fluctuations in the prices of the Securities traded on such markets and thereby may adversely affect the value of the relevant Sub-Fund. All these may have a negative impact on the relevant Sub-Fund and limit the Sub-Fund's ability to invest in these countries, delay the investment or repatriation of capital of the Sub-Fund and, in respect of an Index Tracking Sub-Fund, impact the Index Tracking Sub-Fund's ability to track the performance of the Index.

Securities Financing Transactions Risks

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

- *Securities Lending Transactions* – Securities Lending Transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

- *Sale and Repurchase Transactions* – In the event of the failure of the counterparty with which collateral has been placed, a Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

- *Reverse Repurchase Transactions* – In the event of the failure of the counterparty with which cash has been placed, a Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Collateral and FDI Risks

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

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of FDI transactions (if any) may be affected by market events. In the case of collateral assets which are listed Securities, the listing of such Securities may be suspended or revoked or the trading of such Securities on the stock exchanges may be suspended, and during the period of suspension or upon

revocation, it may take longer to realise the relevant collateral assets. In the case of collateral assets which are debt Securities, the value of such Securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Sub-Fund's exposure to such counterparty to be under-collateralised. If the Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

A Sub-Fund may use investment techniques, including investments in derivatives, such as Futures Contracts that may be considered aggressive, in which case the Sub-Fund will be subject to the risks associated with the use of FDIs as described above. The use of derivatives may result in larger losses or smaller gains than investing in or shorting the Securities comprised in the relevant Sub-Fund and/or (for an Index Tracking Sub-Fund only) Securities included in the relevant Index. When a Sub-Fund uses derivatives, there may be imperfect correlation between the value of the underlying reference assets and the derivative, which may prevent each Sub-Fund from achieving its investment objective.

Any financing, borrowing or other costs associated with using derivatives may also have the effect of lowering the Sub-Fund's return.

Counterparty Risk of Futures Contracts

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

A Sub-Fund may invest in Futures Contracts involving counterparties for the purpose of attempting to gain exposure to a relevant Security or index without actually purchasing those Securities or investments. The use of these derivatives involves risks that are different from those associated with Securities. For example, Futures Contracts have a high degree of price variability and are subject to occasional rapid and substantial changes. Compared to conventional Securities, Futures Contracts can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a Futures Contract may result in immediate and substantial loss (or gain) to the relevant Sub-Fund. Each Sub-Fund does not specifically limit its counterparty risk with respect to any single counterparty and there is a chance for each Sub-Fund to have single counterparty. Further, there is a risk that no suitable counterparties are willing to enter into, or continue to enter into, transactions with each Sub-Fund and, as a result, each Sub-Fund may not be able to achieve its investment objectives.

Liquidity Risk

Some Securities held by a Sub-Fund, including derivatives, may be difficult to sell or illiquid, particularly during times of market turmoil. Illiquid Securities may also be difficult

to value. Markets for Securities or financial instruments could be disrupted by a number of events, including, but not limited to an economic crisis, natural disasters, new legislation or regulatory changes. If a Sub-Fund is forced to sell an illiquid security at an unfavourable time or at a price that is lower than Manager's judgment of the Security's true market value (for example, in order to meet redemption requests), the relevant Sub-Fund may incur a loss as it is forced to sell the illiquid security at an unfavourable time or price. If a Sub-Fund is forced to sell an illiquid security at an unfavourable time or price, this may prevent each Sub-Fund from limiting losses, realising gains or achieving its investment objective, thus adversely affecting the Sub-Fund's performance.

Risks Associated with Investment in an Index Tracking Sub-Fund

Passive Investment Risk

An Index Tracking Sub-Fund is not actively managed. Accordingly, an Index Tracking Sub-Fund may be affected by a decline in the market segments relating to the relevant Index or Indices. Each Index Tracking Sub-Fund invests (either directly or indirectly) in the Securities and/or Futures Contracts included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager will not have the discretion to adapt to market changes due to the inherent nature of the Index Tracking Sub-Fund and will not take defensive positions in declining markets, which means that falls in the Index or Indices are expected to result in corresponding falls in the Net Asset Value of the Index Tracking Sub-Fund, and investors may lose a significant part of their investment.

Representative Sampling Risk

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

Tracking Error Risk

An Index Tracking Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the relevant Index.

Fluctuations Risk

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

Licence to Use Index may be Terminated Risk

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

Compilation of Index Risk

The Securities and/or Futures Contracts of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Index Tracking Sub-Fund. Each Index Tracking Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider makes no representation or warranty, express or implied, to investors in any Index Tracking Sub-Fund or other persons regarding the advisability of investing in Securities and/or Futures Contracts generally or in any Index Tracking Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the relevant Index Tracking Sub-Fund into consideration in determining, composing or calculating the relevant Index. There is a possibility that the relevant Index tracked by the Index Tracking Sub-Fund may be wrongly compiled, for example, due to the use of incorrect data. There is also a possibility that the calculation of the Index may be incomplete, for example, due to technical failure during the calculation of the relevant Index. In this case, there might be significant difference between the return of the Index Tracking Sub-Fund and the relevant Index. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of an Index Provider will not prejudice the interests of the relevant Index Tracking Sub-Fund, the Manager or investors.

Risk of Change in Methodology and Composition of an Index

The composition of the Securities and/or Futures Contracts constituting an Index will change as the Securities and/or Futures Contracts of the Index may be delisted, or as the Securities and/or Futures Contracts mature or are redeemed or as new Securities and/or Futures Contracts are included in the Index. The construction methodology of the relevant Index may also change when the Index Provider deems it necessary to adapt to significant changes in the market condition. When this happens, the weightings or composition of the Securities and/or Futures Contracts owned by the relevant Index Tracking Sub-Fund (either directly or indirectly) will be changed as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in

Shares of an Index Tracking Sub-Fund will generally reflect the performance of the relevant Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Shares. However, there can be no guarantee that an Index Tracking Sub-Fund will, at any given time accurately reflect the composition of the relevant Index (please refer to the risk factor titled "**Tracking Error Risk**" above).

Risks Associated with Market Trading

Absence of Active Market and Liquidity Risks

The Shares of a Sub-Fund may not initially be widely held upon their listing on the SEHK. Accordingly, any investor buying Shares in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, one or more Market Makers have been appointed. There can be no assurance that an active trading market for such Shares will develop or be maintained or that such Market Maker(s) will continue to fulfil that role. In addition, if the trading markets for the underlying Securities or Futures Contracts which the Sub-Fund holds are limited, inefficient or absent, or if the bid-offer spreads are wide, this may adversely affect the price at which Securities and/or Futures Contracts may be purchased or sold by a Sub-Fund upon any rebalancing activities or otherwise, and the value of the Shares and the ability of an investor to dispose of its Shares at the desired price. If an investor needs to sell his, her or its Shares at a time when no active market for them exists, the price received for the Shares – assuming an investor is able to sell them – is likely to be lower than the price received if an active market did exist.

Further, there can be no assurance that Shares will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or, for Index Tracking Sub-Funds, those traded on the SEHK which are based upon indices other than the relevant Index.

Suspension of Trading Risk

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

Effect of Redemptions Risk

If significant redemptions of Shares are requested by the Participating Dealers, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Shares are requested by the Participating Dealers, the right of Participating Dealers to require redemptions in excess of 10% of the total number of Shares in a Sub-Fund then in issue (or such higher or lower percentage as the Manager may determine in respect of that

Sub-Fund as permitted by the SFC) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period. Please see the section on "**DETERMINATION OF NET ASSET VALUE**" for further details.

Shares May Trade at Prices Other than Net Asset Value Risk

Shares may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Share of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Shares fluctuate continuously throughout the trading hours which are driven by market factors such as the demand and supply of the Shares rather than Net Asset Value. The trading price of the Shares may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Shares of the relevant Sub-Fund trading at a premium or discount to the Sub-Fund's Net Asset Value. On the basis that Shares can be created and redeemed in Application Shares at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Shares will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Shares at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Trading Risk

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

Restrictions on Creation and Redemption of Shares Risk

Investors should note that a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units or shares can generally be purchased and redeemed directly from the manager). Shares of a Sub-Fund may only be created and redeemed in Application Share sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account

with the Participating Dealer). Other investors may only make a request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Shares in Application Share sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Shares under certain circumstances. Alternatively, investors may realise the value of their Shares by selling their Shares through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer to the section headed "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**" for details in relation to the circumstances under which creation and redemption applications can be rejected.

No Right to Control a Sub-Fund's Operation Risk

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

Secondary Market Trading Risk

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

Reliance on Market Maker(s) Risk

Although the Manager will ensure that at least one Market Maker for each Sub-Fund will maintain a market for the Shares of the Sub-Fund, and at least one Market Maker per Sub-Fund is required to give not less than 3 months' prior notice to terminate market making arrangement under the relevant market maker agreement, there may be circumstances such as the revocation of the relevant market making approvals or registration or other changes beyond the control of the Manager that may result in the sudden loss of a Market Maker for a Sub-Fund. It should be noted that liquidity in the market of the Shares may be adversely affected if there is no or only one market maker for Shares.

It is possible that there is only one SEHK Market Maker to a Sub-Fund, or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealer(s) Risk

The creation and redemption of Shares may only be effected through Participating Dealer(s). A Participating Dealer may charge a fee for providing this service. Participating Dealer(s) will not be able to create or redeem Shares during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or, in the case of an Index Tracking Sub-Fund, the Index is not compiled or published. In addition, Participating Dealer(s) will not be able to issue or redeem Shares if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant

Sub-Fund's Securities or Futures Contracts cannot be effected. Where a Participating Dealer appoints an agent or delegate (who is a Participant) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent or delegate, or if the agent or delegate ceases to be a Participant, the creation or redemption of Shares by such Participating Dealer may also be affected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Shares freely.

Trading Time Differences Risk

As a stock exchange or futures exchange may be open when the Shares are not priced, the value of any Security or, in the case of an Index Tracking Sub-Fund, any Security or Futures Contract which comprises the relevant Index may change when investors may not be able to buy or sell Shares. Further the price of Securities or Futures Contracts may not be available during part of the Trading Day due to trading hour differences which may result in the trading price of Shares deviating from the Net Asset Value per Share. For an Index Tracking Sub-Fund, when trading Futures Contracts there may be a time difference between the trading times of the Futures Contracts and the underlying index constituents and as such there may be imperfect correlation between the value of the index constituents and the Futures Contracts, which may prevent an Index Tracking Sub-Fund from achieving its investment objective.

Difficulties in Valuation of Investments Risk

Securities and/or Futures Contracts acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the issuer of the Securities and/or Futures Contracts, market and economic conditions and regulatory sanctions. The market value of such Securities and/or Futures Contracts may become more difficult or impossible to ascertain. In cases where no clear indication of the value of a Security and/or Futures Contract in a Sub-Fund's portfolio is available (for example, when the secondary markets on which a security is traded have become illiquid) the Manager may in consultation with the Custodian apply valuation methods to ascertain the fair value of such securities, pursuant to the Instrument. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

The Company and each Sub-Fund have been authorised as a collective investment scheme under the UT Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of the Company or any of the Sub-Funds nor does it guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. This does not mean the Company or the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Company or a Sub-Fund (for example if the relevant Index of an Index Tracking Sub-Fund is no longer considered acceptable) or impose such conditions as it considers appropriate. If the Manager does not wish the Company or any Sub-Fund to continue to be authorised by

the SFC, the Manager will give investors at least three months' notice of the intention to seek the SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions or waivers from the UT Code which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions or waivers from the UT Code, it becomes illegal, impractical or inadvisable to continue the Company or a Sub-Fund, the Company or the Sub-Fund (as applicable) will be terminated.

