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

Investors should note that this document relates to sub-fund(s) of Hang Seng Investment Funds Series V (the "Trust") which offer both listed (exchange-traded) class of units and unlisted (not exchange-traded) class of units.

Hang Seng Investment Funds Series V

(a Hong Kong umbrella unit trust authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

PROSPECTUS

Manager and Listing Agent

Hang Seng Investment Management Limited

30 April 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 (the "SFC") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust and its sub-fund(s) have each been authorised as a collective investment scheme by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the "Units") in the Hang Seng Investment Funds Series V (the "Trust") and its sub-funds (the "Sub-Funds" or individually a "Sub-Fund"). The Trust is an umbrella unit trust established under Hong Kong law by a trust deed dated 7 January 2026, as may be amended from time to time (the "Trust Deed"), entered into between Hang Seng Investment Management Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust can have a number of Sub-Funds.

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

Each Sub-Fund issues both listed (exchange-traded) class of Units ("Listed Class Units") and unlisted (not exchange-traded) class of Units ("Unlisted Class Units"). A separate set of the product key facts statement is available for each of the Listed Class Units and Unlisted Class Units.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the product key facts statements of each Sub-Fund and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus or any product key facts statement misleading. The Manager also confirms that this Prospectus (including the product key facts statements) include 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") and the "Overarching Principles" of the *SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products* for the purposes of giving information with regard to the Units of each Sub-Fund. The Trustee is not responsible for the preparation of this Prospectus (including the product key facts statements) and shall not be held liable to any person for any information disclosed in this Prospectus (including the product key facts statements), except for the information regarding the Trustee itself.

The Trust and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The SFC takes no responsibility for the financial soundness of the Trust, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should consult your financial adviser 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 Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

Application has been made to The Stock Exchange of Hong Kong Limited the ("SEHK") for the listing of, and permission to deal in, the Listed Class Units of Hang Seng Gold ETF. Subject to compliance with the admission requirements of Hong Kong Securities Clearing Company Limited ("HKSCC"), the Listed Class Units of Hang Seng Gold ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS") with effect from the date of commencement of dealings in the Listed Class Units of Hang Seng Gold ETF on the SEHK or such other date as may be determined by HKSCC. Settlement of transactions between Participants on the SEHK is required to take place in the CCASS on the second CCASS Settlement Day after the trading day. All activities under the CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, the Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular:-

(A) Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state in the U.S. and Units have not been and will not be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Units may not be offered or sold to, transferred to or acquired by any "U.S. Person" (a "US Person") and may not be directly or indirectly offered or sold in the U.S. or for the benefit of a US Person. For the purposes of this restriction, the term US Person shall mean the following:

1. An individual:
   i. who is deemed a resident of the U.S. under any U.S. law or regulation; or
   ii. who is a U.S. Citizen or Green Card Holder who has not formally renounced their U.S. citizenship (including a person with dual or multiple nationality) even though they may reside outside of the U.S.

2. An entity:
   i. that is a corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity:
      a. that was created or organised under U.S. federal or state law including any non-U.S. agency or branch of such entity; or
      b. where regardless of place of formation or organisation, was organised principally for passive investment (such as an investment company or fund or similar entity other than an employee benefit plan or employee pension scheme for the employees, officers, or principals of a non-U.S. entity having its principal place of business outside the United States);
         - and owned directly or indirectly by one or more US Persons, with respect to which such US Persons (unless defined as a Qualified Eligible Person under CFTC Regulation 4.7(a)) directly or indirectly hold in the aggregate 10% or greater beneficial interest; or
         - where a US Person is the general partner, managing member, managing director or other position with authority for directing the entity's activities; or
         - was formed by or for a US Person principally for the purpose of investing in securities not registered with the Securities and Exchange Commission (SEC); or
         - where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by US Persons; or
      c. that is any agency or branch of a non-U.S. entity located in the U.S.; or
      d. has its principal place of business in the U.S.; or
   ii. that is a trust created or organised under U.S. federal or state law or regardless of the place of creation or organisation:
      a. where the income of which is subject to U.S. income tax regardless of source; or
      b. where the administration of the trust or its formation documents are subject to the supervision of one or more U.S. courts; or
      c. where any settlor, founder, trustee, or other person responsible in whole or in part for investment decisions related to the trust is a US Person; or
   iii. that is an estate of a deceased person:
      a. where, regardless of the deceased person resided while alive where an executor or administrator is a US Person or the estate is governed by U.S. Law; or
      b. who was a resident of the U.S. at the time of death or the income of which is subject to U.S. income tax regardless of source.

3. An employee benefit plan or pension plan:
   i. established and administered in accordance with the laws of the U.S.; or
   ii. established for employees of a legal entity that is a US Person or has its principal place of business in U.S.

4. A discretionary or non-discretionary or similar account (including a joint account) where:
   i. one or more beneficial owners is a US Person or held for the benefit of one or more US Persons; or
   ii. the discretionary or similar account is held by a dealer or fiduciary organised in the U.S.

For the purpose of this definition, the “United States” and “U.S.” means the United States of America (including the States and the District of Columbia), its territories, possessions and other areas of subject to its jurisdiction.

If, subsequent to a Unitholder’s investment in a Sub-Fund, the Unitholder becomes a US Person, such Unitholder (i) will be restricted from making any additional investments in the relevant Sub-Fund and (ii) as soon as practicable have its Units compulsorily redeemed by the relevant Sub-Fund (subject to the requirements of applicable law).

(B) Units will not be offered for sale in Canada. In addition, no offer or invitation to subscribe for Units may be made to, and no Units may be held by or transferred to Canadian residents or for the benefit of any Canadian resident. A distribution or solicitation may be deemed to occur in Canada where a distribution or solicitation is made to a person (including an individual, corporation, trust, partnership or other entity, or other legal person) resident or otherwise located in Canada at the applicable time. For these purposes, the following persons will generally be considered to be a Canadian resident:

1. An individual, if
   i. the individual's primary principal residence is located in Canada; or
   ii. the individual is physically located in Canada at the time of the offer, sale or other relevant activity.

2. A corporation, if
   i. the corporation's head office or principal office is located in Canada; or
   ii. securities of the corporation that entitle the holder to elect a majority of the directors are held by Canadian Resident individuals (as described above) or by legal persons resident or otherwise located in Canada; or
   iii. the individuals that make investment decisions or provide instructions on behalf of the corporation are Canadian Resident individuals (as described above).

3. A trust, if
   i. the principal office of the trust (if any) is located in Canada; or
   ii. the trustee (or in the case of multiple trustees, the majority of trustees) are Canadian Resident individuals (as described above) or are legal persons resident or otherwise located in Canada; or
   iii. the individuals that make investment decisions or provide instructions on behalf of the trust are Canadian Resident individuals (as described above).

4. A partnership, if
   i. the partnership's head office or principal office (if any) is located in Canada; or
   ii. the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or
   iii. the general partner (if any) is a Canadian Resident (as described above); or
   iv. the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).

Furthermore, distribution of this Prospectus (including the product key facts statements) shall not be permitted unless it is accompanied by a copy of the latest annual report of the relevant Sub-Fund (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 Trust's website at www.hangsenginvestment.com (this website has not been reviewed by the SFC). This Prospectus (including the product key facts statements) may refer to information and materials included in websites. Such information and materials do not form part of the Prospectus (including the product key facts statements) and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and Complaints

All investors' enquiries and complaints directed to the Manager should be made in writing and sent to the following address:

Hang Seng Investment Management Limited
83 Des Voeux Road Central
Hong Kong

The Manager will respond to investors' enquiries or complaints in writing as soon as practicable.

DIRECTORY

Directors of Hang Seng Investment Management Limited
CHIU Wai Man, Vivien
LEE Wah Lun, Rannie
LEE Jonathon Glyn
CHEUNG Ka Wai, Kathy
WONG King Fung
USTA Husne Ozge
SO Ho Ching Paul

*Manager and Listing Agent**
Hang Seng Investment Management Limited
83 Des Voeux Road Central
Hong Kong

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

Gold Custodian
(in respect of Hang Seng Gold ETF only)
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

*Tokenisation Agent^*
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

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

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

Participating Dealers#
Please refer to the relevant Appendix of each Sub-Fund

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

HKD Counter Market Makers#*
Please refer to the relevant Appendix of each Sub-Fund

^ *This information is relevant to tokenised Units only.*
* *This information is relevant to Listed Class Units only.*
\# *Please refer to the Trust's website at www.hangsenginvestment.com (this website has not been reviewed by the SFC) for the latest lists of Market Makers and Participating Dealers.*

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

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

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to "PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND" for further information.

DEFINITIONS

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

"Account Balance" means, in respect of Hang Seng Gold ETF, in relation to an unallocated account maintained by the Gold Custodian for the Sub-Fund, the amount of Bullion owed to the Sub-Fund by the Gold Custodian or by the Sub-Fund to the Gold Custodian, and in relation to an allocated account means the specific Bullion held for the Sub-Fund by the Gold Custodian and/or the Sub-Gold Custodian(s) from time to time identified (whether by bar, serial number or otherwise) in and recorded on the allocated account.

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

"AFRC" means the Accounting and Financial Reporting Council in Hong Kong.

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

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

"Application Amount" means the amount equal to the Issue Price per Unit of the Sub-Fund as of the relevant Dealing Day multiplied by the total number of Units being applied for.

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

"assay" means a chemical test undertaken to determine the purity of a sample of gold.

"Authorised Distributor" means, in respect of an Unlisted Class, a distributor appointed by the Manager to market, promote, sell and/or distribute Unlisted Class Units in one or more Sub-Fund(s), and to receive applications for subscription, redemption and/or switching of Unlisted Class Units.

"Authorised Feeder Fund" means a Sub-Fund authorised as a feeder fund by the SFC.

"Basket" means a portfolio of Investments as determined by the Manager based on applicable factors for the purpose of a Creation Application or Redemption Application in an Application Unit size.

"Bullion" means gold in the form of uniquely identifiable bars or ingots of minimum fineness of 99.5% gold from approved refiners on the LBMA Good Delivery List of Acceptable Refiners: Gold.