General Legal and Regulatory Risk

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

Shares may be Delisted from the SEHK Risk

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

Taxation Risk

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

FATCA-related Risks

The US Foreign Account Tax Compliance Act ("**FATCA**") provides that a 30% withholding tax will be imposed on certain payments to certain foreign financial institutions, such as the Company and each Sub-Fund, including interests and dividends from securities of US issuers, unless the Company provide the withholding agent with certification to comply with FATCA and the Company obtains and reports the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the relevant Sub-Fund, as well as certain other information relating to any such interest. The US Internal Revenue Service (the "**IRS**") has released regulations and other

guidance that provide for the implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement based on the Model 2 arrangement. Although the Company and each Sub-Fund will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Company and each Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Shareholders may suffer material loss.

The Company and each Sub-Fund's ability to comply with FATCA will depend on each Shareholder providing the Company or its agent with information and, where applicable, consents to report that the Company requests concerning the Shareholder or its direct and, under certain circumstances, its indirect owners. As at the date of this Prospectus, all Shares are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

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

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

Legal and Compliance Risk

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

Valuation and Accounting Risk

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

Contagion Risk

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

Cross Liability Risk

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

MANAGEMENT OF THE COMPANY AND SUB-FUNDS

The Directors

The Directors of the Company are Li Yao Jun and Chan Yue Yuen.

The Manager

The Manager is VGrowth Securities International Financial Group Limited.

The Manager was incorporated in Hong Kong on 9 December 2019 and is licensed by the Commission to conduct Types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities under the Securities and Futures Ordinance with CE number BSM562.

The directors of the Manager

The directors of the Manager are Li Yao Jun and Chan Yue Yuen.

The Custodian

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

Under the Custody Agreement, the Custodian is responsible for the safekeeping of the assets of the Company and each Sub-Fund, subject to the provisions of the Instrument and the SFO.

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, (i) with the prior consent in writing of the Custodian; or (ii) with the Custodian's agreement in writing; or (iii) 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 as if the same were the acts or omissions of the Custodian. The Custodian shall not be liable for any act or failure to act by the Custodian that may arise directly or indirectly in connection with the Custody Agreement, other than any liability which is caused directly by negligence or fraud or wilful default of the Custodian.

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.

Subject as provided in the Custody Agreement, the Custodian and its directors, officers, employees and agents are entitled to be indemnified from the assets of the relevant Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses which may be incurred by or asserted against the Custodian or its directors, officers, employees and agents in performing its obligations or duties in connection with the Company and/or the relevant Sub-Fund. Please see further description in "**Indemnities of the Custodian**" under the section headed "**STATUTORY AND GENERAL INFORMATION**".

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 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.

Notwithstanding the aforesaid, the Custodian is neither exempted from any liability to holders imposed under Hong Kong law nor breaches of trust through fraud or negligence nor may it be indemnified against such liability by Shareholders or at 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 remain as the primary custodian of the Company until it retires or is removed. The circumstances under which the Custodian may retire or be removed are set out in the Custody Agreement. Where any Sub-Fund is authorised pursuant to section 104 of the Securities and Future Ordinance, any change in the Custodian is subject to the SFC's prior approval and the Custodian will remain as the custodian of the Company until a new primary custodian is appointed. Shareholders will be duly notified of any such changes in accordance with the requirements prescribed by the SFC.

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

The Custodian is not responsible for the preparation or issue of this Prospectus 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 sub-section headed "**The Custodian**".

The Sub-Custodian

The Custodian has appointed Bank of China (Hong Kong) Limited as the Sub-Custodian of the Company.

The Sub-Custodian was incorporated in Hong Kong on 16 October, 1964. As a locally incorporated licensed bank, it has been re-structured from 1 October 2001 to its present form by combining the businesses of ten of the twelve banks in Hong Kong originally belonging to the Bank of China Group. In addition, it holds shares in BOC Credit Card (International) Limited.

BOC Hong Kong (Holdings) Limited was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest in the Sub-Custodian, its principal operating subsidiary. After a successful global initial public offering, BOC Hong Kong (Holdings) Limited began trading on the SEHK on 25 July 2002 with stock code "2388" and became a Hang Seng Index constituent stock on 2 December 2002.

The Sub-Custodian is the second largest banking group in Hong Kong. It offers a full range of banking services, including global custody and also fund-related services for institutional clients.

Pursuant to the custodian agreement entered into between the Custodian and the Sub-Custodian, the Sub-Custodian will act as the custodian of the Company's assets, which will be held directly by the Sub-Custodian or through its agents, sub-custodians, or delegates pursuant to the custodian agreement.

The Administrator

BOCI-Prudential Trustee Limited has been appointed as the Administrator of each Sub-Fund and shall carry out certain financial, administrative functions and other services in relation to each 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 each Sub-Fund, and (ii) the general administration of each Sub-Fund, which includes the proper book keeping of each Sub-Fund.

The Registrar

Computershare Hong Kong Investor Services Limited acts as the Registrar for each Sub-Fund 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 Shareholders of each Sub-Fund, and handling of issue and redemption of Shares of each Sub-Fund.

The Service Agent or Conversion Agent

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

The Auditor

The Directors have appointed Deloitte Touche Tohmatsu to act as the Auditor of the Company and each Sub-Fund. The Auditor is independent of the Manager, the Custodian and the Directors of the Company.

The Participating Dealers

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

The Market Makers

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Shares in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between

the prevailing bid prices and offer prices for the Shares on the SEHK. Market Makers facilitate the efficient trading of Shares by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

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

The Listing Agent

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

Conflicts of Interest and Soft Dollars

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

In addition:

(a) The Manager or any of its Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Fund or deal with any Sub-Fund as principal with the prior written consent of the Custodian.

(b) The Custodian, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Shareholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.

(c) The Custodian, 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, the Manager or any of their Connected Persons.

(d) The Custodian, the Manager and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by a Sub-Fund.

(e) Any arrangements for the borrowing or deposit of any monies for the account of a Sub-Fund may be made with any of the Custodian, the Manager, any investment delegate or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar type, size and term, in the same currency and with institutions of similar standing, negotiated at arm's length in accordance with ordinary and normal course of business. Any such deposits shall be maintained in a manner that is in the best interests of Shareholders.

(f) Neither the Custodian nor the Manager nor any of their Connected Persons shall be liable to account to each other or to any Sub-Fund or to the Shareholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

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

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

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

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

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

Conflicts of interest may also arise due to the widespread business operations of the Custodian, the Manager, the Registrar, the Conversion Agent or the Service Agent (as the case may be) and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Instrument and the relevant agreement(s), be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of a Sub-Fund will be on arm's length terms and in the best interests of Shareholders. For so long as a Sub-Fund is authorised by the SFC and it is an applicable requirement of the UT Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment delegates, Directors of the Company, 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 report of the Sub-Fund.

Financial Reports

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

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

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

The Instrument

The Company was incorporated in Hong Kong under the SFO on 22 May 2024. Its constitution is set out in the Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 22 May 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

Subject to the Instrument, the Company agrees to indemnify the Manager all actions, proceedings, claims, costs, demands, and expenses which may be brought against suffered or incurred by the Manager by reason of its performance or non-performance of its obligations or functions under the terms of the Management Agreement (other than due to fraud, bad faith, wilful default or negligence on the part of the Manager or persons designated by it) including all legal professional and other expenses incurred by the Manager or persons designated by it in the performance of its obligations or functions and including indemnity obligations owed by the Manager to persons designated by it (except such as shall arise from fraud, bad faith, wilful default or negligence in the performance or non-performance of such obligations or functions).

No provision of the Instrument or the Management Agreement shall be construed as (i) providing any exemption of any liability of the Manager to the Shareholders imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may the Manager be indemnified against such liability by Shareholders or at the Shareholders'

expense, or (ii) diminishing or exempting the Manager from any of its duties and liabilities under applicable Laws and Regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Indemnities of the Custodian

Under the Custody Agreement, without prejudice to any indemnity to which the Custodian may otherwise be entitled under applicable law, the Company agrees to (i) indemnify the Custodian for all losses, costs, damages, liabilities, claims and expenses (including reasonable legal fees and disbursements) (each a "**Loss**") incurred by the Custodian (directly or payable to its agents or sub-custodians) arising in connection with the failure of the Company to perform any of its obligations under the Custody Agreement or arising from or in connection with the Custodian's appointment or performance under the Custody Agreement; and (ii) defend and hold the Custodian harmless and fully indemnify the Custodian and its directors, officers, employees and agents from or in connection with any Loss imposed on, incurred by, or asserted against the Custodian (directly or through any of its agents or sub-custodians) or otherwise arising in connection with or arising out of any claim, action or proceeding by any third party arising out of any action taken or omitted to be taken in good faith by the Custodian, except any Loss for which the Custodian is liable under the applicable Laws and Regulations (as defined in the Custody Agreement), in each case except any Loss resulting from negligence, fraud or wilful default of the Custodian.

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

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

Modification of the Instrument

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

No alteration to the Instrument may be made unless:

(a) the alteration has been approved by Shareholders by a special resolution (as defined in the Instrument); or

(b) the Custodian certifies in writing that in its opinion the proposed alteration: (i) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (ii) does not materially prejudice Shareholders' interests, does not to any material extent release the Directors, the Manager, the Custodian or any

other person from any liability to Shareholders and does not increase the costs and charges payable from the Scheme Property; or (iii) is necessary to correct a manifest error.

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

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

Meetings of Shareholders

A Shareholder is entitled to appoint another person (whether a Shareholder or not) as a proxy to exercise all or any of the Shareholder's rights to attend and to speak and vote at a general meeting of the Company.

HKSCC may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representatives at any meeting of Shareholders.

Where the Shareholder is a recognised clearing house (within the meaning of the SFO) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any meetings of Shareholders or any meetings of any class of Shareholders in a Sub-Fund provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Shares in respect of which each such person is so authorised. Subject to the terms of the Instrument, the person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual Shareholder.

Voting Rights

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

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

Other matters that require an ordinary resolution being passed would be considered by Shareholders of at least 10% of the Shares in issue and passed by a simple majority of more than 50% of the votes cast. If within half an hour from the time appointed for the

meeting a quorum is not present, the meeting shall stand adjourned to such day and time not being less than 15 days thereafter and to such place as may be appointed by the chairman of the meeting. At such adjourned meeting, the Shareholders present in person or by proxy shall be a quorum. Notice of any adjourned meeting of Shareholders shall be given in the same manner as for an original meeting and such notice shall state that the Shareholders present at the adjourned meeting, whatever their number and the number of Shares held by them, will form a quorum.

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

Removal and Retirement of the Directors

A person ceases to be a Director if the person:

(a) ceases to be a Director or is prohibited from being a Director under the applicable Laws and Regulations or under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

(b) becomes bankrupt or makes any arrangement or composition with the person's creditors generally;

(c) becomes a mentally incapacitated person;

(d) resigns from the office of Director by notice in writing of the resignation of not less than 28 days;

(e) for more than 6 months has been absent without the Directors' permission from Directors' meetings held during that period;

(f) upon the expiry of any period or notice period stated in an agreement for the provision of services between the Company and the Director or if such agreement is summarily terminated in accordance with its terms; or

(g) is removed from the office of Director by an ordinary resolution (as defined in the Instrument).

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

Removal and Retirement of the Manager

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

(i) when it ceases to be eligible to be a Manager or is prohibited from being a Manager under the applicable Laws and Regulations, or when the SFC withdraws its approval of the Manager;

(ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;

(iii) when for good and sufficient reason, the Directors state in writing that a change in the Manager is desirable in the interests of the Shareholders;

(iv) if the Manager commits any material breach of its obligations under the Management Agreement and (if such breach shall be capable of remedy) fails within thirty days of receipt of notice served by the Company requiring it so to do to make good such breach; or

(v) if any law is passed which renders it illegal or, in the opinion of the Directors, impracticable or inadvisable for the Manager to continue to manage the assets of the Company or the Sub-Funds.

Subject to the requirement that the Manager may not retire or be removed or its appointment may not be terminated except upon the appointment of a new manager approved by the SFC, the appointment of the Manager shall automatically terminate forthwith if the Manager becomes or is deemed to become resident for tax purposes or carry on business in any jurisdiction (other than in any place or places as may from time to time be approved by the Directors for such purpose) in circumstances which cause the Company to become liable to pay any taxes which it would not otherwise be liable to pay.

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

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

The Manager may not retire or be removed or its appointment may not be terminated except upon the appointment of a new Manager approved by the SFC.

Removal and Retirement of the Custodian

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

(i) when it ceases to be eligible to be a Custodian or is prohibited from being a Custodian under applicable Laws and Regulations, or when the SFC withdraws its approval of the Custodian;

(ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets; or

(iii) when for good and sufficient reason, the Directors state in writing that a change in the Custodian is desirable in the interests of the Shareholders.

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

The Custodian may not retire or be removed or its appointment may not be terminated 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:

(i) in the case of a Sub-Fund including classes therein, at any date or time the Net Asset Value of the relevant Sub-Fund is less than USD5 million or its equivalent in the base currency of the Sub-Fund;

(ii) in the case of a class only, there are no Shareholders of such class in a Sub-Fund;

(iii) in the case of the Company, at any date or time the Net Asset Value of the Company is less than USD5 million or its equivalent in the base currency of the Company;

(iv) any law shall be passed which renders it illegal or in the reasonable opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund or the Company;

(v) in the case of an Index Tracking Sub-Fund including classes therein, the Index is no longer available for benchmarking;

(vi) in the case of a Sub-Fund including classes therein, if the Shares of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager;

(vii) in the case of a Sub-Fund including classes therein, at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or

(viii) in the case of a Sub-Fund including classes therein, at any time, the relevant Sub-Fund ceases to have any Market Maker.

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

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

(a) no Shares of the relevant class or classes may be issued or sold by the Company;

(b) the Manager shall on the instructions of the Directors realise all the assets then comprised in the relevant Sub-Fund;

(c) distributions shall be made to the Shareholders of the relevant class or classes in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund and available for the purpose of such distribution, provided that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Sub-Fund full provision for all costs, charges, expenses, claims and demands reasonably incurred by or on behalf of the Company, Directors, the Manager or the Custodian in connection with or arising out of the termination of the relevant Sub-Fund; and

(d) any unclaimed proceeds or other monies held by the Custodian in the event of a termination may at the expiration of 12 calendar months from the date upon which the same became payable be paid into court, subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment.

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

Winding Up

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

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

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

(b) may determine how the division is to be carried out between the Shareholders or different classes of Shareholders.

Distribution Policy

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

Inspection of Documents

Copies of the following documents in respect of the Company and the Sub-Funds are available for inspection free of charge at all times during normal office hours at the offices of the Manager and copies thereof may be obtained from the Manager upon the payment of a reasonable fee:

(i) Instrument;

(ii) Management Agreement;

(iii) Custody Agreement;

(iv) Fund Administration Agreement;

(v) Registrar Agreement;

(vi) Service Agreement;

(vii) Conversion Agency Agreement (if any);

(viii) Participation Agreement(s); and

(ix) the most recent annual financial report of the Company and the Sub-Funds (if any) and the most recent interim financial report of the Company and the Sub-Funds (if any).

Part XV of the SFO

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

Anti-money Laundering Regulations

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

(a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or

(b) the application is made through a recognised intermediary.

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

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

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

Certification for Compliance with FATCA or Other Applicable Laws

Each Shareholder (i) will be required to, upon demand by the Company or its agent, provide any form, certification or other information reasonably requested by and acceptable to the Company or its agent 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 or exemption of withholding or backup withholding in any jurisdiction from or through which the Company or a Sub-Fund receives payments and/or (b) to satisfy due diligence, reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer valid, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdictions, including reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Authorities

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

Liquidity Risk Management

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

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption

limitations and the fair valuation policies of each Sub-Fund. These measures seek to ensure fair treatment and transparency for all investors.

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

As a liquidity risk management tool, the Manager may limit the number of Shares of a Sub-Fund redeemed on any Dealing Day to Shares representing 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total number of Shares in such a Sub-Fund then in issue (subject to the conditions under the heading entitled "**Deferred Redemption**" in the section headed "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**").

Index Licence Agreements (Applicable in Respect of Index Tracking Sub-Funds only)

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

Material Changes to an Index (Applicable in Respect of Index Tracking Sub-Funds only)

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

Replacement of an Index (Applicable in Respect of Index Tracking Sub-Funds Only)

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

(a) the relevant Index ceasing to exist;

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

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

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

(e) investing in the Securities and/or Futures Contracts comprised within the Index becomes difficult;

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

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

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

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

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

Information Available on the Internet

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

(a) this Prospectus and the KFS in respect of the Sub-Fund(s) (as revised from time to time);

(b) the latest audited annual and unaudited interim financial reports of the Company and the Sub-Fund(s) (in English only);

(c) any public announcements made by the Manager in respect of the Sub-Fund(s), including information in relation to the Sub-Fund(s) and (where applicable) the Sub-Fund's Index, notices of the suspension of the creation and redemption of Shares, the suspension of the calculation of Net Asset Value, changes in fees and charges and the suspension and resumption of trading of Shares;

(d) any notices relating to material changes to the Sub-Fund(s) that may have an impact on its investors, including notices for material alterations or additions to this Prospectus and KFS of the Sub-Fund(s) or the constitutive documents of the Company and/or a Sub-Fund;

(e) the near real time indicative Net Asset Value per Share of each Sub-Fund in each trading currency of the Sub-Fund (updated every 15 seconds throughout each dealing day) during normal trading hours on the SEHK;

(f) the last Net Asset Value of each Sub-Fund in the relevant base currency and the last Net Asset Value per Share of each Sub-Fund in the relevant base currency and each trading currency of the Sub-Fund (updated on a daily basis on each Dealing Day);

(g) the past performance information of each Sub-Fund;

(h) (in respect of each Index Tracking Sub-Fund) the tracking difference and tracking error of each Sub-Fund;

(i) the full portfolio composition of each Sub-Fund (updated on a monthly basis within one month of the end of each month);

(j) the latest list of the Participating Dealers and Market Makers for each Sub-Fund; and

(k) if applicable to a Sub-Fund, the composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for the last 12 months.

For the VGrowth Digital Payments ETF, VGrowth AI and Automation Active ETF and VGrowth Web3 ETF, the near real time indicative Net Asset Value per Share (in each trading currency of the Sub-Fund) referred to above is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Share in HKD uses a real-time USD:HKD foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Share in USD multiplied by a real-time USD:HKD foreign exchange rate quoted by Solactive AG when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Share in HKD is updated every 15 seconds throughout the SEHK trading hours. Since the near real-time indicative Net Asset Value per Share in USD will not be updated when any underlying share market is closed, any change in the near real-time indicative Net Asset Value per Share in HKD (if any) during such period is solely due to the change in the foreign exchange rate.

The last Net Asset Value per Share (in each trading currency of the Sub-Fund) referred to above is indicative and for reference purposes only and is calculated using the last Net Asset Value per Share in USD multiplied by an assumed foreign exchange rate using the USD:HKD exchange rate quoted by Bloomberg at 4:00 pm (London time) as of the same Dealing Day.

For Index Tracking Sub-Funds, real-time updates about the relevant Index can be obtained through other financial data vendors. Investors should obtain additional and the latest updated information about the relevant Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the relevant Index, any change in the method for compiling and calculating the relevant Index) via the Manager's website at www.vgrowth.hk (this website has not been reviewed by the SFC) and the relevant Index Provider's website. Please refer to the sub-section on "**Website Information**" for the warning and the disclaimer regarding information contained in such website.

Notices

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

Company
VGrowth ETF Series OFC
Unit 2902, 29/F,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong

Manager
VGrowth Securities International Financial Group Limited
Unit 2902, 29/F,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong

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

Website Information

The offer of the Shares is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. Neither the Company, the Manager nor the Custodian accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Company, the Manager and the Custodian in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, the Company's website www.vgrowth.hk (this website has not been reviewed by the SFC). The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

Queries and Complaints

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

Address: Unit 2902, 29/F, China Insurance Group Building
141 Des Voeux Road Central, Hong Kong

Telephone Number: +852 3755 3466

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

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

Hong Kong

Taxation of the Company and Sub-Funds

Profits Tax

Hong Kong profits tax is charged on profits from a trade, profession or business carried on by a person in Hong Kong in respect of profits arising in or derived from Hong Kong ("**Hong Kong Sourced Profits**"). Hong Kong does not levy capital gains tax nor is there any general turnover, sales or value-added tax.

The Company is a publicly offered umbrella open-ended fund company incorporated in Hong Kong and will be managed by the Manager in Hong Kong. The Company and each Sub-Fund should be considered as carrying on a trade or business in Hong Kong and will be prima facie liable to Hong Kong profits tax at the current rate of 16.5% on its Hong Kong Sourced Profits, excluding capital gains. Under the two-tier profits tax rates system in Hong Kong, the profits tax rate for the first HK$2 million of assessable profits of corporations is lowered to 8.25% (i.e. half of the prevailing profits tax rate), subject to certain conditions being met.

For the purpose of the Company and each Sub-Fund, Hong Kong Sourced Profits would generally include profits arising from the disposal of publicly traded securities where the contracts of purchase and/or sales are effected in Hong Kong (the term "effected" in this context refers not only to the execution of contracts or where the investment / divestment decisions are made but also the negotiation and all steps leading to the final conclusion of contracts).

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 ("**IRO**").

The Hong Kong government has revised the foreign-sourced income exemption ("**FSIE**") for certain passive income in order to respond to the European Union's concerns over risks of double non-taxation arising from the general FSIE regime in Hong Kong under the territorial source principle of taxation (i.e. only Hong Kong Sourced Profits would be subject to Hong Kong profits tax). The amendment is in line with the prevailing international tax standard of requiring adequate economic substance for preferential tax treatment.

The Inland Revenue (Amendment) (Taxation on Specified Foreign-Sourced Income) Ordinance 2022 was gazetted on 23 December 2022 and has come into operation from 1 January 2023 with no grandfathering arrangement.

The specified foreign-sourced passive income includes dividend, interest, disposal gains and income from intellectual properties arising in or derived from a territory outside Hong Kong ("**Specified Offshore Passive Income**").

Even though the Company or the Sub-Funds may fall within the definition of "MNE entity" under the new FSIE regime, their foreign-sourced profits from the investment activities can still qualify for tax exemption under section 26A(1A) (a)(i) of the IRO, being authorised as a collective investment scheme under section 104 of the SFO.

Withholding Tax

Distributions paid by the Company and each Sub-Fund to their Shareholders will not be subject to any withholding tax in Hong Kong.

Stamp Duty

Whenever the Company sells or purchases Hong Kong stocks, stamp duty will be imposed at the current rate of 0.10% (effective from 17 November 2023) on the consideration or the fair market value of the stocks (whichever is higher) on each bought note and sold note. The seller and the purchaser (as the case may be for the Company) will each be liable for stamp duty for the respective bought note and sold note of such Hong Kong stocks.

Taxation of the Shareholders

The following is a discussion of certain anticipated Hong Kong tax considerations relating to a prospective Shareholder's investment in the Company. Each prospective Shareholder should seek its own tax advice from an independent tax adviser based on such prospective Shareholder's own particular facts and circumstances.

Profits tax

Hong Kong does not tax gains of a capital nature arising from the sale or other disposal of the Shares in the Company by its Shareholders in general. However, in the case of certain Shareholders (e.g. dealers in securities, financial institutions and insurance companies carrying on a trade or business in Hong Kong), such gains may be considered to be trading gains rather than gains of a capital nature and hence, be subject to Hong Kong profits tax (which is currently imposed at the rate of 16.5% on corporations, and at a rate of 15% on unincorporated businesses), if the gains are considered Hong Kong Sourced Profits. Please note again the two-tier profits tax rates under the two-tier profits tax rates regime.

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).

Stamp Duty

Under the Stamp Duty Ordinance, transfers relating to the allotment of Shares or redemption of Shares are exempt from stamp duty in Hong Kong.