"Business Day" means (a) a day on which (i) the SEHK is open for normal trading; (ii) relevant stock exchanges, market access programmes, and other markets in which a Sub-Fund is materially invested, or through which trading is conducted, are open for normal trading; and

(iii) the relevant Index (if any) is compiled and published, unless otherwise determined by the Manager and the Trustee; or (b) any other day or days as the Manager and Trustee may agree from time to time.

"Cash Component" means the cash value that represents the difference between the aggregate Net Asset Value of the Units comprising the Application Unit(s) and the value of Investments in the Basket(s) rounded to the nearest one hundredth.

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

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

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

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

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

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

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

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

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

"Creation Application" means, in respect of a Listed Class, an application by a Participating Dealer for the creation and issue of Listed Class Units in an Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

"CSRC" means the China Securities Regulatory Commission.

"Dealing Day" means a Business Day, or such day as otherwise specifically provided in the Appendix for a Sub-Fund, or any other day or days as the Manager may from time to time determine with the approval of the Trustee, for processing dealing applications in a Sub-Fund.

"Dealing Deadline" in relation to any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the Appendix of a Sub-Fund.

"Default" means, in respect of a Listed Class, a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the requisite Investments and/or the relevant cash amount; or

(b) a Redemption Application to deliver the Listed Class Units the subject of the Redemption Application and/or relevant cash amount.

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

"Designated Vault" means, in respect of Hang Seng Gold ETF, the vault(s) of the Gold Custodian and/or the Sub-Gold Custodian(s) located in Hong Kong, at which the Bullion of the Sub-Fund will be safekept.

"Digital Wallet" has the meaning as defined in the section headed "Tokenisation of Units" in Part 1 of this Prospectus.

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

"Eligible Distributor" means in Hong Kong, an Authorised Distributor who is an SFC-licensed virtual asset trading platform or licensed by or registered with the SFC to carry on Type 1 regulated activity (dealing in securities), and/or an Authorised Distributor in other jurisdiction(s), as may be specified on the Manager's website.

"Eligible Investor(s)" means any collective investment scheme(s) (including without limitation a feeder fund investing solely in a Sub-Fund) or discretionary account(s) managed by the Manager or, in the Manager's sole discretion, any MPF Scheme and ORSO Scheme, subject to the relevant Sub-Fund being approved by the Mandatory Provident Fund Schemes Authority as an eligible investment under the mandatory provident fund regime.

"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.

"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.

"ETF" means exchange traded fund.

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

"FDI" means financial derivative instrument which refers to financial instrument that derives its value from the value and characteristics of one or more underlying assets.

"gold" means the metallic element gold, symbol Au on the periodic table of elements with atomic number 79.

"Gold Custodian" means, in respect of Hang Seng Gold ETF, The Hongkong and Shanghai Banking Corporation Limited, or such other entities or financial institutions acceptable to the SFC and appointed by the Trustee to act as the gold custodian of the Sub-Fund.

"Gold Custody Agreement" means, in respect of Hang Seng Gold ETF, the allocated precious metals account agreement and the unallocated precious metals account agreement between the Gold Custodian and the Trustee, as may be amended by agreement from time to time, by which, *inter alia*, the Gold Custodian agrees to provide safe custody of the Sub-Fund's Bullion.

"Gold Dealer" means, in respect of Hang Seng Gold ETF, each dealer (and metal refiner, if applicable) who provides the Sub-Fund with Bullion dealing services.

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

"gram" means a thousandth of a kilo, equal to 0.0321507465 troy ounces.

"Group" means HSBC Holdings plc and its subsidiaries.

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

"HKMA" means the Hong Kong Monetary Authority.

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

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Hong Kong dollars" or "HKD" means the lawful currency of Hong Kong.

"IBA" means ICE Benchmark Administration Limited or its successors from time to time.

"in-gold" means, in respect of Hang Seng Gold ETF, the physical delivery of Bullion.

"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 Trustee, (after consulting the auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the Sub-Fund (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and

other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the Sub-Fund in respect of an Application; and (d) all Cancellation Compensation received by the Trustee for the account of the Sub-Fund; (e) any payments to be received or are receivable by the Trustee under any contractual agreements in the nature of investments for the benefit of the 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 Sub-Fund or previously distributed to Unitholders; (iii) gains for the account of the Sub-Fund arising from the realisation of Investments; and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the Sub-Fund;

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

"Index Provider" means, in respect of an Index Tracking Sub-Fund, the person responsible for compiling the Index against which the relevant Index Tracking Sub-Fund benchmarks its investments and who holds the right to license 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.

"Initial Issue Date" means, in respect of a Listed Class, the date of the first issue of Units of that Listed Class, which shall be the Business Day immediately before the Listing Date.

"Initial Offer Period" means, in respect of each Sub-Fund the period before the relevant Listing Date as set out in the relevant Appendix.

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

"Investments" means any share, stock, debenture, loan stock, bond, unit, share or other interest in a collective investment scheme, commodity, futures contract including share price index futures contract, derivative instrument, credit derivative transaction, repurchase or reverse repurchase transaction, securities lending transaction, swap, spot or forward transaction (whether in relation to currency or any other property), security, commercial paper, acceptance, trade bill, treasury bill, instrument or note of or issued by or under the guarantee of any body, whether incorporated or unincorporated, or of any government or local governmental authority or supranational body, whether paying interest or dividends or not, and whether fully paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):-

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

(b) any certificate of interest or participation in, or temporary or interim certificate for, or

receipt for or warrant to subscribe for or purchase, any of the foregoing;

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

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

(e) any mortgage-backed security or other securitised receivable;

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

(g) any right, option, or interest (howsoever described) in or in respect of any index or indices comprised of any of the foregoing.

"IRD" means the Inland Revenue Department of Hong Kong.

"Issue Price" means, in respect of a Listed Class, the price at which Units in that Listed Class may be issued and in respect of an Unlisted Class, the price at which Units of that Unlisted Class may be subscribed for, determined in accordance with the Trust Deed.

"kilo" means one kilogram or 1,000 grams (equal to 32.1507465 troy ounces).

"LBMA" means the London Bullion Market Association.

"LBMA Gold Prices" means the LBMA Gold Price AM, together with the afternoon fixing price of gold per troy ounce published by the IBA once the IBA auction process run at 3:00 p.m. (London time) is concluded.

"LBMA Gold Price AM" means the morning fixing price of gold per troy ounce calculated, quoted in US dollars and published by the IBA once the IBA auction process run at 10:30 a.m. (London time) is concluded, or any benchmark as acceptable and approved under the relevant requirement(s) of the Code.

"Listed Class" means a class of Units of a Sub-Fund which is listed on either the SEHK or any other Recognised Stock Exchange.

"Listed Class Unit" means a Unit of a Listed Class.

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

"London Good Delivery" means the specifications for good delivery of bullion as set out in The Good Delivery Rules for Gold and Silver Bars published by the LBMA, as amended and updated from time to time.

"Manager" means Hang Seng Investment Management Limited, or such other person or persons for the time being duly appointed manager or managers of the Trust in succession thereto being approved by the SFC as qualified to act as such for the purposes of the Code.

"Market" means in any part of the world:

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

(b) in relation to Hang Seng Gold ETF: the LBMA or such other market from time to time determined by the Manager to be relevant; and

(c) in relation to any futures contract: the Hong Kong Futures Exchange or such other futures exchange from time to time determined by the Manager.

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

"money market instrument" means securities normally dealt in on the money markets, as described in the Code and includes but is not limited to government bill, certificate of deposit, commercial paper, short-term note and bankers' acceptance.

"MPF Scheme" means any mandatory provident fund scheme or its constituent fund or approved pooled investment fund approved by the Mandatory Provident Fund Schemes Authority of Hong Kong; or any person who, in relation to any mandatory provident fund scheme, is an approved trustee or service provider, or who is an investment manager of any such mandatory provident fund scheme, constituent fund or approved pooled investment fund.

"Multi Counter" means, in respect of a Listed Class, the facility by which the Listed Class Units of a Sub-Fund traded in RMB, HKD and/or USD (as the case may be) are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in the CCASS in more than one eligible currency (RMB, USD and/or HKD) as described in the relevant Appendix of this Prospectus. Where the Listed Class Units of a Sub-Fund are traded in two eligible currencies, the facility is also referred to as a "Dual Counter".

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

"Operating Guidelines" means, in respect of a Listed Class, the guidelines for the creation and redemption of Units of a class as set out in the schedule to the Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the Participating Dealers, and as notified in writing to the Participating Dealers, including without limitation, the procedures for creation and redemption of Units. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Sub-Fund applicable at the time of the relevant Application.

"ORSO Scheme" means any voluntary occupational retirement scheme operating in or from Hong Kong which is administered by the Mandatory Provident Fund Schemes Authority of Hong Kong; or any person who, in relation to any occupational retirement schemes, is an approved trustee or service provider, who is an investment manager of any such occupational retirement scheme.

"Participant" means a person admitted for the time being by HKSCC as a participant of the CCASS.

"Participating Dealer" means, in respect of a Listed Class, any licensed broker or dealer and who is (or who has appointed and agent or delegate who is) a Participant and who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

"Participation Agreement" means, in respect of a Listed Class, an agreement entered into

between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the issue of Units of that Listed Class and the redemption and cancellation of Units of that Listed Class, as amended and supplemented from time to time.

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

"Preliminary Charge" means in respect of an Unlisted Class, the preliminary charge (if any) payable on the issue of Units of that Unlisted Class and as specified in the relevant Appendix.

"product key facts statement" means a summary, for prospective investors, of the key issues of a product as required by the SFC.

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

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

"Redemption Application" means, in respect of a Listed Class, an application by a Participating Dealer for the redemption of Units of that Listed Class in Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

"Redemption Charge" means, in respect of an Unlisted Class, the redemption charge (if any) payable on the redemption of Units of that Unlisted Class and as specified in the relevant Appendix.

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

"Registrar" means HSBC Institutional Trust Services (Asia) Limited, or such other person appointed as registrar of each Sub-Fund to keep the register of the Unitholders of the Sub-Fund.

"REIT" means a real estate investment trust.

"Renminbi" or "RMB" means the lawful currency of the PRC.

"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.