For a transfer effected on or after 13 February 2015 executed for a transaction by which a Share of a Sub-Fund, as an exchange traded fund is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

Shareholders should consult their own professional tax advisors on the possible taxation consequences of subscribing for, buying, holding, redeeming, transferring, selling, or otherwise disposing of the Company and each Sub-Fund's interests.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the "**Ordinance**") came into effect on 30 June 2016. The Ordinance together with the later amendments is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("**AEOI**"). The AEOI comprise, among others, the model Competent Authority Agreement ("**CAA**") and Common Reporting Standard ("**CRS**"). In addition, the IRD published guidance for financial institutions ("**FIs**") on 9 September 2016 which is updated and amended from time to time to provide guidance to them for complying with the CRS obligations. The AEOI requires FIs in Hong Kong to obtain certain information and documentation relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report the required information to the IRD for the purpose of automatic exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in a reportable jurisdiction(s) with which Hong Kong has a CAA in force; however, a Sub-Fund and/or its agents may further obtain information and/or documentation relating to the residents of other jurisdictions that are not resident in a reportable jurisdiction for CRS purposes in Hong Kong.

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

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. A Shareholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Shareholders that are passive non-financial entities as defined under the Ordinance) may be exchanged by the IRD to the competent authorities in the relevant reportable jurisdictions.

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

FATCA and Compliance with US Withholding Requirements

The US Hiring Incentives to Restore Employment Act was signed into US law in March 2010 and includes certain provisions commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA". Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the "**Revenue Code**"), which impose a reporting regime on foreign financial institutions such as the Company and each Sub-Fund with respect to certain payments, including interest and dividends received. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify United States persons (within the meaning of the Revenue Code) ("**US persons**") with direct or indirect interests in such payment. To avoid such withholding on payments made to it, foreign financial institutions (including banks, brokers, custodians and investment funds) (an "**FFI**"), such as the Company and each Sub-Fund will be required to enter into an agreement (an "**FFI Agreement**") with the IRS to be treated as a participating FFI. Participating FFIs are required to identify all investors that are US persons and certain entities that are directly or indirectly owned by US persons and report certain information concerning such US persons to the IRS annually. The FFI

Agreement will also generally require that a participating FFI to deduct and withhold 30% from certain payments made by the participating FFI to investors who fail to cooperate with certain information requests made by the participating FFI or do not consent to FATCA reporting and disclosure to the IRS (referred to as "**recalcitrant account holders**") and may be required to close accounts of such account holders. Moreover, participating FFIs are required to deduct and withhold such payments made to investors that are themselves FFIs but are not compliant with FATCA.

FATCA withholding applies to payments of US source income, including US source dividends and interest, made after 30 June 2014. The 30% withholding may also apply to certain non-US source payments otherwise attributable to amounts that would be subject to FATCA withholding (also known as "foreign passthru payments") in the future. Unless an exemption applies, withholding agents (which includes participating FFIs) will generally be required to begin withholding withholdable payments made after 30 June 2014.

The United States and a number of other jurisdictions have entered into intergovernmental agreements ("**IGAs**"). The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement (the "**Hong Kong IGA**") based on the Model 2 arrangement ("**Model 2 IGA**"). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the Hong Kong IGA, an FFI (including the Company and each Sub-Fund) will not be required to impose FATCA withholding at 30% on payments to recalcitrant account holders or close the accounts of such account holders (provided information regarding such account holders is reported to the IRS as required). Withholding may apply to withholdable payments covered by FATCA if the Company and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA.

The Company has been registered with the IRS as a reporting single FFI with Global Intermediary Identification Number 8BKBL5.99999.SL.344. In order to protect Shareholders and avoid being subject to withholding under FATCA, it is the Company's intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Company and each Sub-Fund (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Shareholder to the IRS or the local authorities pursuant to the terms of the IGA (as the case may be), including certain Shareholders who fail to provide the information and documents required to identify their FATCA status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. As at the date of this Prospectus, all Shares are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

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

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

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

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

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

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

APPENDIX 1 – VGROWTH DIGITAL PAYMENTS ETF

Key Information

Set out below is a summary of key information in respect of VGrowth Digital Payments ETF (the "**Sub-Fund**") which should be read together with the full text of this Appendix and the Prospectus.

The Sub-Fund is an actively managed fund falling within Chapter 8.10 of the UT Code.

Investment Objective	To achieve long term capital growth by primarily investing in companies which are directly or indirectly involved in the provision of digital payment products and/or services.
Initial Offer Period	9:00 a.m. (Hong Kong time) on 12 June 2024 to 4:00 p.m. (Hong Kong time) on 14 June 2024, or such other date as the Manager may determine
Initial Issue Date	18 June 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD 1, or such other price as the Manager may determine
Listing Date (SEHK)	Expected to be 19 June 2024
Exchange Listing	SEHK – Main Board
Stock Code	3412
Short Stock Name	A VGROWTH DP
Trading Board Lot Size	100 Shares
Base Currency	USD
Trading Currency	HKD
Distribution Policy	Annually (usually in December of each year) subject to the Manager's discretion. Distributions (if any) may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore distributions may be paid effectively out of capital. Distributions on any Shares will be in HKD only. There is no guarantee of regular distribution nor the amount being distributed (if any).
Creation/Redemption Policy	Cash (USD) only

Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof)
Dealing Deadline	12:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Participating Dealer(s)^	• China Merchants Securities (HK) Co., Limited • Haitong International Securities Company Limited • Mirae Asset Securities (HK) Limited • GF Securities (Hong Kong) Brokerage Limited
Market Maker(s)^	• China Merchants Securities (HK) Co., Limited
Management Fee	Up to 1.00% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.68% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One week's prior notice will be provided to investors if the management fee is increased up to and towards the maximum rate, and one month's prior notice will be provided to investors if the management fee is increased beyond the maximum rate.
Financial Year End	31 December each year (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2025 and the year ending 31 December 2024 respectively.)
Website	www.vgrowth.hk (this website has not been reviewed by the SFC)

^ Please refer to the Manager's website set out above for the latest list of Participating Dealer(s) and Market Maker(s).

Investment Objective

The Sub-Fund's investment objective is to achieve long term capital growth by primarily investing in companies which are directly or indirectly involved in the provision of digital payment products and/or services (the "**Digital Payment Business**").

Investment Strategy

In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund will invest primarily (i.e. at least 70% of its Net Asset Value) in equities of companies which are directly or indirectly involved in the Digital Payment Business. The securities which the Sub-Fund will invest in may include (i) listed equities; (ii) American Depositary Receipts ("**ADRs**"); and (iii) Global Depositary Receipts ("**GDRs**") listed on any exchange globally.

In assessing whether a company is involved in the Digital Payment Business, the Manager takes into consideration multiple qualitative and quantitative assessment criteria, including, among other things, the proportion of revenue/profit generated from the Digital Payment Business, the ratio of the research and development expense relating to the Digital Payment Business to revenue, and the business plans in the Digital Payment Business of the company. The Manager's assessment is based on the information in publications (such as financial reports, presentations and research reports) relating to the company. The Manager will conduct regular reviews on whether the companies in the existing portfolio holdings of the Sub-Fund are still involved in the Digital Payment Business, and perform necessary portfolio adjustments as necessary.

Companies which are directly involved in the Digital Payment Business may include those which (i) engage in providing payment processing services or applications; (ii) provide payment solutions (e.g. smartcards, prepaid cards, virtual wallets and cryptocurrency payment gateways); (iii) build or provide payment industry system, infrastructure or software; or (iv) provide services as a card payment network. Companies which are indirectly involved in the Digital Payment Business may include those which provide ancillary services to companies directly related to the Digital Payment Business, such as platforms that allow merchants to manage multi-channel payments in one system and transaction security (e.g., tokenisation, end-to-end encryption). For the avoidance of doubt, the above is a non-exhaustive illustration of companies that may be involved in the Digital Payment Business in which the Sub-Fund will primarily invest.

The Manager will use a bottom-up research approach in stock selection, meaning that each stock will be selected by the Manager for inclusion in the Sub-Fund's portfolio based on its individual merits.

The Sub-Fund is not subject to any requirement to invest a minimum portion of its Net Asset Value in any one country or region, or any limitation on the market capitalisation of the companies in which it may invest.

The Sub-Fund will invest less than 30% of its Net Asset Value in A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The Sub-Fund will invest less than 30% of its Net Asset Value in other collective investment schemes/funds (including ETFs) related to the Digital Payment Business theme.

The Sub-Fund will not invest directly or indirectly in virtual assets (including cryptocurrencies).

Other Investments

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

The Sub-Fund will not use derivatives for any purposes.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 12 June 2024 and ends at 4:00 p.m. (Hong Kong time) on 14 June 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 19 June 2024.

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

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

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

After Listing

"**After Listing**" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 19 June 2024.

All investors may buy and sell Shares in the secondary market on the SEHK. Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:00 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day.

The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences

• Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 12 June 2024
• Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 14 June 2024

After listing (period commences on the Listing Date)

• All investors may start trading Shares on the SEHK through any designated brokers; and	• Commence at 9:30 a.m. (Hong Kong time) on 19 June 2024
• Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• 9:00 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day

Exchange Listing and Trading (Secondary Market)

The Listing Committee of the SEHK has granted its approval for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 19 June 2024.

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

Distribution Policy

The Manager intends to declare and distribute net dividends to Shareholders annually (usually in December of each year) subject to the Manager's discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount. 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.

Distributions (if declared) will be declared in the trading currency of the Sub-Fund (i.e. HKD) only.

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 in 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 www.vgrowth.hk.

Dealing Day, Business Day, and Valuation Point

The "**Business Day**" of the Sub-Fund means, unless the Manager otherwise determines, a day on which (i) the SEHK is open for normal trading; (ii) the NYSE, the NASDAQ or the American Stock Exchange are open for normal trading; and (iii) the Northbound Trading Links under the Stock Connect are open for normal trading, or such other day or days as the Manager may agree from time to time provided that if on any such day, the period during which the relevant Market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal or higher, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager determines otherwise.

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

The "**Valuation Point**" of the Sub-Fund means the official close of trading of the last relevant Market on which the Sub-Fund's investments are traded on each Dealing Day or as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Shares.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.68% per annum of the Net Asset Value of the Sub-Fund.

The Management Fee may be increased up to the maximum rate of 1.00% per annum of the Net Asset Value of the Sub-Fund (the "**Maximum Management Fee Rate**"), on one week's notice to Shareholders.

In the event that such fee is to be increased beyond the Maximum Management Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to Shareholders.

Custodian and Fund Administration Fee

An aggregate fee of up to 0.12% per annum of the Sub-Fund's Net Asset Value^ is payable to the Custodian and the Administrator, accrued daily and payable monthly in arrears, subject to a monthly minimum fee of USD4,500. The maximum rate of the aggregate fee is 1% per annum of Net Asset Value of the Sub-Fund (the "**Maximum Custodian and Fund Administration Fee Rate**"). The Custodian and the Administrator may, on giving not less than one week's written notice to the relevant Shareholders, increase the rate of the aggregate fee payable in respect of the Sub-Fund up to or towards the Maximum Custodian and Fund Administration Fee Rate. In the event that the aggregate fee is to be increased beyond the Maximum Custodian and Fund Administration Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to relevant Shareholders.

^ Within this rate, the actual fee charged to the Sub-Fund may vary depending on the countries, regions or markets in which the underlying investments of the Sub-Fund are traded.

The Custodian and the Administrator are also entitled to receive various safekeeping, transaction and processing fees and other applicable fees as remuneration for providing the relevant services to the Sub-Fund as agreed with the Company from time to time and to be reimbursed by the Sub-Fund for all out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Custodian and/or the Administrator in the performance of their respective duties (including, but are not limited to, sub-custody fees and expenses, stamp duties, transaction levies and other market costs).