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

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

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

"Service Agreement" means, in respect of a Listed Class, each agreement by which the Service Agent agrees with the Manager and the Trustee to provide its services in respect of a Sub-Fund entered amongst the Trustee, the Manager, the Registrar, the Participating Dealer, the Service Agent and HKSCC.

"Settlement Day" means, in respect of a Listed Class the Business Day which is 2 Business Days after the relevant Dealing Day (or such later Business Day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines or the Special Operating Guidelines, as the case may be) or such other number of Business Days after the relevant Dealing Day (if any) as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers.

"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).

"Special Application" means a Special Creation Application or a Special Redemption Application.

"Special Creation Application" means an Application for the creation and issue of Listed Class Units by an Eligible Investor.

"Special Operating Guidelines" means the guidelines for creation and redemption of Listed Class Units as determined by the Manager and the Trustee from time to time as applicable to Special Applications. Unless otherwise specified, references to the Special Operating Guidelines shall be to the Special Operating Guidelines for the relevant Sub-Fund applicable at the time of the relevant Special Application.

"Special Redemption Application" means an Application for the redemption of Listed Class Units by an Eligible Investor.

"SDO" means Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

"Sub-Gold Custodian" means, in respect of Hang Seng Gold ETF, a sub-custodian, agent or depository (including an entity within the Gold Custodian's corporate group) which the Gold Custodian has arranged to safekeep the Sub-Fund's Bullion, under the service agreement between the Gold Custodian and the relevant Sub-Gold Custodian. For the purpose of Hang Seng Gold ETF, unless otherwise specified, references to the Sub-Gold Custodian shall be construed to include the Gold Depositary.

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

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

"Switching Fee" means, in respect of an Unlisted Class, the switching fee (if any) payable on

the switching of any Unit.

“Token Custodian” means, in respect of a tokenised class, an entity appointed by an Eligible Distributor and acceptable to the Manager to act as the token custodian in relation to a Sub-Fund.

“Transaction Fee” means, in respect of a Listed Class, the fee, in respect of a Sub-Fund, which may be charged for the benefit of the Registrar and/or the Trustee to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

“Transfer Agent” means HSBC Institutional Trust Services (Asia) Limited, or such other person as may from time to time be appointed to act as transfer agent in relation to a Sub-Fund.

“troy ounce” means the traditional weight used for precious metals, including gold, equal to 31.1034768 grams or 1.0971428 ounces avoirdupois.

“Trust” means the umbrella Unit Trust constituted by the Trust Deed and called Hang Seng Investment Funds Series V or such other name as the Manager may from time to time determine upon prior notice to the Trustee.

“Trust Deed” means the trust deed dated 7 January 2026 between the Manager and the Trustee constituting the Trust, as amended from time to time.

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

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

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

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

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

“Unlisted Class Unit” means a Unit of an Unlisted Class.

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

“USD” or “US dollars” means the currency of the US.

“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 relevant Market on each Dealing Day and 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 in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

INTRODUCTION

The Trust

The Trust is an umbrella unit trust created by the Trust Deed between the Manager and the Trustee made under Hong Kong law. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Funds

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a "Sub-Fund") to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. Each Sub-Fund will be an ETF listed on the SEHK.

The Manager and the Trustee reserve the right to establish other Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed. Where indicated in the relevant Appendix, the Listed Class Units in a Sub-Fund may be available for trading on the SEHK using a Multi Counter. Each Sub-Fund will have its own Appendix.

Each Sub-Fund issues Listed Class Units and Unlisted Class Units. Please refer to the table set out in the relevant Appendix which sets out the key similarities and differences between the Listed Class Units and Unlisted Class Units.

Currently, where specified in the relevant Appendix, it is intended that only Unlisted Class Units of a Sub-Fund may be tokenised. For details, please refer to the sub-sections headed "Subscription of tokenised Unlisted Class Units" and "Redemption of tokenised Unlisted Class Units" under the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" and the section headed "Tokenisation of Units" below.

INVESTMENT OBJECTIVE AND STRATEGY

Investment objective

A Sub-Fund may be an Index Tracking Sub-Fund or an actively managed Sub-Fund, both of which issue Listed Class Units and Unlisted Class Units.

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

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

Investment strategy

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

Index Tracking Sub-Funds

Each Index Tracking Sub-Fund will adopt either a full replication or a representative sampling strategy, or any other strategy as may be specified in the relevant Appendix.

Replication strategy

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

Representative sampling strategy

Where a Sub-Fund adopts a representative sampling strategy as its investment strategy, it will invest, directly or indirectly, in a representative sample of the Investments in the relevant Index that collectively reflects the investment characteristics of such Index and aims to replicate its performance. A Sub-Fund adopting a representative sampling strategy may or may not hold all of the Investments that are included in the relevant Index, and may hold a portfolio of Investments which are not included in the Index, provided that these collectively feature a high correlation with the Index.

Switching between strategies

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

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

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

Other strategy(ies)

In addition to the investment strategies set out above, an Index Tracking Sub-Fund may be launched with synthetic or futures-based strategies, or may adopt any other strategy(ies) as described in the relevant Appendix for such Index-Tacking Sub-Fund.

Actively managed Sub-Funds

An actively managed Sub-Fund (i.e. a listed open-ended fund (active ETF) or an unlisted open-ended fund) does not track an Index. The Manager will actively manage the relevant Sub-Fund based on its investment strategy in seeking to achieve the investment objective of the Sub-Fund, as described in the relevant Appendix.

Investment in ETFs

For a Sub-Fund which may invest in ETF(s), whenever local regulations permit and in the best interest of the Unitholders, the Sub-Fund will invest in ETF(s) managed by the Manager or its associate, unless an appropriate ETF is not available.

THE OFFERING AND REDEMPTION OF LISTED CLASS UNITS

This section headed "THE OFFERING AND REDEMPTION OF LISTED CLASS UNITS" contains disclosure relating to the Listed Class Units only. For information relating to the offer, redemption and switching of the Unlisted Class Units, please refer to the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS".

Initial Offer Period

Creations through Participating Dealers

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

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) on a Business Day before the above deadline unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Trustee 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 next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

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

Special creations through Eligible Investors

During the Initial Offer Period, where specified in the relevant Appendix, the Manager may accept special creations of Listed Class Units by Eligible Investors at the Issue Price and based on terms that may be agreed by the Manager and the Trustee. The procedure for special creations of Listed Class Units by Eligible Investors is equivalent to the terms governing Creation Applications made through a Participating Dealer in all material respects save for the Application Unit size and (where applicable) the Dealing Deadline. The Application Unit size applicable to creations through Participating Dealers does not apply to a Special Creation Application, which may be made in a minimum of one Unit or more.

To be dealt with during the Initial Offer Period, the Special Creation Application must be submitted by the deadline as specified in the relevant Appendix.

If a Creation Application is received by the Trustee 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 next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

Please refer to the section headed "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 is terminated.

Purchase and Sale of Listed Class Units and Creation and Redemption of Listed Class Units

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

(a) buy and sell Listed Class Units on the SEHK; or

(b) apply for creation and redemption of Listed Class Units through Participating Dealers.

Where specified in an Appendix, for Eligible Investors, special creations and redemptions for Listed Class Units in the relevant Sub-Fund are available.

Buying and selling of Listed Class Units on the SEHK

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

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

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

Creations and redemptions through Participating Dealers

Listed Class Units will continue to be created and redeemed in the primary market at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size or multiples thereof. The Application Unit size and currency for settlement are as set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Creation Applications and/or Redemption Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application or 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 Creation Application or Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application or Redemption 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.

The current Dealing Deadline for making a Creation Application or Redemption Application is as specified in the relevant Appendix.

Settlement for subscribing Listed Class Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming of Listed Class Units is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day,

unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Notwithstanding any Multi Counter (if applicable) for Listed Class Units, all settlement is in the base currency of the relevant Sub-Fund only (or such other currency as agreed by the Manager).

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

Special creations and redemptions through Eligible Investors

Where specified in the relevant Appendix, the Manager may accept special creations and redemptions of Listed Class Units by Eligible Investors based on terms that may be agreed by the Manager and the Trustee. The procedure for special creations and redemptions of Listed Class Units by Eligible Investors is equivalent to the terms governing Creation Applications and Redemption Applications made through a Participating Dealer in all material respects save for the Application Unit size and (where applicable) the Dealing Deadline. The Application Unit size applicable to creations or redemptions through Participating Dealers does not apply to a Special Creation Application or Special Redemption Application, which may be made in a minimum of one Unit or more.

The Manager reserves the right to request the Eligible Investors to reimburse the relevant Sub-Fund for the Duties and Charges incurred in relation to the special creation and redemption.

The current Dealing Deadline for making a Special Creation Application or a Special Redemption Application by Eligible Investors is as specified in the relevant Appendix.

Switching between Unlisted Class and Listed Class Units

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

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 Listed Class Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) or Eligible Investors may apply for Listed Class Units to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

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

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

After Listing

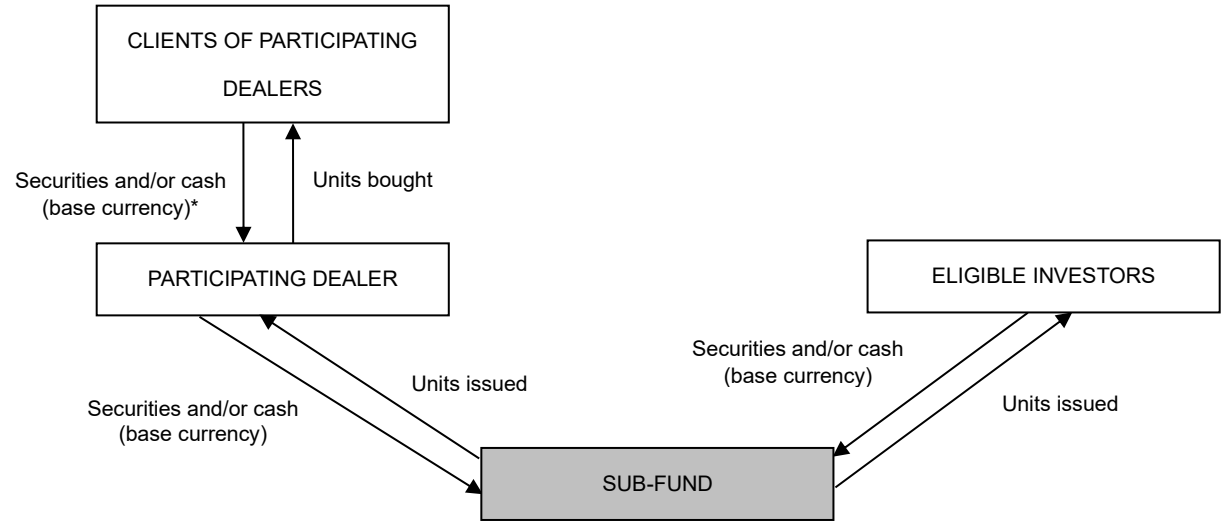
"After Listing" commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

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

Diagrammatic illustration of investment in the Listed Class Units of the Sub-Funds

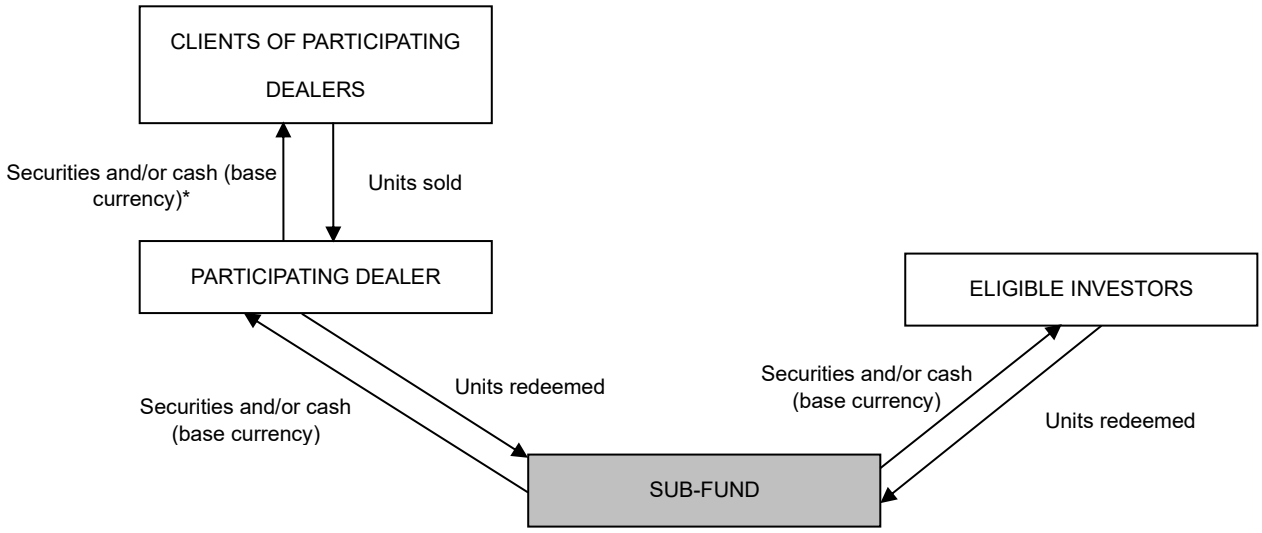
The diagrams below illustrate the issue or redemption and the buying or selling of Listed Class Units:

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



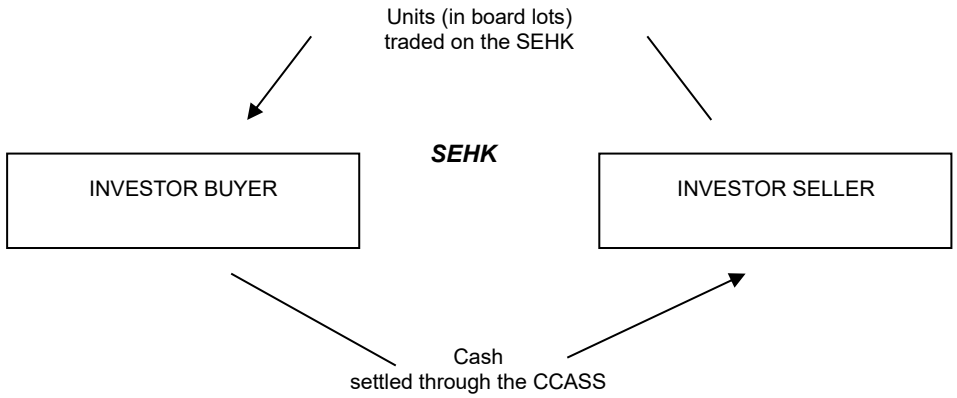
* *Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency*.

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



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

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



Summary of offering methods of Listed Class Units and related fees

Initial Offer Period

Method of Acquisition or Disposal of Listed Class Units*	**Minimum Number of Listed Class Units**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Cash creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Issue Price (in cash) Transaction Fee (payable in HKD or such other currency as specified in the

				Appendix) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Investments Cash Component Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) 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
Special creation	1	Through Eligible Investors only	Eligible Investors only	Portfolio of Investments and Cash Component/Cash Duties and Charges

After Listing

Method of Acquisition or Disposal of Listed Class Units*	**Minimum Number of Listed Class Units**	**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 Listed Class Units on the SEHK Brokerage fees and Duties and Charges (payable in such currency determined by the relevant broker)
Cash creation and redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers only	Any person acceptable to the Participating Dealer as its client	Issue Price/ Redemption Value (in cash) Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined or agreed with it) Duties and Charges

In-kind creation and redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Investments Cash Component Transaction Fee (payable in HKD or such other currency as specified in the Appendix) and Service Agent's Fee (payable in HKD) 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
Special creation and redemption	1	Through Eligible Investors only	Eligible Investors only	Portfolio of Investments and Cash Component/Cash Duties and Charges

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

** *Please refer to the section headed "FEES AND EXPENSES" for further details.*

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are 3 methods of making an investment in the Listed Class Units of a Sub-Fund and of disposing of Listed Class Units to realise an investment in the Sub-Fund.

The first method is to create or to redeem Listed Class Units at Net Asset 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 Sub-Fund. Where stated in the relevant Appendix, in-kind creation or in-kind redemptions (or a combination of cash and in-kind) may be permitted by the Manager. Although a Participating Dealer may, subject to arrangement with the Manager, elect to have Listed Class Units which it creates deposited in the CCASS in either the USD counter or the HKD counter, all creation and redemption for all Listed Class Units must be in the base currency of that Sub-Fund (or such other currency as agreed by the Manager). Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Listed Class Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Listed Class Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Listed Class Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Listed Class Units may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund. The section on “EXCHANGE LISTING AND TRADING (SECONDARY MARKET)” relates to this method of investment.

The third method, which is available only to Eligible Investors in respect of a Sub-Fund where specified in the relevant Appendix, is to apply for special creation or special redemption whereby an Eligible Investor may create or redeem Listed Class Units based on the Net Asset Value per Unit in the primary market. The Application Unit size applicable to creations or redemptions through Participating Dealers does not apply to a Special Creation Application or Special Redemption Application, which may be made in a minimum of one Unit or more.

This section of this Prospectus should be read in conjunction with the Operating Guidelines or Special Operating Guidelines (as the case may be) and the Trust Deed.

Creation of Listed Class Units through a Participating Dealer

Any Application for the creation of Listed Class Units of a Sub-Fund (other than special creations through the Eligible Investors) must only be made through a Participating Dealer in respect of an Application Unit size as set out in the relevant Appendix. Investors cannot acquire Listed Class Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day.

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

Each initial Participating Dealer has indicated to the Manager that it will generally accept and

submit creation request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant initial Participating Dealer and you 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 create Listed Class Units for the relevant initial Participating Dealer on your behalf (please refer to the sub-section headed "Creation process" below for the examples of 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 you as to the method of effecting such creation request(s).

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 Listed Class Units of the relevant Sub-Fund, (ii) the redemption of Listed Class Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of a Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to: (i) for an Index Tracking Sub-Fund, any of the Investments constituting or relating to a Sub-Fund's Index or (ii) for an active Sub-Fund, a substantial part of the Investments of the Sub-Fund;

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

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

Requirements relating to creation requests by investors

The methods and currency of creation available in respect of each Sub-Fund, whether in-kind (i.e. the creation of Listed Class Units in exchange for a transfer of Investments), in cash and/or a combination of cash and in-kind, are specified in relevant Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method.

Notwithstanding any Multi Counter (if applicable), any cash payable by a Participating Dealer in a Creation Application must be in the base currency of the Sub-Fund (or such other currency as agreed by the Manager) regardless of whether the Listed Class Units are deposited into the CCASS as HKD traded Listed Class Units or as USD traded Listed Class Units. The process for creation of Listed Class Units deposited under different counters is the same.

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

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

The Application Unit size for a Sub-Fund is the number of Listed Class Units specified in the relevant Appendix. Creation Applications submitted in respect of Listed Class Units other than in Application Unit size will not be accepted.

Creation process

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

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix.

To be effective, a Creation Application must:

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

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

(c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Listed Class Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Investments and other laws in relation to the creation of Listed Class Units which are the subject of the Creation Application.

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

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

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

(c) where in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market;

(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 Investment constituting or relating to the relevant Index or (ii) for an active Sub-Fund, a substantial part of the Investments of the Sub-Fund;

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

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

(g) the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in relation to the relevant Sub-Fund(s) are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

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

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

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

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (a) for the account of the relevant Sub-Fund, the creation of Listed Class Units in Application Unit size in exchange for a transfer of cash and/or Investments; and (b) the issue of Listed Class Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Listed Class Units

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

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

Listed Class Units are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Manager) as set out in the relevant Appendix. No fractions of a Listed Class Unit shall be created or issued by the Trustee.

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

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

Fees relating to Creation Applications

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

In relation to creation of Listed Class Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the relevant Sub-Fund for the difference between:

(a) the prices used when valuing the Investments of the relevant Sub-Fund for the purpose of such issue of Listed Class Units; and

(b) the prices which would be used when acquiring the same Investments if they were acquired by the relevant Sub-Fund with the amount of cash received by the relevant Sub-Fund upon such issue of Listed Class Units.