Transaction Fee Payable to the Administrator

The Participating Dealers pay USD1,300 per Application to the Custodian or the Administrator for the benefit of the Administrator. A Participating Dealer may pass on to the relevant investor such transaction fee payable to the Administrator.

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates. Such institutional market rates vary with the Security and the market on which the Security is traded.

Establishment Costs

Please refer to the sub-section "**Establishment Costs**" under the section of "**FEES AND CHARGES**" in Part 1 of this Prospectus on the establishment costs of the Sub-Fund.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Active Investment Management risk

The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-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 Sub-Fund will be based on the Manager's view of market conditions and international investment trends and environment. The Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the implementation of processes which may cause the Sub-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 Sub-Fund or may lose a substantial part or all of their initial investment.

Sector Concentration Risk

Due to the concentration of the Sub-Fund's investments in companies involved in the Digital Payment Business, the performance of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Risks Associated with Companies Involved in the Digital Payment Business

Companies involved in the Digital Payment Business face intense competition, both domestically and internationally, and are subject to increasing regulatory constraints, particularly with respect to fees, competition and anti-trust matters, cybersecurity and privacy. Companies involved in the Digital Payment Business may be highly dependent on their ability to enter into agreements with merchants and other third parties to utilise a particular payment method, system, software or service, and such agreements may be

subject to increased regulatory scrutiny. Additionally, certain companies involved in the Digital Payment Business have recently faced increased costs related to class-action litigation challenging such agreements. Such factors may adversely affect the profitability and value of such companies and the performance of the Sub-Fund.

Many of the companies involved in the Digital Payment Business with a high business exposure to fintech (such as digital payments) have a relatively short operating history. Such companies also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these companies. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences.

Companies engaged in the Digital Payment Business may belong to the financial sector. Companies in the financial sector are subject to extensive governmental regulation. The financial services sector is more exposed to risks that are peculiar to this sector, including risk of operating with substantial financial leverage, fluctuations in interest rates, availability of money or asset valuations and conditions in other related markets. This may affect the performance of the Sub-Fund.

Risk Associated with Small and Mid-capitalisation Companies

The Sub-Fund may invest in small and/or mid-sized companies. The stock of small and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Risk Associated with High Volatility of the Equity Market in Certain Countries/ Regions

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

Risk Associated with Regulatory/Exchanges Requirements/Policies of the Equity Market in Certain Countries/Regions

Securities exchanges in certain countries / regions typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

Risks Relating to Funds Investing in Companies Listed on Boards with Generally Lower Listing Eligibility Criteria than Main Boards (e.g. ChiNext Market, the Science and Technology Innovation Board)

Companies listed on boards with generally lower listing eligibility criteria than main boards are usually of emerging nature with a smaller operating scale. The rules and regulations regarding companies listed on such boards may be less stringent in terms of

matters such as profitability, track record and share capital than those on the main boards. Hence, investments in such boards may be subject to higher fluctuations in stock prices as well as liquidity, over-valuation and delisting risks, and may result in significant losses for the fund and its investors.

Risks Associated with the Stock Connect

The Sub-Fund's investments through the Stock Connect may be subject to the following risks.

Quota limitations

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Sub-Fund's ability to invest in A-Shares through the Stock Connect may be affected.

Suspension risk

It is contemplated that both the SEHK and the SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading is effected, the Sub-Fund's ability to access the Mainland China market through the Stock Connect will be adversely affected.

Differences in trading day

The Stock Connect will only operate on days when both Mainland China and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors (such as the Sub-Fund) cannot carry out any A-Shares trading. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuation in A-Shares on a day that Mainland China markets are open for trading but the Hong Kong stock market is closed.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the Mainland China stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to

changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks

If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Manager's ability to select a stock with the aim of achieving the investment objective of the Sub-Fund.

Clearing and settlement risk

The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Sub- Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Fund may be adversely affected as a result of such changes.

Coverage of China Securities Investor Protection Fund

Investment through the Stock Connect is conducted through broker(s) and is subject to the risks of default by such brokers' in their obligations. Since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in Mainland China.

Participation in corporate actions and shareholders' meetings

HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one

business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities and SZSE Securities traded via Stock Connect program through their brokers or custodians. According to existing practice in Mainland China, multiple proxies are not available. Therefore, the Sub-Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and SZSE Securities.

Risks Associated with ADRs and GDRs

Exposure to ADRs and GDRs may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of ADRs and GDRs, although segregation is an integral part of the depositary agreement regulating the issuance of the ADRs and GDRs. In such case, the most likely scenario would be the trading suspension and thereafter a freeze of the price of the ADRs and GDRs impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the ADRs and GDRs may negatively affect the performance and/or the liquidity of the Sub-Fund. There are fees related to ADRs and GDRs, for example fees charged by banks for the custody of underlying assets of ADRs and GDRs, which may impact the performance of the ADRs and GDRs. Also, holders of ADRs and GDRs are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The Sub-Fund may also be subject to liquidity risk as ADRs and GDRs are often less liquid than the corresponding underlying stocks.

In addition, there is a risk that the ADRs and GDRs of Mainland Chinese companies may be delisted as a result of regulatory actions by the local government and/or stock exchange. In such an event, the value of such ADRs and GDRs may be adversely affected as such ADRs and GDRs could become difficult to trade and to value, and certain investors may not be allowed to invest in such ADRs and GDRs. This may in turn have an adverse impact on the Net Asset Value of the Sub-Fund.

Risk Associated with Eurozone

In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Sub-Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Sub-Fund.

Risk Associated with Investing in Other Collective Investment Schemes/Funds

Additional fees associated with investing in underlying funds: The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases including performance fees) charged by their management

companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by the Sub-Fund when it subscribes to or redeems out of such underlying funds. Whilst the Manager will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by the Sub-Fund.

Regulatory risk: The underlying funds in which the Sub-Fund may invest may not be regulated by the SFC.

Investment objective risk: Although the Manager will use due diligence procedures to select and monitor underlying funds, the Sub-Fund does not have control of the investments of the underlying funds and there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

Delays in meeting redemption requests risk: Where the underlying funds are not able to meet redemption requests of the Sub-Fund, the Sub-Fund will be subject to liquidity risks, and may suffer losses as a result of delays in receiving redemption proceeds.

Trading Time Differences Risk

As the stock exchanges in certain regions on which the underlying Securities of the Sub-Fund are listed may be open when the Shares in the Sub-Fund are not priced, the value of the Securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Furthermore, the market price of underlying Securities listed on the above stock exchanges which are 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 Sub-Fund deviating away from the Net Asset Value. Shares listed on certain stock exchanges may be subject to trading bands which restrict increases and decreases in the trading price. Shares listed on the SEHK are not. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from this difference and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

Currency Risk

The Sub-Fund's base currency is in USD but the Shares are traded in HKD. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between USD and HKD. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between HKD and the base currency when trading Shares in the secondary market.

Assets of the Sub-Fund may be denominated in currencies other than USD (the base currency of the Sub-Fund). The Sub-Fund is subject to the fees and charges associated with the conversion of such other currencies to USD after receiving the proceeds of sale of the underlying investments, and vice versa when purchasing the underlying investments. The performance and the Net Asset Value of the Sub-Fund may therefore be

affected unfavourably by movements in the exchange rate between USD and such other currencies and changes in exchange rate control policies.

RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions and/or dividend payments in RMB. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Proprietary Investment/Seed Money Risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may
(i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Operating Risk

The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Instrument and as summarised the sub-section "**Termination (otherwise than by winding up)**" under the section "**STATUTORY AND GENERAL INFORMATION**" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Other Risks

These include risks arising due to force majeure, such as war and natural disaster, and financial market crisis, industrial competition, agency default and other risks beyond the direct control of the Manager.

Appendix dated [DATE TO BE CONFIRMED]

Key Information

Set out below is a summary of key information in respect of VGrowth AI and Automation Active ETF (the "**Sub-Fund**") which should be read together with the full text of this Appendix and the Prospectus.

The Sub-Fund is an actively managed fund falling within Chapter 8.10 of the UT Code.

Investment Objective	To achieve long term capital growth by primarily investing in companies which focus on productising and developing hardware and software products which enables, engages in or enhances the use of artificial intelligence and automation.
Initial Offer Period	9:00 a.m. (Hong Kong time) on 12 June 2024 to 4:00 p.m. (Hong Kong time) on 14 June 2024, or such other date as the Manager may determine
Initial Issue Date	18 June 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD 1, or such other price as the Manager may determine
Listing Date (SEHK)	Expected to be 19 June 2024
Exchange Listing	SEHK – Main Board
Stock Code	3413
Short Stock Name	A VGROWTH AI
Trading Board Lot Size	100 Shares
Base Currency	USD
Trading Currency	HKD
Distribution Policy	Annually (usually in December of each year) subject to the Manager's discretion. Distributions (if any) may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore distributions may be paid effectively out of capital. Distributions on any Shares will be in HKD only. There is no guarantee of regular distribution nor the amount being distributed (if any).
Creation/Redemption Policy	Cash (USD) only

Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof)
Dealing Deadline	12:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Participating Dealer(s)^	• China Merchants Securities (HK) Co., Limited • Haitong International Securities Company Limited • Mirae Asset Securities (HK) Limited • GF Securities (Hong Kong) Brokerage Limited
Market Maker(s)^	• China Merchants Securities (HK) Co., Limited
Management Fee	Up to 1.00% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.68% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One week's prior notice will be provided to investors if the management fee is increased up to and towards the maximum rate, and one month's prior notice will be provided to investors if the management fee is increased beyond the maximum rate.
Financial Year End	31 December each year (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2025 and the year ending 31 December 2024 respectively.)
Website	www.vgrowth.hk (this website has not been reviewed by the SFC)

^ Please refer to the Manager's website set out above for the latest list of Participating Dealer(s) and Market Maker(s).

Investment Objective

The Sub-Fund's investment objective is to achieve long term capital growth by primarily investing in companies which focus on productising and developing hardware and software products which enables, engages in or enhances the use of artificial intelligence and automation (the "**AI and Automation Business**").

Investment Strategy

In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund will invest primarily (i.e. at least 70% of its Net Asset Value) in equities of companies which are involved in the AI and Automation Business. The securities which the Sub-Fund will invest in may include (i) listed equities; (ii) American Depositary Receipts ("**ADRs**"); and (iii) Global Depositary Receipts ("**GDRs**") listed on any exchange globally.

In assessing whether a company is involved in the AI and Automation Business, the Manager takes into consideration multiple qualitative and quantitative assessment criteria, including, among other things, the proportion of revenue/profit generated from the AI and Automation Business, the ratio of the research and development expense relating to the AI and Automation Business to revenue, and the business plans in the AI and Automation Business of the company. The Manager's assessment is based on the information in publications (such as financial reports, presentations and research reports) relating to the company. The Manager will conduct regular reviews on whether the companies in the existing portfolio holdings of the Sub-Fund are still involved in the AI and Automation Business, and perform necessary portfolio adjustments as necessary.

The following is a non-exhaustive list of categories of companies that may be involved in AI and Automation Business in which the Sub-Fund will primarily invest:

(i) Companies that develop the building block components for artificial intelligence or automation, such as advanced machinery, autonomous systems/self-driving vehicles, semiconductors and databases used for machine learning.

(ii) Companies that design, create, integrate, or deliver artificial intelligence and/or automation in the form of products, software, or systems, such as developers of hardware and software products which facilitate the automation in the technology, industrial, medical and other economic sectors.

(iii) Companies that provide their own value-added services within the artificial intelligence and automation ecosystem, but such services are not core to the companies' primary product or service offering, such as automobile makers which provide autonomous driving technology, and e-commerce businesses and social media platforms which use artificial intelligence to improve their services.

The Manager will use a bottom-up research approach in stock selection, meaning that each stock will be selected by the Manager for inclusion in the Sub-Fund's portfolio based on its individual merits.

The Sub-Fund is not subject to any requirement to invest a minimum portion of its Net Asset Value in any one country or region, or any limitation on the market capitalisation of the companies in which it may invest.

The Sub-Fund will invest less than 30% of its Net Asset Value in A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The Sub-Fund will invest less than 30% of its Net Asset Value in other collective investment schemes/funds (including ETFs) related to the AI and Automation Business theme.

The Sub-Fund will not invest directly or indirectly in virtual assets (including cryptocurrencies).

Other Investments

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

The Sub-Fund will not use derivatives for any purposes.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 12 June 2024 and ends at 4:00 p.m. (Hong Kong time) on 14 June 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 19 June 2024.

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

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

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

After Listing

"**After Listing**" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 19 June 2024.

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

redemption of Shares in the primary market in Application Share size, from 9:00 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day.

The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences

• Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 12 June 2024
• Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 14 June 2024

After listing (period commences on the Listing Date)

• All investors may start trading Shares on the SEHK through any designated brokers; and	• Commence at 9:30 a.m. (Hong Kong time) on 19 June 2024
• Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• 9:00 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day

Exchange Listing and Trading (Secondary Market)

The Listing Committee of the SEHK has granted its approval for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 19 June 2024.

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

Distribution Policy

The Manager intends to declare and distribute net dividends to Shareholders annually (usually in December of each year) subject to the Manager's discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount. 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.

Distributions (if declared) will be declared in the trading currency of the Sub-Fund (i.e. HKD) only.

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 in 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 www.vgrowth.hk.

Dealing Day, Business Day, and Valuation Point

The "**Business Day**" of the Sub-Fund means, unless the Manager otherwise determines, a day on which (i) the SEHK is open for normal trading; (ii) the NYSE, the NASDAQ or the American Stock Exchange are open for normal trading; and (iii) the Northbound Trading Links under the Stock Connect are open for normal trading, or such other day or days as the Manager may agree from time to time provided that if on any such day, the period during which the relevant Market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal or higher, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager determines otherwise.

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

The "**Valuation Point**" of the Sub-Fund means the official close of trading of the last relevant Market on which the Sub-Fund's investments are traded on each Dealing Day or as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Shares.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.68% per annum of the Net Asset Value of the Sub-Fund.

The Management Fee may be increased up to the maximum rate of 1.00% per annum of the Net Asset Value of the Sub-Fund (the "**Maximum Management Fee Rate**"), on one week's notice to Shareholders.

In the event that such fee is to be increased beyond the Maximum Management Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to Shareholders.

Custodian and Fund Administration Fee

An aggregate fee of up to 0.12% per annum of the Sub-Fund's Net Asset Value^ is payable to the Custodian and the Administrator, accrued daily and payable monthly in arrears, subject to a monthly minimum fee of USD4,500. The maximum rate of the aggregate fee is 1% per annum of Net Asset Value of the Sub-Fund (the "**Maximum Custodian and Fund Administration Fee Rate**"). The Custodian and the Administrator may, on giving not less than one week's written notice to the relevant Shareholders, increase the rate of the aggregate fee payable in respect of the Sub-Fund up to or towards the Maximum Custodian and Fund Administration Fee Rate. In the event that the aggregate fee is to be increased beyond the Maximum Custodian and Fund Administration Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to relevant Shareholders.

^ Within this rate, the actual fee charged to the Sub-Fund may vary depending on the countries, regions or markets in which the underlying investments of the Sub-Fund are traded.

The Custodian and the Administrator are also entitled to receive various safekeeping, transaction and processing fees and other applicable fees as remuneration for providing the relevant services to the Sub-Fund as agreed with the Company from time to time and to be reimbursed by the Sub-Fund for all out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Custodian and/or the Administrator in the performance of their respective duties (including, but are not limited to, sub-custody fees and expenses, stamp duties, transaction levies and other market costs).

Transaction Fee Payable to the Administrator

The Participating Dealers pay USD1,300 per Application to the Custodian or the Administrator for the benefit of the Administrator. A Participating Dealer may pass on to the relevant investor such transaction fee payable to the Administrator.

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates. Such institutional market rates vary with the Security and the market on which the Security is traded.

Establishment Costs

Please refer to the sub-section "**Establishment Costs**" under the section of "**FEES AND CHARGES**" in Part 1 of this Prospectus on the establishment costs of the Sub-Fund.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Active Investment Management Risk

The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-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 Sub-Fund will be based on the Manager's view of market conditions and international investment trends and environment. The Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the implementation of processes which may cause the Sub-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 Sub-Fund or may lose a substantial part or all of their initial investment.

Sector Concentration Risk

Due to the concentration of the Sub-Fund's investments in companies involved in the AI and Automation Business, the performance of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Risks Associated with Companies Involved in the AI and Automation Business

The Sub-Fund invests primarily in the equity securities of companies involved in the AI and Automation Business and, as such, is particularly sensitive to risks associated with those types of companies. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation.

(i) Stock prices of artificial intelligence and automation companies, especially companies which have a relatively small market capitalisation and limited operating history, tend to be more volatile than securities of companies that do not rely heavily on technology.

(ii) Rapid change to technologies that affect a company's products could have a material adverse effect on such company's operating results.

(iii) Artificial intelligence and automation companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology.

(iv) Increasing global regulatory scrutiny in relation to the collection, storage and usage of data may also impede the development of new artificial intelligence and automation products, hamper the commercial rollout of such products and affect the market demand.

Companies in the artificial intelligence and automation sector also typically rely on heavy and significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products. Furthermore, as the artificial intelligence and automation sector may be deemed sensitive to national interests, the sector may be subject to government intervention, sanctions and trade protectionism. The success of companies in the artificial intelligence and automation sector is typically dependent on the companies' ability to maintain relationships with their technology partners. If a company's relationship with a technology partner were impaired or terminated, the company may not be able to enter into a new technology alliance on a timely basis or on commercially favourable terms, which could result in significant additional cost or disruptions to its businesses.

Risk Associated with Small and Mid-capitalisation Companies

The Sub-Fund may invest in small and/or mid-sized companies. The stock of small and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Risk Associated with High Volatility of the Equity Market in Certain Countries/ Regions

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

Risk Associated with Regulatory/Exchanges Requirements/Policies of the Equity Market in Certain Countries/Regions

Securities exchanges in certain countries / regions typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

Risks Relating to Funds Investing in Companies Listed on Boards with Generally Lower Listing Eligibility Criteria than Main Boards (e.g. ChiNext Market, the Science and Technology Innovation Board)

Companies listed on boards with generally lower listing eligibility criteria than main boards are usually of emerging nature with a smaller operating scale. The rules and regulations regarding companies listed on such boards may be less stringent in terms of matters such as profitability, track record and share capital than those on the main boards. Hence, investments in such boards may be subject to higher fluctuations in stock prices as well as liquidity, over-valuation and delisting risks, and may result in significant losses for the fund and its investors.

Risks Associated with the Stock Connect

The Sub-Fund's investments through the Stock Connect may be subject to the following risks.

Quota limitations

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Sub-Fund's ability to invest in A-Shares through the Stock Connect may be affected.

Suspension risk

It is contemplated that both the SEHK and the SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading is effected, the Sub-Fund's ability to access the Mainland China market through the Stock Connect will be adversely affected.

Differences in trading day

The Stock Connect will only operate on days when both Mainland China and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors (such as the Sub-Fund) cannot carry out any A-Shares trading. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuation in A-Shares on a day that Mainland China markets are open for trading but the Hong Kong stock market is closed.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the Mainland China stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks

If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Manager's ability to select a stock with the aim of achieving the investment objective of the Sub-Fund.

Clearing and settlement risk

The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Sub- Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in

Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Fund may be adversely affected as a result of such changes.

Coverage of China Securities Investor Protection Fund

Investment through the Stock Connect is conducted through broker(s) and is subject to the risks of default by such brokers' in their obligations. Since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in Mainland China.

Participation in corporate actions and shareholders' meetings

HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities and SZSE Securities traded via Stock Connect program through their brokers or custodians. According to existing practice in Mainland China, multiple proxies are not available. Therefore, the Sub-Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and SZSE Securities.

Risks Associated with ADRs and GDRs

Exposure to ADRs and GDRs may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of ADRs and GDRs, although segregation is an integral part of the depositary agreement regulating the issuance of the ADRs and GDRs. In such case, the most likely scenario would be the trading suspension and thereafter a freeze of the price of the ADRs and GDRs impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the ADRs and GDRs may negatively affect the performance and/or the liquidity of the Sub-Fund. There are fees related to ADRs and GDRs, for example fees charged by banks for the custody of underlying assets of ADRs and GDRs, which may impact the performance of the ADRs and GDRs. Also, holders of ADRs and GDRs are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The Sub-Fund may also be

subject to liquidity risk as ADRs and GDRs are often less liquid than the corresponding underlying stocks.

In addition, there is a risk that the ADRs and GDRs of Mainland Chinese companies may be delisted as a result of regulatory actions by the local government and/or stock exchange. In such an event, the value of such ADRs and GDRs may be adversely affected as such ADRs and GDRs could become difficult to trade and to value, and certain investors may not be allowed to invest in such ADRs and GDRs. This may in turn have an adverse impact on the Net Asset Value of the Sub-Fund.

Risk Associated with Eurozone

In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Sub-Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Sub-Fund.

Risk Associated with Investing in Other Collective Investment Schemes/Funds

Additional fees associated with investing in underlying funds: The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases including performance fees) charged by their management companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by the Sub-Fund when it subscribes to or redeems out of such underlying funds. Whilst the Manager will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by the Sub-Fund.

Regulatory risk: The underlying funds in which the Sub-Fund may invest may not be regulated by the SFC.

Investment objective risk: Although the Manager will use due diligence procedures to select and monitor underlying funds, the Sub-Fund does not have control of the investments of the underlying funds and there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

Delays in meeting redemption requests risk: Where the underlying funds are not able to meet redemption requests of the Sub-Fund, the Sub-Fund will be subject to liquidity risks, and may suffer losses as a result of delays in receiving redemption proceeds.

Trading Time Differences Risk

As the stock exchanges in certain regions on which the underlying Securities of the Sub-Fund are listed may be open when the Shares in the Sub-Fund are not priced, the value of the Securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Furthermore, the market price of underlying Securities listed on the above stock exchanges which are 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 Sub-Fund deviating away from the Net Asset Value. Shares listed on certain stock exchanges may be subject to trading bands which restrict increases and decreases in the trading price. Shares listed on the SEHK are not. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from this difference and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

Currency Risk

The Sub-Fund's base currency is in USD but the Shares are traded in HKD. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between USD and HKD. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between HKD and the base currency when trading Shares in the secondary market.

Assets of the Sub-Fund may be denominated in currencies other than USD (the base currency of the Sub-Fund). The Sub-Fund is subject to the fees and charges associated with the conversion of such other currencies to USD after receiving the proceeds of sale of the underlying investments, and vice versa when purchasing the underlying investments. The performance and the Net Asset Value of the Sub-Fund may therefore be affected unfavourably by movements in the exchange rate between USD and such other currencies and changes in exchange rate control policies.

RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions and/or dividend payments in RMB. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Proprietary Investment/Seed Money Risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may
(i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset

Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Operating Risk

The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Instrument and as summarised the sub-section "**Termination (otherwise than by winding up)**" under the section "**STATUTORY AND GENERAL INFORMATION**" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Other Risks

These include risks arising due to force majeure, such as war and natural disaster, and financial market crisis, industrial competition, agency default and other risks beyond the direct control of the Manager.

Appendix dated [DATE TO BE CONFIRMED]

Key Information

Set out below is a summary of key information in respect of VGrowth Web3 ETF (the "**Sub-Fund**") which should be read together with the full text of this Appendix and the Prospectus.

The Sub-Fund is an actively managed fund falling within Chapter 8.10 of the UT Code.