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

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

Cancellation of Creation Applications

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

The Trustee, after consultation with the Manager, may cancel a creation order in respect of any Listed Class Units deemed created pursuant to a Creation Application if it has not received the full amount of the cash and/or Investments (including Transaction Fee, Duties and Charges) relating to the Creation Application by the relevant time on the Dealing Day, provided that the Manager may at its discretion extend the settlement period and such extension to be on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee) as the Manager may determine and in accordance with the

provisions of the Operating Guidelines.

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

Upon the cancellation of any creation order of any Listed Class Units deemed created pursuant to a Creation Application as provided for above, any cash and/or Investments received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Listed Class Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

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

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

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

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

Redemption of Listed Class Units through a Participating Dealer

Any Application for the redemption of Listed Class Units of a Sub-Fund (other than special redemptions through the Eligible Investors) must only be made through a Participating Dealer in respect of an Application Unit size. Investors cannot redeem Listed Class Units directly from a Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

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

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant initial Participating Dealer and you 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 Listed Class Units for the relevant initial Participating Dealer on your behalf (please refer to the sub-section headed "*Redemption process*" under the section headed "CREATIONS AND REDEMPTIONS (PRIMARY MARKET)" below for the examples of 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 you as to the method of effecting such redemption request(s).

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 Listed Class Units of the relevant Sub-Fund, (ii) the redemption of Listed Class Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to: (i) for an Index Tracking Sub-Fund, any of the Investments constituting or relating to the relevant Index or (ii) for an active 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; or

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

Requirements relating to redemption requests by investors

The methods and currency of redemption available in respect of each Sub-Fund, whether in-kind (i.e. the creation of Listed Class Units in exchange for a transfer of Investments), in cash and/or a combination of cash and in-kind, are specified in relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method.

Notwithstanding any Multi Counter (if applicable), any cash proceeds received by a Participating Dealer in a Redemption Application shall be paid in the base currency of the Sub-Fund (or such other currency as agreed by the Manager). USD traded Listed Class Units and HKD traded Listed Class Units may be redeemed by way of a Redemption Application (through a Participating Dealer). The redemption process is the same for different trading counters.

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

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

the Trustee (with a copy to the Manager). You should check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

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

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix.

To be effective, a Redemption Application must:

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

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

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

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

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

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

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to: (i) for an Index Tracking Sub-Fund, any of the Investments constituting or relating to the relevant Index or (ii) for an active Sub-Fund, a substantial part of the Investments of the Sub-Fund;

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

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

(f) the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in relation to the relevant Sub-Fund(s) are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

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

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

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

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

Redemption of Listed Class Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Listed Class Units to be cancelled (or an indemnity in terms acceptable to the Trustee) 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, Listed Class Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Listed Class Units shall be removed from the Register in respect of those Listed Class Units redeemed and cancelled on the relevant Settlement Day.

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

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

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Fees relating to Redemption Applications

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

In relation to redemption of Listed Class Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the relevant Sub-Fund for the difference between:

(a) the prices used when valuing the Investments of the relevant Sub-Fund for the purpose of such redemption of Listed Class Units; and

(b) the prices which would be used when selling the same Investments if they were sold by the relevant Sub-Fund in order to realise the amount of cash required to be paid out of the relevant Sub-Fund upon such redemption of Listed Class Units.

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

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

Cancellation of Redemption Applications

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

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

In the event that Listed Class Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance:

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

(b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit so cancelled

Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Investments made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the relevant Sub-Fund as a result of such cancellation;

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

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

Deferred redemption

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

Suspension of creations and redemptions

For the avoidance of doubt, this section shall also apply to Special Creation Applications and Special Redemption Applications as the context may require.

The Manager may, at its discretion, after consultation with the Trustee (and where required and practicable, after consultation with Participating Dealers), having regard to the best interests of the Unitholders, suspend the creation or issue of Listed Class Units of any Sub-Fund, suspend the redemption of Listed Class Units of any Sub-Fund and/or (subject to the relevant requirements of the Code where payment of redemption monies exceeds one calendar month) delay the payment of any monies in respect of any Creation Application, Redemption Application or Special 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 (for an Index Tracking Sub-Fund) an

Investment (that is a component of the relevant Sub-Fund's Index or that relates to the relevant Sub-Fund's Index), or (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 in the case of Authorised Feeder Fund, any period when the market on which the relevant master fund is listed, or the official clearing and settlement depositary (if any) of such market, is closed, and (in respect of the Authorised Feeder Fund) such closure has an adverse impact on dealings in the primary market of Authorised Feeder Fund;

(c) during any period when dealing on a market on which (for an Index Tracking Sub-Fund) an Investment (that is a component of the relevant Sub-Fund's Index or that relates to the relevant Sub-Fund's Index), or (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 in the case of an Authorised Feeder Fund, any period when dealings on the market on which the relevant master fund is listed, is restricted or suspended, and (in respect of the Authorised Feeder Fund) such restriction or suspension has an adverse impact on dealings in the primary market of the Authorised Feeder Fund;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Investments 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 Investments, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund, including (without limitation), in respect of an Authorised Feeder Fund, during a period when dealings in or trading of the relevant master fund is suspended;

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

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or when for any other reason the value of any Investments or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

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

(i) during any period when the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in respect of the relevant Sub-Fund(s) are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

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

period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Trust's website www.hangsenginvestment.com (this website has not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application, Creation Application or Special 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 or the Manager may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application, Redemption Application or Special Application (as the case may be) by notice in writing to the Manager (in the case of withdrawal by a Participating Dealer) and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer or the Manager (as the case may be) any cash and/or Investments received by it in respect of the Creation Application or Special 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 unitholding

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

Restrictions on Unitholders

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

(a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Listed Class Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Funds suffering any adverse effect which the Trust or the Sub-Funds might not otherwise have suffered; or

(b) in the circumstances which, in the Manager's opinion, may result in the Trust or the Sub-Funds incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Funds might not otherwise have incurred or suffered.

Upon notice that any Listed Class Units are so held, the Manager may require such Unitholders

to redeem or transfer such Listed Class Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Listed Class Units in breach of any of the above restrictions is required either to redeem his Listed Class Units in accordance with the Trust Deed or to transfer his Listed Class Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Listed Class Units

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

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

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

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

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class Units 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 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.

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

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

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

THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS

This section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" contains disclosure relating to the Unlisted Class Units only. For information relating to the offering and redemption of the Listed Class Units, please refer to the section headed "THE OFFERING AND REDEMPTION OF LISTED CLASS UNITS".

Subscription of Unlisted Class Units

Initial Offer (if applicable)

Unlisted Class Units in a Sub-Fund may, at the discretion of the Manager, be offered for the first time at an initial Issue Price during the Initial Offer Period of such Unlisted Class as specified in the relevant Appendix in Part 2 of this Prospectus.

The offering of the Unlisted Class Units in a Sub-Fund may be conditional upon a minimum investment (if applicable) being received on or prior to the close of the Initial Offer Period (if applicable).

In the event that the minimum subscription level of the Unlisted Class Units is not achieved or the Manager is of the opinion that it is not in the commercial interest of investors or not feasible, as a result of adverse market conditions or otherwise, to proceed with the relevant Unlisted Class Units, the Manager may in its discretion extend the Initial Offer Period (if applicable) or determine that the Unlisted Class Units will not be launched. In such event, the Unlisted Class Units shall be deemed not to have commenced.

Notwithstanding the aforesaid, the Manager reserves the discretion to proceed with the issue of the Unlisted Class Units during the Initial Offer Period (if applicable) even if the minimum subscription level has not been achieved.

After the expiry of the Initial Offer Period, Unlisted Class Units may only be issued on a Dealing Day.

Unlisted Class Units may offer "currency hedged" classes of Units. For the currency hedged classes of Units, hedging will be performed to hedge the currency of denomination of the class of Units against (i) the base currency of the Sub-Fund or (ii) the portfolio currency. Currency hedged class will either be classified as a base currency hedged class or a portfolio currency hedged class.

Portfolio currency hedged class are the class of Units where (i) the currency exposure of the portfolio investments is predominantly hedged to the currency of denomination of the class of Units; or (ii) a Sub-Fund's base currency is hedged to the currency of denomination of the class of Units and a Sub-Fund is managed to a return in a Sub-Fund's base currency while the portfolio investments may be exposed to multiple currencies. Portfolio currency hedged classes seek to minimise the effect of currency fluctuations between the currency of denomination of the class of Units and a Sub-Fund's base currency such that the price in the currency of denomination of the class of Units moves similarly to the price in a Sub-Fund's base currency.

Base currency hedged classes are the class of Units where the underlying portfolio has or may have a material exposure to assets which are denominated in a currency (or currencies) which is (or are) different to a Sub-Fund's base currency. Subject to the investment objective of a Sub-Fund, such exposure may or may not be material in actuality for prolonged or temporary periods. Base currency hedged classes seek to provide a return which is consistent with the return on the currency of denomination of the class of Units which is the same as a

Sub-Fund's base currency. However, the returns may differ due to various factors (including interest rate differentials between the currency of denomination of the class of Units of base currency hedged classes and a Sub-Fund's base currency and transaction costs). Investors in the base currency hedged classes will be exposed to currency exchange rate movements of the underlying portfolio currencies against a Sub-Fund's base currency rather than being exposed to the underlying portfolio currencies against currency of denomination of the class of Units.

There is no assurance that hedging will be effective. Any gains or losses from currency hedging shall accrue to the value of the relevant currency hedged class of Units.

The currency hedged class(es) which a Sub-Fund offers is/are portfolio currency hedged class(es).

Issue Price

After the close of the Initial Offer Period (if applicable), the Issue Price per Unit for the Unlisted Class on a Dealing Day will be equal to the Net Asset Value per Unit of that Unlisted Class determined as at the appropriate Valuation Point (for further details please refer to the section headed "DETERMINATION OF NET ASSET VALUE").

In calculating the Issue Price of a Unit of an Unlisted Class, the Manager may impose such amount or rate (if any) as the Manager may estimate as appropriate to reflect any Duties and Charges which would be incurred for the account of the relevant Sub-Fund in investing an amount equal to that Net Asset Value per Unit of such Unlisted Class. For details please refer to the sub-section headed "Issue Price and Redemption Value of Units" under the section headed "DETERMINATION OF NET ASSET VALUE".