Investment Objective	To achieve long term capital growth by primarily investing in companies which engage in activities relating to or provide products, services or technologies that enable the development and operation of the Web3 (as defined below), or are positioned to benefit from the development, advancement and use of the Web3.
Initial Offer Period	9:00 a.m. (Hong Kong time) on 12 June 2024 to 4:00 p.m. (Hong Kong time) on 14 June 2024, or such other date as the Manager may determine
Initial Issue Date	18 June 2024, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD 1, or such other price as the Manager may determine
Listing Date (SEHK)	Expected to be 19 June 2024
Exchange Listing	SEHK – Main Board
Stock Code	3426
Short Stock Name	A VGROWTH WEB3
Trading Board Lot Size	100 Shares
Base Currency	USD
Trading Currency	HKD
Distribution Policy	Annually (usually in December of each year) subject to the Manager's discretion. Distributions (if any) may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore distributions may be paid effectively out of capital. Distributions on any Shares will be in HKD only. There is no guarantee of regular distribution nor the amount being distributed (if any).

Creation/Redemption Policy	Cash (USD) only
Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof)
Dealing Deadline	12:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Participating Dealer(s)^	• China Merchants Securities (HK) Co., Limited • Mirae Asset Securities (HK) Limited • GF Securities (Hong Kong) Brokerage Limited
Market Maker(s)^	• China Merchants Securities (HK) Co., Limited
Management Fee	Up to 1.00% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.68% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One week's prior notice will be provided to investors if the management fee is increased up to and towards the maximum rate, and one month's prior notice will be provided to investors if the management fee is increased beyond the maximum rate.
Financial Year End	31 December each year (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2025 and the year ending 31 December 2024 respectively.)
Website	www.vgrowth.hk (this website has not been reviewed by the SFC)

^ Please refer to the Manager's website set out above for the latest list of Participating Dealer(s) and Market Maker(s).

Investment Objective

The Sub-Fund's investment objective is to achieve long term capital growth by primarily investing in companies which engage in activities relating to or provide products, services or technologies that enable the development and operation of the Web3 (as defined below), or are positioned to benefit from the development, advancement and use of the Web3 (the "**Web3 Business**").

Investment Strategy

In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund will invest primarily (i.e. at least 70% of its Net Asset Value) in equities of companies which are involved in the Web3 Business. The securities which the Sub-Fund will invest in may include (i) listed equities; (ii) American Depositary Receipts ("**ADRs**"); and (iii) Global Depositary Receipts ("**GDRs**") listed on any exchange globally.

In assessing whether a company is involved in the Web3 Business, the Manager takes into consideration multiple qualitative and quantitative assessment criteria, including, among other things, the proportion of revenue/profit generated from the Web3 Business, the ratio of the research and development expense relating to the Web3 Business to revenue, and the business plans in the Web3 Business of the company. The Manager's assessment is based on the information in publications (such as financial reports, presentations and research reports) relating to the company. The Manager will conduct regular reviews on whether the companies in the existing portfolio holdings of the Sub-Fund are still involved in the Web3 Business, and perform necessary portfolio adjustments as necessary.

The term "**Web3**"[9] refers to an evolution in the core architecture of the internet that leverages blockchain technology to make the internet more decentralized, secure, open, and oriented around individuals, as opposed to centralized platforms. Web3 technologies enhance the ability of users to own data and property in the digital world without relying on centralized intermediaries. To explain the blockchain technology which is essential to the development of Web3, the term "**blockchain**" refers to a peer-to-peer distributed ledger[10] that is secured using cryptography. Blockchain derives its name from the way it stores transaction data in blocks that are linked together to form a chain. As the number of transactions grows, so does the blockchain. Blocks record and confirm the time and sequence of transactions, which are then logged into the blockchain network, which is, with respect to public blockchains, governed by rules agreed on by the network participants. Blockchain technologies may be utilised to support or enhance Web3 Business and its operations, e.g. to prevent fraud and unauthorised activities and to improve traceability of information by creating encrypted and immutable records.

The following is a non-exhaustive list of categories of companies that may be involved in the Web3 Business in which the Sub-Fund will primarily invest:

(i) Web3 finance – Companies which facilitate the ownership, transfer, trading, lending, or use of Web3 digital assets and cryptocurrencies in a financial manner.

[9] "**Web1**", emerged in the 1990s and was built on static web pages with limited interaction between users and content creators. "**Web2**" followed in the 2000s, built on responsive webpages offering interactivity, social connectivity, and user-generated content.

[10] A distributed ledger is a shared electronic database where information (such as transaction data) is recorded and stored across multiple computers; a blockchain is one type of distributed ledger.

(ii) Web3 infrastructure providers – Companies which provide technological capabilities that will be in high demand in a Web3-enabled world. These capabilities include privacy, computation and storage, cybersecurity, networking technology, graphical processing, computing facilities and equipment, hashrate[11], application programming interfaces, and distributed bandwidth.

(iii) Web3-enabled creator economy – Companies of which the future growth prospects depend on helping individuals create, promote, design, build or sell goods and services on the internet in a manner that the individual seller retains control over the relationship with the buyer, rather than the platform retaining control over the relationship with the buyer.

(iv) Web3-enabled Metaverse[12] and digital worlds – Companies which directly benefit from the growth or participate in the design of the open and interconnected immersive digital worlds.

(v) Web3 development and governance – Companies that contribute to development and governance of Web3 platforms themselves, or which provide specialized services or tools to enable individuals and other community members to do so.

The Manager will use a bottom-up research approach in stock selection, meaning that each stock will be selected by the Manager for inclusion in the Sub-Fund's portfolio based on its individual merits.

The Sub-Fund is not subject to any requirement to invest a minimum portion of its Net Asset Value in any one country or region, or any limitation on the market capitalisation of the companies in which it may invest.

The Sub-Fund will invest less than 30% of its Net Asset Value in A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The Sub-Fund will invest less than 30% of its Net Asset Value in other collective investment schemes/funds (including ETFs) related to the Web3 Business theme.

The Sub-Fund will not invest directly or indirectly in virtual assets (including cryptocurrencies).

[11] "**Hashrate**" refers to an estimate for the total computational power securing the blockchain network at a point in time. It is measured as the number of hashes per second that all the miners in the network are computing in aggregate.

[12] "**Metaverse**" refers to a virtual-reality space in which users can interact with a computer-generated environment and other users. In its simplest terms, the Metaverse is a digital environment inhabited by digital representations of people and things. The Metaverse supports persistent three-dimensional virtual environments combined with social media, communications and productivity tools, allowing users to interact online in an immersive, virtual representation of the real world. Participants of the Metaverse will be able to interact with one another and the digital environment in real time. Digital environments can go beyond entertainment and extend to other areas. Non-exhaustive examples include physical fitness (e.g. virtual reality sports/fitness) and education (e.g. professional simulation).

Other Investments

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

The Sub-Fund will not use derivatives for any purposes.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 12 June 2024 and ends at 4:00 p.m. (Hong Kong time) on 14 June 2024, or such other date as the Manager may determine.

The Listing Date is expected to be on 19 June 2024.

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

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

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

After Listing

"**After Listing**" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 19 June 2024.

All investors may buy and sell Shares in the secondary market on the SEHK. Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:00 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day.

The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences

• Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 12 June 2024
• Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 14 June 2024

After listing (period commences on the Listing Date)

• All investors may start trading Shares on the SEHK through any designated brokers; and	• Commence at 9:30 a.m. (Hong Kong time) on 19 June 2024
• Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• 9:00 a.m. (Hong Kong time) to 12:00 p.m. (Hong Kong time) on each Dealing Day

Exchange Listing and Trading (Secondary Market)

The Listing Committee of the SEHK has granted its approval for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 19 June 2024.

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

Distribution Policy

The Manager intends to declare and distribute net dividends to Shareholders annually (usually in December of each year) subject to the Manager's discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount. 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.

Distributions (if declared) will be declared in the trading currency of the Sub-Fund (i.e. HKD) only.

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 in 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 www.vgrowth.hk.

Dealing Day, Business Day, and Valuation Point

The "**Business Day**" of the Sub-Fund means, unless the Manager otherwise determines, a day on which (i) the SEHK is open for normal trading; (ii) the NYSE, the NASDAQ or the American Stock Exchange are open for normal trading; and (iii) the Northbound Trading Links under the Stock Connect are open for normal trading, or such other day or days as the Manager may agree from time to time provided that if on any such day, the period during which the relevant Market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal or higher, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager determines otherwise.

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

The "**Valuation Point**" of the Sub-Fund means the official close of trading of the last relevant Market on which the Sub-Fund's investments are traded on each Dealing Day or as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Shares.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.68% per annum of the Net Asset Value of the Sub-Fund.

The Management Fee may be increased up to the maximum rate of 1.00% per annum of the Net Asset Value of the Sub-Fund (the "**Maximum Management Fee Rate**"), on one week's notice to Shareholders.

In the event that such fee is to be increased beyond the Maximum Management Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to Shareholders.

Custodian and Fund Administration Fee

An aggregate fee of up to 0.12% per annum of the Sub-Fund's Net Asset Value^ is payable to the Custodian and the Administrator, accrued daily and payable monthly in arrears, subject to a monthly minimum fee of USD4,500. The maximum rate of the aggregate fee is 1% per annum of Net Asset Value of the Sub-Fund (the "**Maximum Custodian and Fund Administration Fee Rate**"). The Custodian and the Administrator may, on giving not less than one week's written notice to the relevant Shareholders, increase the rate of the aggregate fee payable in respect of the Sub-Fund up to or towards the Maximum Custodian and Fund Administration Fee Rate. In the event that the aggregate fee is to be increased beyond the Maximum Custodian and Fund Administration Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to relevant Shareholders.

^ Within this rate, the actual fee charged to the Sub-Fund may vary depending on the countries, regions or markets in which the underlying investments of the Sub-Fund are traded.

The Custodian and the Administrator are also entitled to receive various safekeeping, transaction and processing fees and other applicable fees as remuneration for providing the relevant services to the Sub-Fund as agreed with the Company from time to time and to be reimbursed by the Sub-Fund for all out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Custodian and/or the Administrator in the performance of their respective duties (including, but are not limited to, sub-custody fees and expenses, stamp duties, transaction levies and other market costs).

Transaction Fee Payable to the Administrator

The Participating Dealers pay USD1,300 per Application to the Custodian or the Administrator for the benefit of the Administrator. A Participating Dealer may pass on to the relevant investor such transaction fee payable to the Administrator.

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its

institutional rates. Such institutional market rates vary with the Security and the market on which the Security is traded.

Establishment Costs

Please refer to the sub-section "**Establishment Costs**" under the section of "**FEES AND CHARGES**" in Part 1 of this Prospectus on the establishment costs of the Sub-Fund.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Active Investment Management Risk

The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-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 Sub-Fund will be based on the Manager's view of market conditions and international investment trends and environment. The Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the implementation of processes which may cause the Sub-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 Sub-Fund or may lose a substantial part or all of their initial investment.

Sector Concentration Risk

Due to the concentration of the Sub-Fund's investments in companies involved in the Web3 Business, the performance of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Risks Associated with Companies Involved in the Web3 Business

Competing platforms and technologies risk

Companies involved in the Web3 Business face intense competition, and the development and acceptance of competing platforms or technologies may lead to rapid product obsolescence. Any of these may adversely affect the investment of the Sub-Fund.

Blockchain technology risk

The Sub-Fund holds securities issued by companies for which blockchain technology is essential for their business prospects. Blockchain technology is relatively new and untested technology that operates as a distributed ledger. The risks associated with blockchain technology may not fully emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain technology. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it.

Security risk

Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user's account. The theft, loss or destruction of private or public keys needed to transact on a blockchain and other cyber security incidents may compromise an issuer, its operations or its business and lead to privacy concerns if the issuer is dependent on the blockchain and may in turn affect the Net Asset Value of the Sub-Fund.

Cyberattack risk

Companies involved in the Web3 Business are prone to failures of or breaches in cybersecurity. Cyber security incidents may also lead to privacy concerns. Such risks could result in substantial loss of business or user data or information and material adverse impact on their performance and hence the performance of the Sub-Fund.

Intellectual property risk

The business operations of companies involved in the Web3 Business are dependent on intellectual property and licences. The cost associated with patent approvals, litigating patent infringement, the loss of patent, copyright or trademark protection could result in undesirable legal, financial, operational and reputational consequences and may adversely affect the investment of the Sub-Fund.

Governmental intervention risk

Companies in the Web3 Business are vulnerable to substantial governmental intervention, including restrictions on investments in or import/export of the products of these companies if they are deemed sensitive to relevant national interests. In the event that investments in these companies and/or access to their products are restricted, whether in whole or in part and in one or more countries, the financial condition and operating results of these companies may be adversely affected.

Regulatory risk

The Web3 Business is subject to increasing regulatory scrutiny, including laws and regulations with respect to privacy, data protection, content regulation, intellectual property and competition. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to business practices, monetary penalties, increased cost of operations or declines in user growth or user engagement or otherwise undermine the Web3 Business. They may also delay or impede the development of new products and services. Compliance with the relevant laws and regulations can be costly. Companies involved in the Web3 Business may also be exposed to adverse regulatory action. Any of these may have a material adverse impact on the business operations and/or profitability of the companies in which the Sub-Fund may invest and may in turn affect the Net Asset Value of the Sub-Fund.

Significant capital investment risk

As the markets in which companies in the Web3 Business generally compete face rapidly evolving industry standards as well as frequent new service and product introductions and enhancements, these companies generally incur significant capital investments on the research and development of their products or services and may require substantial expenditures to improve or modify its services, products or infrastructure to adapt to rapid technological changes, which may result in competitive pressure on their capital costs and financial condition and in turn affect their profit margins and may even result in significant operating losses in the foreseeable future. There is also no guarantee that the products or services developed by these companies will be successful or widely accepted by the general market or at all. The operating results of these companies may also be significantly affected by aggressive pricing as well as accelerated rate of technological developments.

Third party product risk

Where the Metaverse and blockchain systems are built using third party products, those products may contain technical defects or vulnerabilities beyond a company's control. This may have a material adverse impact on the business operations and/or profitability of the companies in which the Sub-Fund may invest and may in turn affect the Net Asset Value of the Sub-Fund.

Reliance on the Internet risk

Because functionality of the Metaverse and blockchain relies on the Internet, a significant disruption of Internet connectivity could impede the functionality of these technologies. In addition, certain features of the Metaverse and blockchain may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response. This may have an adverse impact on the Net Asset Value of the Sub-Fund.

Limited operating history risk

The Web3 technologies are relatively new and untested. A lack of expansion in the usage of these technologies could adversely affect an investment in the Sub-Fund. These technologies may never be implemented to a scale that provides identifiable economic

benefit to the companies. If the Sub-Fund invests in any of these companies, its investment may be adversely affected. Many companies involved in the Web3 Business have a relatively short operating history and may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

Semiconductor sector risk

The Sub-Fund may invest in companies involved in supplying semiconductors used in the Metaverse and blockchain activities and is therefore subject to the risks that companies in the semiconductor industry may face, such as high capital costs, heavy dependence on intellectual property rights and high volatility.

Specific factors faced by semiconductor companies which may affect the value of their securities include, but are not limited to, domestic and international competition pressures (including competition from subsidised foreign competitors with lower production costs), rapid obsolescence of products as a result of the fast-developing nature of the semiconductor industry, the economic performance of the customers of semiconductor companies which may in turn affect the growth and market outlook of the semiconductor industry, capital equipment expenditures which could be substantial and suffer from rapid obsolescence and potential shortages of raw materials or equipment which could result in an increase in prices of raw materials or equipment, longer delivery time of products or even production stoppage. Companies in the semiconductor sector also typically rely on heavy and significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products.

Furthermore, as the semiconductor sector may be deemed sensitive to national interests, the sector may be subject to government intervention, sanctions and trade protectionism. Companies in the semiconductor sector may be highly dependent upon government subsidies and incentives (including but not limited to preferential tax treatments) and contracts with government entities, and may be negatively affected if such subsidies are reduced, such preferential tax treatments expire or are discontinued, or contracts are unavailable due to changes in government policies.

The success of companies in the semiconductor sector is typically dependent on the companies' ability to maintain relationships with their technology partners. If a company's relationship with a technology partner were impaired or terminated, the company may not be able to enter into a new technology alliance on a timely basis or on commercially favourable terms, which could result in significant additional cost or disruptions to its businesses.

The semiconductors sector is also characterised by cyclical market patterns and periodic overcapacity. Business conditions in this industry may change rapidly from periods of production shortages and strong demand to periods of weak demand. Any future downturn in the industry could harm the business and operating results of semiconductor companies.

Internet company risk

Companies which are involved in the Web3 Business rely heavily on the success of the internet industry. The Sub-Fund may invest in companies in the internet and related services industries and, as such, is particularly sensitive to risks to those types of companies, such as unpredictable market changes, competition for the services of qualified personnel and government intervention in the internet industry.

Software industry risk

Companies involved in the Metaverse & Blockchain Business may be involved in the development of new software and are therefore affected by the risks affecting the software industry, such as intense competition, aggressive pricing, technological innovations, security vulnerabilities in their products and services, and complex laws and regulations.

Reliance on cryptocurrency risk

Companies which are involved in the Web3 Business rely heavily on the success of the cryptocurrency industry. There is potential risk for fraud or the manipulation, difficulty of valuation and lack of secondary markets of cryptocurrency which may decrease liquidity or volume, or increase volatility of cryptocurrency or other assets trading on a blockchain. Cryptocurrency volatility may have a material adverse effect on a company's business, financial condition, and results of operation and adversely affect the Sub-Fund.

Exposure to Risks Associated with Other Sectors and Themes

In addition, some of the companies in which the Sub-Fund may invest are engaged in other lines of business unrelated to the Web3 and these lines of business could adversely affect their operating results. The performance of the Sub-Fund may also be exposed to risks associated with different sectors and themes, including semiconductor, internet, software, etc. Fluctuations in the business operations of companies in these sectors or themes will have an adverse impact on the Net Asset Value of the Sub-Fund.

Risk Associated with Small and Mid-capitalisation Companies

The Sub-Fund may invest in small and/or mid-sized companies. The stock of small and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Risk Associated with High Volatility of the Equity Market in Certain Countries/ Regions

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

Risk Associated with Regulatory/Exchanges Requirements/Policies of the Equity Market in Certain Countries/Regions

Securities exchanges in certain countries / regions typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

Risks Relating to Funds Investing in Companies Listed on Boards with Generally Lower Listing Eligibility Criteria than Main Boards (e.g. ChiNext Market, the Science and Technology Innovation Board)

Companies listed on boards with generally lower listing eligibility criteria than main boards are usually of emerging nature with a smaller operating scale. The rules and regulations regarding companies listed on such boards may be less stringent in terms of matters such as profitability, track record and share capital than those on the main boards. Hence, investments in such boards may be subject to higher fluctuations in stock prices as well as liquidity, over-valuation and delisting risks, and may result in significant losses for the fund and its investors.

Risks Associated with the Stock Connect

The Sub-Fund's investments through the Stock Connect may be subject to the following risks.

Quota limitations

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Sub-Fund's ability to invest in A-Shares through the Stock Connect may be affected.

Suspension risk

It is contemplated that both the SEHK and the SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading is effected, the Sub-Fund's ability to access the Mainland China market through the Stock Connect will be adversely affected.

Differences in trading day

The Stock Connect will only operate on days when both Mainland China and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors (such as the Sub-Fund) cannot carry out any A-Shares trading. Due to the differences in trading days,

the Sub-Fund may be subject to a risk of price fluctuation in A-Shares on a day that Mainland China markets are open for trading but the Hong Kong stock market is closed.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the Mainland China stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks

If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Manager's ability to select a stock with the aim of achieving the investment objective of the Sub-Fund.

Clearing and settlement risk

The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Sub- Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Fund may be adversely affected as a result of such changes.

Coverage of China Securities Investor Protection Fund

Investment through the Stock Connect is conducted through broker(s) and is subject to the risks of default by such brokers' in their obligations. Since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in Mainland China.

Participation in corporate actions and shareholders' meetings

HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities and SZSE Securities traded via Stock Connect program through their brokers or custodians. According to existing practice in Mainland China, multiple proxies are not available. Therefore, the Sub-Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and SZSE Securities.

Risks Associated with ADRs and GDRs

Exposure to ADRs and GDRs may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of ADRs and GDRs, although segregation is an integral part of the depositary agreement regulating the issuance of the ADRs and GDRs. In such case, the most likely scenario would be the trading suspension and thereafter a freeze of the price of the ADRs and GDRs impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the ADRs and GDRs may negatively affect the performance and/or the liquidity of the Sub-Fund. There are fees related to ADRs and GDRs, for example fees charged by banks for the custody of underlying assets of ADRs and GDRs, which may impact the performance of the ADRs and GDRs. Also, holders of ADRs and GDRs are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The Sub-Fund may also be subject to liquidity risk as ADRs and GDRs are often less liquid than the corresponding underlying stocks.

In addition, there is a risk that the ADRs and GDRs of Mainland Chinese companies may be delisted as a result of regulatory actions by the local government and/or stock exchange. In such an event, the value of such ADRs and GDRs may be adversely affected as such ADRs and GDRs could become difficult to trade and to value, and

certain investors may not be allowed to invest in such ADRs and GDRs. This may in turn have an adverse impact on the Net Asset Value of the Sub-Fund.

Risk Associated with Eurozone

In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Sub-Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Sub-Fund.

Risk Associated with Investing in Other Collective Investment Schemes/Funds

Additional fees associated with investing in underlying funds: The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases including performance fees) charged by their management companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by the Sub-Fund when it subscribes to or redeems out of such underlying funds. Whilst the Manager will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by the Sub-Fund.

Regulatory risk: The underlying funds in which the Sub-Fund may invest may not be regulated by the SFC.

Investment objective risk: Although the Manager will use due diligence procedures to select and monitor underlying funds, the Sub-Fund does not have control of the investments of the underlying funds and there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

Delays in meeting redemption requests risk: Where the underlying funds are not able to meet redemption requests of the Sub-Fund, the Sub-Fund will be subject to liquidity risks, and may suffer losses as a result of delays in receiving redemption proceeds.

Trading Time Differences Risk

As the stock exchanges in certain regions on which the underlying Securities of the Sub-Fund are listed may be open when the Shares in the Sub-Fund are not priced, the value of the Securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Furthermore, the market price of underlying Securities listed on the above stock exchanges which are 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 Sub-Fund deviating away from the Net Asset Value. Shares listed on certain stock exchanges may be subject to trading bands which restrict increases and decreases in the trading price. Shares listed on the SEHK are not. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from this

difference and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

Currency Risk

The Sub-Fund's base currency is in USD but the Shares are traded in HKD. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between USD and HKD. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between HKD and the base currency when trading Shares in the secondary market.

Assets of the Sub-Fund may be denominated in currencies other than USD (the base currency of the Sub-Fund). The Sub-Fund is subject to the fees and charges associated with the conversion of such other currencies to USD after receiving the proceeds of sale of the underlying investments, and vice versa when purchasing the underlying investments. The performance and the Net Asset Value of the Sub-Fund may therefore be affected unfavourably by movements in the exchange rate between USD and such other currencies and changes in exchange rate control policies.

RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions and/or dividend payments in RMB. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Proprietary Investment/Seed Money Risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may
(i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Operating Risk

The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Under the terms of the Instrument and as summarised the sub-section "**Termination (otherwise than by winding up)**" under the section "**STATUTORY AND GENERAL INFORMATION**" in Part 1 of this Prospectus, the Manager may terminate the Sub-Fund. On the termination of the Sub-Fund, the Sub-Fund will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Other Risks

These include risks arising due to force majeure, such as war and natural disaster, and financial market crisis, industrial competition, agency default and other risks beyond the direct control of the Manager.

Appendix dated [DATE TO BE CONFIRMED]