The Issue Price shall be rounded to the number of decimal places as specified in the relevant Appendix. Any amount corresponding to the rounding up or down shall accrue to the relevant Sub-Fund.

Where so specified in the relevant Appendix, the Manager has the power to charge a Preliminary Charge not exceeding 5% of the Issue Price on the issue of each Unit of an Unlisted Class.

Minimum investment and subsequent holding

Save as otherwise provided in the relevant Appendix, the Manager does not require a minimum investment or holding amount for the Unlisted Class Units. However, Authorised Distributors may impose an amount which is equal to or higher than any minimum investment and holding criteria specified in the relevant Appendix.

The Manager has the discretion to waive, change or accept an amount lower than the minimum investment or subsequent holding amount from time to time, whether generally or in a particular case.

Application procedures

Unless otherwise specified in the relevant Appendix, applications for Unlisted Class Units may be made by completing the relevant instruction form of any Authorised Distributor or through the Manager (as the case may be) and sending it to the relevant Authorised Distributor or the Manager (and/or its delegate) by facsimile or SWIFT messaging only for subsequent subscription application, as the case may be, together with payment for the Unlisted Class Units and the Preliminary Charge. The relevant Authorised Distributor or the Manager, as the

case may be, will provide payment details for payment of the Unlisted Class Units and the Preliminary Charge.

Where application monies are paid in a currency other than the currency of the relevant class of Unlisted Class Units, they will be converted, at the cost of the investor, into such currency before being applied (net of all currency conversion costs) in the purchase of Unlisted Class Units. Conversion of currencies may involve some delay. No payment by any person other than the applicant will be allowed.

Please refer to the relevant Appendix for deadlines for submitting the instruction forms and paying application monies.

Save where there is a suspension of the determination of the Net Asset Value of the relevant Sub-Fund or relevant Unlisted Class, a request for subscription once given cannot be revoked without the consent of the Manager.

Authorised Distributors

The Manager may appoint one or more distributor(s) to market, promote, sell and/or distribute Unlisted Class Units in one or more Sub-Fund(s), and to receive applications for subscription, redemption and/or switching of Unlisted Class Units.

Where application for Unlisted Class Units is made through an Authorised Distributor, Unlisted Class Units may be registered in the name of a nominee company of the Authorised Distributor through whom the applicant applies for the Unlisted Class Units. As a result of this arrangement, the applicant will be dependent on the person in whose name the applicant's Unlisted Class Units are registered to take action on his/her behalf. As the Authorised Distributor (or its nominee) is the Unitholder of the Unlisted Class Units of the relevant Sub-Fund, the Manager and the Trustee shall not be responsible for any arrangements between the relevant applicant and the Authorised Distributor regarding the subscription, holding and redemption of such Unlisted Class Units and any related matters, as well as any costs or losses that may arise therefrom. The Manager will however, exercise reasonable care in the selection and appointment of the Authorised Distributor(s), in accordance with the *Overarching Principles of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Product.*

Investors who apply for subscription, redemption and/or switching of Unlisted Class Units through Authorised Distributor(s) should note that such Authorised Distributor(s) may impose earlier Dealing Deadlines for receiving instructions for subscriptions, redemptions or switching. Such Authorised Distributor(s) may also have the discretion to decide which Sub-Fund(s) and/or class(es) of Units are available for subscription and/or switching by investors through the relevant Authorised Distributor, and whether applications for such subscription and/or switching can be accepted by the relevant Authorised Distributor on a Dealing Day on which severe weather conditions persist. Investors should pay attention to the arrangements of the Authorised Distributor(s) concerned.

Currently, where specified in the relevant Appendix, it is intended that only Unlisted Class Units of a Sub-Fund may be tokenised. Retail investors may apply for subscription and redemption of tokenised Unlisted Class Units through an Eligible Distributor. For details, please refer to the section headed "Tokenisation of Units", the sub-sections headed "Subscription of tokenised Unlisted Class Units" and "Redemption of tokenised Unlisted Class Units" under the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" below. Investors should note that switching in or out of tokenised Units of an Unlisted Class of a Sub-Fund will not be permitted.

For the avoidance of doubt, any fees, costs and expenses payable to the Authorised Distributor(s) arising out of any advertisement or promotional activities in connection with the Trust or the Sub-Fund(s) will not be paid from the assets of the Trust or the Sub-Fund(s).

Payment procedures

Please refer to the relevant Appendix for specific payment procedures.

Payment of application monies shall be in cash. If a Unitholder requests payment in a currency other than the class currency of the relevant class, and such currency is acceptable to the Manager, the conversion will be made at the then prevailing market rate, at the cost of the investor, into such currency before being applied (net of all currency conversion costs) in the purchase of Unlisted Class Units. Conversion of currencies may involve some delay. No payment by any person other than the applicant will be allowed.

The Manager may also, at its sole discretion accept subscriptions in-kind.

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

General

The Manager has an absolute discretion to accept or reject in whole or in part any application for Unlisted Class Units.

If an application is rejected (either in whole or in part) or the Manager determines that the relevant Unlisted Class Units will not be launched, application monies (or the balance thereof) will be returned as soon as practicable from the relevant Dealing Day or close of the relevant Initial Offer Period (as the case may be) without interest and after deducting any of out-of-pocket fees and charges incurred by the Manager and the Trustee/Registrar by telegraphic transfer to the bank account from which the moneys originated at the risk and expense of the applicant or in such other manner as the Manager and the Trustee may from time to time determine. Save for any liability imposed under the laws of Hong Kong or for breach of trust through fraud or negligence of the Trustee or the Manager, none of the Manager, the Trustee or their respective delegates or agents will be liable to the applicant for any loss the applicant suffers as a result of the rejection or delay of any application.

Unlisted Class Units issued by the Trust will be held for investors in registered form. Certificates will not be issued. A contract note will be issued upon acceptance of an applicant's application and the receipt of cleared funds and will be forwarded to the applicant (at the risk of the person entitled thereto). In case of any error in a contract note, applicants should contact the relevant intermediaries or the relevant distributor promptly for rectification.

Fractions of not less than one-thousandth of a Unit (or such smaller fraction as specified in the relevant Appendix) may be issued. Application monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund.

Restrictions on issue

No Unlisted Class Units in a Sub-Fund will be issued where the determination of the Net Asset Value of that Sub-Fund or that Unlisted Class Units and/or the allotment or issuance of that Unlisted Class Units is suspended (for further details please refer to the sub-section headed "Suspension of Determination of Net Asset Value" under the section headed "LIQUIDITY RISK MANAGEMENT") or when the Manager determines, with prior notification to the Trustee, that subscriptions for such Sub-Fund or Unlisted Class Units are closed.

Subscription of tokenised Unlisted Class Units

Please refer to the sub-section headed “Subscription of tokenised Units” under the section headed “TOKENISATION OF UNITS” below.

Redemption of Unlisted Class Units

Redemption of Unlisted Class Units

Subject to the restrictions (if any) as specified in the relevant Appendix in Part 2 of this Prospectus, any Unitholder may redeem his/her Unlisted Class Units on any Dealing Day in whole or in part.

Redemption Value

Unlisted Class Units redeemed on a Dealing Day will be redeemed at the Redemption Value, which is equal to the Net Asset Value per Unit of the relevant Unlisted Class determined as at the appropriate Valuation Point (for further details, please refer to the section headed “DETERMINATION OF NET ASSET VALUE”).

In calculating the Redemption Value, the Manager may at its discretion, deduct such amount or rate (if any) as the Manager may estimate as appropriate to reflect any Duties and Charges which would be incurred for the account of the relevant Sub-Fund in realising assets or closing out positions to provide funds to meet any redemption request and any applicable Redemption Charge. For details please refer to the sub-section headed “Issue Price and Redemption Value of Units” under the section headed “DETERMINATION OF NET ASSET VALUE”.

The Redemption Value shall be rounded to the nearest decimal places as specified in the relevant Appendix. Any amount corresponding to the rounding up or down shall accrue to the relevant Sub-Fund.

If at any time during the period from the time as at which the Redemption Value is calculated and the time at which redemption proceeds are converted out of any other currency into the class currency of the relevant Unlisted Class there is an officially announced devaluation or depreciation of that currency, the amount payable to any relevant redeeming Unitholder may be reduced as the Manager considers appropriate to take account of the effect of that devaluation or depreciation.

Minimum redemption and minimum holding

Save as otherwise provided in the relevant Appendix, the Manager does not require a minimum redemption or holding amount for the Unlisted Class Units. However, Authorised Distributors may impose an amount which is equal to or higher than any minimum redemption or holding criteria specified in the relevant Appendix.

Redemption procedures

Unless otherwise specified in the relevant Appendix, investors who purchased their Unlisted Class Units through an Authorised Distributor and have the relevant Unlisted Class Units held by the nominee appointed by the Authorised Distributor on their behalf should refer to such Authorised Distributor for details of the redemption procedure. Unitholders may redeem their Unlisted Class Units on any Dealing Day in whole or in part by submitting application to the Manager as described below. The Manager may refuse to accept an application for a partial redemption of Unlisted Class Units if, as a result, the Unitholder would hold Unlisted Class

Units of the relevant class having a value of less than the minimum holding for such Unlisted Class Units.

A redemption application must be given in writing. It must specify the number (or in cases where the Manager, in its discretion, considers as appropriate, the redemption amount) and class of Units to be redeemed, the Sub-Fund to which the Units relate and the name(s) of the registered holder(s) and must give payment instructions for the redemption proceeds to be paid. In order for redemption to take effect on a particular Dealing Day, the redemption application must be submitted by facsimile or SWIFT messaging to the Manager and / or its delegate not later than the redemption cut-off time for that Dealing Day (as specified in the relevant Appendix). Different redemption cut-off times may apply in relation to different classes of Units. Subject to the Manager's discretion to accept some late applications from an Authorised Distributor as redemption applications received before the relevant cut-off time for that Dealing Day in certain situations as specified in the relevant Appendix, redemption applications received after the relevant cut-off time for that Dealing Day will be processed on the next Dealing Day.

Units redeemed on a Dealing Day will be redeemed at a price based on the Net Asset Value of the relevant class of the relevant Sub-Fund as at the applicable Valuation Point on the Dealing Day to which the redemption request relates.

Where so specified in the relevant Appendix, the Manager has the power to deduct from the proceeds of redemption a Redemption Charge of up to 4% of such proceeds. The Manager has discretion to waive this Redemption Charge in whole or in part in relation to any redemption request. If at any time during the period from the time as at which the Redemption Value is calculated and the time at which redemption monies are converted out of any other currency into the base currency of the relevant Sub-Fund there is an officially announced devaluation of that currency, the amount payable to any relevant redeeming Unitholder may be reduced as the Manager considers appropriate to take account of the effect of that devaluation.

Payment of redemption proceeds

Redemption proceeds will normally be paid by telegraphic transfer in the class currency of the relevant Unlisted Class to the pre-designated bank account of the Unitholder (at the risk and expense of the Unitholder). No third party payments will be permitted. Any bank charges associated with the payment of such redemption proceeds will be borne by the redeeming Unitholder. Redemption proceeds will be paid in the class currency of the relevant Unlisted Class of the relevant Sub-Fund. If a Unitholder requests payment in any currency other than the class currency of the relevant Class, and such currency is acceptable to the Manager, the conversion will be made at the then prevailing market rate, as determined by the Manager and any conversion costs will be borne by the Unitholder.

Redemption proceeds will be paid on or before the expiration of four weeks after the relevant Dealing Day or (if later) the day on which the Manager or its duly authorised agents shall have received the redemption request duly completed and signed and/or (if applicable) the relevant certificate, subject to the requirements under the Trust Deed and the Code.

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

(a) any period during which (i) the creation or issue of Units of the relevant Unlisted Class, (ii) the redemption of Units of the relevant Unlisted Class, and/or (iii) the determination of Net Asset Value of the relevant Unlisted Class is suspended;

(b) where in the opinion of the Manager, acceptance of the redemption request would have an adverse effect on the Trust or the relevant Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to: (i) for an Index Tracking Sub-Fund, any of the Investments constituting or relating to the relevant Index or (ii) for an active Sub-Fund, a substantial part of the Investments of the Sub-Fund;

(d) where acceptance of the redemption request would render the Manager in breach of or non-compliance with any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;

(e) circumstances outside the control of the Manager; or

(f) the redemption request is not submitted in the form and in the manner required.

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

The Manager may, in consultation with the Trustee, suspend the right of the Unitholders to redeem the Units of any class and/or may delay the payment of any moneys in respect of any such redemption during any suspension period. Any Unitholder may at any time after such a suspension has been declared and before termination of such suspension withdraw the relevant redemption request by notice in writing to the Manager. If no such notice has been received by the Manager before termination of such suspension, the Manager shall realise the Unlisted Class Units at the Dealing Day next following the termination of such suspension.

Redemption in-kind

The Manager may in their absolute discretion serve a notice in writing on the relevant Unitholder within 5 Business Days of the Dealing Day immediately following the redemption request electing that the redemption and cancellation of the Unlisted Class Units is to be satisfied by transferring to such Holder Investments (or partly Investments and partly cash) instead of purchase of the relevant Unlisted Class Units by the Manager.

Where the Unitholder consents to such transfer, the Manager shall effect such redemption in accordance with the requirements in the Trust Deed. In particular, the Manager shall, subject to the consent of the Trustee, select the Investments to be transferred and the value of the Investments to be transferred shall be calculated as at the appropriate Valuation Point.

Deferred Redemption

No Unlisted Class Units in a Sub-Fund may be redeemed where the determination of the Net Asset Value of that Sub-Fund or Unlisted Class is suspended (for further details please refer to the sub-section headed “Suspension of Determination of Net Asset Value” under the section headed “LIQUIDITY RISK MANAGEMENT”).

In the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total Net Asset Value of Units in a Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders (in respect of both Listed Class Units and Unlisted Class Units) seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in

aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund) of the total Net Asset Value of Units (pro rata amongst both Listed Class Units and Unlisted Class Units) in the relevant Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the total Net Asset Value of Units in the relevant Sub-Fund then in issue pro rata amongst both Listed Class Units and Unlisted Class Units) in priority to any other Units in the Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed. The redemption gate applies to redemption applications in cash only for both Listed Class Units and Unlisted Class Units.

Redemption of Tokenised Unlisted Class Units

Please refer to the sub-section headed "Redemption of tokenised Units" under the section headed "TOKENISATION OF UNITS" below.

Switching of Unlisted Class Units (other than tokenised Unlisted Class Units)

Unless otherwise specified in the relevant Appendix, Unitholders shall be entitled (subject to such limitations as the Manager may impose after consulting with the Trustee) to switch all or part of their Units in an Unlisted Class (other than a tokenised Unlisted Class) in a Sub-Fund (the "Existing Class") into unlisted class units of any collective investment scheme managed by the Manager (the "New Class") available for subscription or switching provided that no Unlisted Class Units may be switched if to do so would result in a holding of less than the minimum holding of Units of the Existing Class or the New Class. Switching in or out of tokenised Units of an Unlisted Class of a Sub-Fund will not be permitted.

If there is, at any time during the period from the time as at which the Redemption Value per Unit of the Existing Class is calculated and the time at which any necessary transfer of funds from the Sub-Fund to which Units of the Existing Class relate to the Sub-Fund to which Units of the New Class relate takes place, an officially announced devaluation of any currency in which any investment of the first mentioned Fund is denominated or normally traded, the Redemption Value per Unit of the Existing Class shall be reduced as the Manager considers appropriate to take account of the effect of that devaluation and the number of Units of the New Class which will arise from that switching shall be recalculated as if that reduced Redemption Value had been the Redemption Value ruling for redemptions of Units of the Existing Class on the relevant Dealing Day.

Any fraction smaller than one-thousandth of a Unit of the New Class so arising (or such smaller fraction as specified in the Appendix for the New Class) will be ignored and monies representing any such fraction will be retained as part of the Sub-Fund to which Units of the Existing Class relate.

A request for switching will not be effected if as a result the relevant Unitholder would hold less than the minimum holding amount of the Existing Class or the New Class, or is prohibited from holding Units of the New Class.

In addition, specific limitations or restrictions may apply when a Unitholder intends to convert his Units in an Unlisted Class into Units of another Unlisted Class in same Sub-Fund or another Sub-Fund. The relevant limitations or restrictions (if any) will be set out in the Appendix for the relevant Sub-Fund.

Where the switching is between Units (of the same class) denominated in different currencies,

currency conversion is involved and the relevant Unitholders are subject to exchange rate risk.

In respect of any switching, the Manager may require the Unitholder to pay a Switching Fee (for further details please refer to the section headed "FEES AND EXPENSES") in addition to a reasonable fee sufficient to cover any stamp duty or other governmental taxes or charges payable in connection with such switching.

The Manager may in its absolute discretion to accept or reject in whole or in part any switching request.

Switching Procedures

Subject to such limitations as the Manager may impose and subject as noted below, Unitholders and/or investors have the right to switch all or part of their Units of the Existing Class into Units of the New Class by sending written instruction to any Authorised Distributor or written application to the Manager (as the case may be). Units of the Existing Class will not be switched into Units of the New Class where the terms of issue of Units of either the Existing Class or the New Class do not allow switching into Units of the New Class or where the determination of the Net Asset Value of any relevant fund has been suspended.

In order for switching to take effect on a particular Dealing Day, the switching instruction as signed by the Unitholder and/or investor must be received by the Authorised Distributor or the switching application as signed by the Unitholder must be received direct by the Manager and / or its delegate (as the case may be) via facsimile or SWIFT messaging not later than the cut-off time for receipt of switching application for that Dealing Day which shall be the cut-off time for receipt of applications for the Existing Class or the New Class, whichever is earlier. Subject to the Manager's discretion to accept some late switching applications from an Authorised Distributor as switching applications received before the relevant cut off time for that Dealing Day in certain situations as specified in the relevant Appendix, switching applications received after the relevant cut off time for that Dealing Day will be processed on the next Dealing Day. For the avoidance of doubt, where the cut-off time for receipt of applications for the Existing Class is earlier than that for the New Class, any switching instruction received by the Authorised Distributor or switching application received by the Manager after the relevant cut-off time for receipt of applications for the Existing Class will be processed on the next Dealing Day even if the switching instruction or application is received before the relevant cut-off time for receipt of applications for the New Class. On the other hand, where the cut-off time for receipt of applications for the New Class is earlier than that for the Existing Class, any switching instruction received by the Authorised Distributor or switching application received by the Manager after the relevant cut-off time for receipt of applications for the New Class will be processed on the next Dealing Day even if the switching instruction or application is received before the relevant cut-off time for receipt of applications for the Existing Class. Switching will be effected by redeeming the Units of the Existing Class on the relevant Dealing Day and issuing Units of the New Class on the Dealing Day for Units of the New Class falling on or after (i) the date of redemption of Units of the Existing Class and (ii) the satisfaction of any conditions attaching to the issue of the Units of the New Class (for example, that such Units may only be issued on receipt of cleared funds for the account of the relevant fund) or such later Dealing Day as the Manager may have determined as applicable for switches into Units of the New Class.

Investors should check with the relevant Authorised Distributor the cut-off time for receipt of payment or for receipt of applications for the subscription, redemption and/or switching of Units earlier than those set out in the relevant Appendix.

Restrictions on Switching of Unlisted Class Units

Unlisted Class Units shall not be switched during any period when the determination of the Net Asset Value of any relevant Sub-Fund is suspended (for further details please refer to the section headed “Suspension of Determination of Net Asset Value” under “LIQUIDITY RISK MANAGEMENT”) or when redemption of Units of the Existing Class is limited (for further details please refer to the sub-section headed “Deferred Redemption” under the section headed “THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS”).

Switching between Unlisted Class Units and Listed Class Units

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

TOKENISATION OF UNITS

Where approved by the relevant regulatory authorities (including the SFC) and where tokenisation is adopted for a Sub-Fund (as indicated in the Appendix of the relevant Sub-Fund), a class of Units may be tokenised.

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Manager as the tokenisation agent ("**Tokenisation Agent**") of the Trust. The Tokenisation Agent offers their ability to tokenise any Units in the form of Tokens (representing a Unit in the traditional register) by adopting a distributed ledger technology (consisting of a public blockchain network). The Tokenisation Agent, as part of its tokenisation service, utilises the aforesaid public blockchain network on which:

i. direct Unitholders' (including Eligible Distributors[1] that may act as nominees of end-investors) ownership of tokenised Units will be recorded and represented in the form of digital tokens ("**Tokens**"), whereby one Token (or a fraction thereof) represents one tokenised Unit (or a fraction thereof) in the off-chain register. The Manager reserves the right to change the number of Units represented by one Token in future; and

ii. transaction data relating to the subscription and redemption of tokenised Units will be recorded.

Basic information and key facts about a Sub-Fund, including, but not limited to, the investment objective, NAV per Unit (represented by the corresponding Tokens), performance information, offering documents, announcement and notices, will generally be made available to investors on the Eligible Distributors' application programmes, platforms or systems through which investors subscribe for and redeem tokenised Units in the form of Tokens. The type of information to be provided may vary among Eligible Distributors.

Initially, the Tokenisation Agent intends to utilise Ethereum as the primary blockchain. Other public blockchains with comparable level of security resiliency and distributed ledger technology may be adopted in future.

Unitholders may only subscribe for, or redeem, tokenised Units in the form of Tokens via Eligible Distributors and there is no trading on any secondary markets. An Eligible Distributor will act as a nominee of investors (herein referred to as "**end-investors**") who invest in the tokenised Units through such Eligible Distributor. To this extent, the distributed technology-based ledgers (including public blockchains) will serve as ledgers recording the Unit ownership of Eligible Distributors who pool the assets of end-investors to invest in the tokenised Units. Ownership of tokenised Units by the end-investors may be recorded on the on-chain ledgers and/or the off-chain register(s) in a book-entry form maintained by each respective Eligible Distributor. All Digital Wallets holding tokenised Units will be whitelisted, hence this offering is about enabling permissioned activity on public blockchains.

Once allocated, the Tokens are held in the custody of a Token Custodian appointed by the relevant Eligible Distributor in the Eligible Distributors' Digital Wallet on behalf of their end-investors, who will receive the corresponding updated information regarding the Digital Wallet. The Eligible Distributors will also communicate such information to the relevant end-investors in the manner as agreed between the end-investors and their Eligible Distributors, which will be reflected in their relevant account as agreed with their Eligible Distributors. Currently, the Manager intends to only accept Token Custodians which are SFC-licensed virtual asset trading platforms or authorised financial institutions which meet the expected standards of

[1] For relevant information on Eligible Distributors, please refer to the Manager's website at www.hangseninvestment.com (this website has not been reviewed by the SFC).

virtual asset custody qualification.

Eligible Distributors may operate and maintain application programmes, platforms or systems which are separate from, but compatible with the blockchain networks utilised by the Tokenisation Agent. End investors may subscribe or redeem tokenised Units in the form of Tokens through such application programmes, platforms or systems operated by the Eligible Distributors.

The Manager remains ultimately responsible for the management and operational soundness of the tokenisation arrangement adopted and the record keeping of ownership, notwithstanding outsourcing to the Tokenisation Agent, and ensuring the tokenisation arrangement is operationally compatible with the service providers involved.

Use of Blockchain

The tokenisation process described in the preceding section involves the use of distributed ledger (including blockchain) technology. A blockchain is a distributed ledger that records transactions between two parties that are linked with the use of cryptography. Each entry to the blockchain representing a transaction is called a “block” and each block contains information of the previous block, thereby linking the blocks together forming a “chain”. Transactions on the blockchain are verified and authenticated by computers on the relevant blockchain network that receive, propagate, verify and execute transactions. Consequently, blockchain transactions are irreversible in that any given block cannot be altered retroactively without altering all subsequent blocks. The use of blockchain technology for recordkeeping of, and facilitation of dealing in, investment funds is relatively novel and still evolving.

The Trustee and the Registrar shall maintain the official record of ownership of tokenised Units through an integrated recordkeeping system with records in book-entry form (i.e. the off-chain register of direct Unitholders, including Eligible Distributors that may act as nominees of end-investors) at the Sub-Fund-level, and the Tokenisation Agent shall also maintain the record of digital representations of the tokenised Units on the relevant blockchain at the distributor-level. Each Eligible Distributor owns and maintains for its end-investors (i) the record of ownership of tokenised Units; (ii) the transactions record, on on-chain ledger(s) and/or off-chain register(s), of which the Manager or the Tokenisation Agent has no visibility.

To create and maintain a permissioned structure on public blockchains, it is intended that the Tokenisation Agent and Eligible Distributors shall register and associate each Digital Wallet with relevant identifying information which is maintained in an off-chain registry (i.e., a separate database that is not available to the public and is used to satisfy relevant laws and regulations). Permission is granted only to registered Digital Wallets, sometimes referred to as “whitelisting”, thereby restricting the ability to transact in tokenised Units and Tokens to pre-approved participants. Smart contracts are deployed as part of the operational framework to enforce compliance with the Tokenisation Agent’s policies and procedures. Please refer to the sub-section headed “Restrictions and controls on dealing in tokenised Units on primary market” below for further details. In this manner, this permissioned structure prevents transactions between unknown persons or unknown blockchain wallets, even though blockchain infrastructure itself remains permissionless.

Notwithstanding the use of distributed ledger technology (in that the transaction data of tokenised Units will be recorded on-chain, the settlement finality (i.e. the point where a transaction is considered as finally settled) is off-chain in that, cash settlement for the subscription of tokenised Units is performed off-chain, and tokenised Units (as represented by the Tokens) are issued in registered form and recorded in the register of Unitholders maintained off-chain by the Trustee and the Registrar and independently verified by the Manager, which constitute the official record of ownership of Units. The official record of

ownership of tokenised Units is under the full and complete control of the Trustee and the Registrar.

The Tokenisation Agent will reconcile book-entry and blockchain transactions on each Business Day. Reconciliation involves maintaining a matching book-entry register of direct Unitholders (i.e., of number of tokenised Units) and blockchain record of Tokens representing tokenised Units (i.e., of number of Tokens) in circulation, and the ownership of the tokenised Units by direct Unitholders and Tokens at any given times. Where discrepancy exists between the register of direct Unitholders and the Tokens in the Digital Wallets, reference will be made to the records in the former for any changes to the Tokens in the Digital Wallets. The Manager will perform an independent verification on the book-entry register of direct Unitholders based on Tokenisation Agent's report which shows the number of Tokens being held by each Digital Wallet.

The Tokenisation Agent, after consultation with the Trustee and the Manager, maintains controls to correct errors or unauthorised transactions on the supported public blockchains by performing appropriate activities to rectify any error or unauthorised transaction (i.e. the prior transaction on the blockchain would not be deleted, although the blockchain would be appended with the correct transactional history). Units issued by the Trust are in registered form and not bearer form. The recording of ownership in a tokenised Unit in the form of Tokens will not affect a Sub-Fund's investments.

A blockchain network may experience a "fork" (i.e., "split") of the network, which would result in the existence of two or more versions of the blockchain network running in parallel, but with each version's native asset lacking interchangeability, potentially competing with each other for users and other participants. Where a fork occurs in one of the blockchain networks utilised by the Tokenisation Agent, the Manager, in consultation with the Trustee and the Tokenisation Agent, will determine which of the resulting blockchain networks will continue to be used and which will be discontinued.

In order to facilitate the use of blockchain technology, Eligible Distributors holding tokenised Units must have a "blockchain wallet" i.e. the Digital Wallet. Generally, a blockchain wallet is a software application that stores a user's "private key" and related digital assets and is used to facilitate the transfer of assets on a blockchain. A private key will enable a user to send and authenticate instructions to, and update, a blockchain.

Fees and expenses associated with the tokenisation (including gas fees for validation of a transaction of the blockchain) and the use of blockchain technology (including payments in the form of the native digital asset of any blockchain(s)), collectively referred to as "tokenisation fee", will be borne by the relevant tokenised class of Units.[2]

Dealing of tokenised Units

There is no trading of tokenised Units on any secondary markets.

Currently, only Units of an Unlisted Class of a Sub-Fund (as indicated in the relevant Appendix of a Sub-Fund) may be tokenised.

Subscription of tokenised Units

Unless otherwise more specifically provided herein, the procedures regarding the subscription of Unlisted Class Units described under the sub-section headed "Subscription of Unlisted

[2] Please refer to the Appendix of the relevant Sub-Fund for other fees and expenses applicable to the tokenised class of Units.

Class Units" under the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" above will apply to the subscription of tokenised Unlisted Class Units directly and/or in the form of Tokens with respect to a Sub-Fund which adopts a tokenisation arrangement. For specific information relating to each Sub-Fund (including whether tokenisation is currently adopted), please refer to the relevant Appendix for further details.

Where implemented, end-investors can subscribe tokenised Unlisted Class Units in the form of Tokens by submitting an application for subscription via an Eligible Distributor (e.g. through an Eligible Distributor's web portal or application programming interface or other means as the case may be). In doing so, an end-investor of tokenised Unlisted Class Units will need to open an applicable account with their Eligible Distributor(s), in which the record of the tokenised Unlisted Class Units as evidenced by the corresponding Tokens beneficially owned by such end-investor will be reflected. An Eligible Distributor will:

(a) hold appropriate digital wallets in the custody of the Eligible Distributor's appointed Token Custodian to receive, hold and manage relevant entitlements with respect to the Tokens ("**Digital Wallets**") as nominee for its end-investors; and

(b) hold a fiat currency settlement account for its end-investors to house, remit and receive (as applicable) the subscription moneys and redemption proceeds in respect of the Tokens ("**Settlement Accounts**").

End-investors can subscribe for tokenised Unlisted Class Units to be evidenced in the form of Tokens on each Dealing Day at the Net Asset Value per Share of a Sub-Fund published daily in Hong Kong on the websites of the Manager, and Eligible Distributor's digital platform. The prices will be expressed exclusive of any subscription fee which may be payable on subscription.

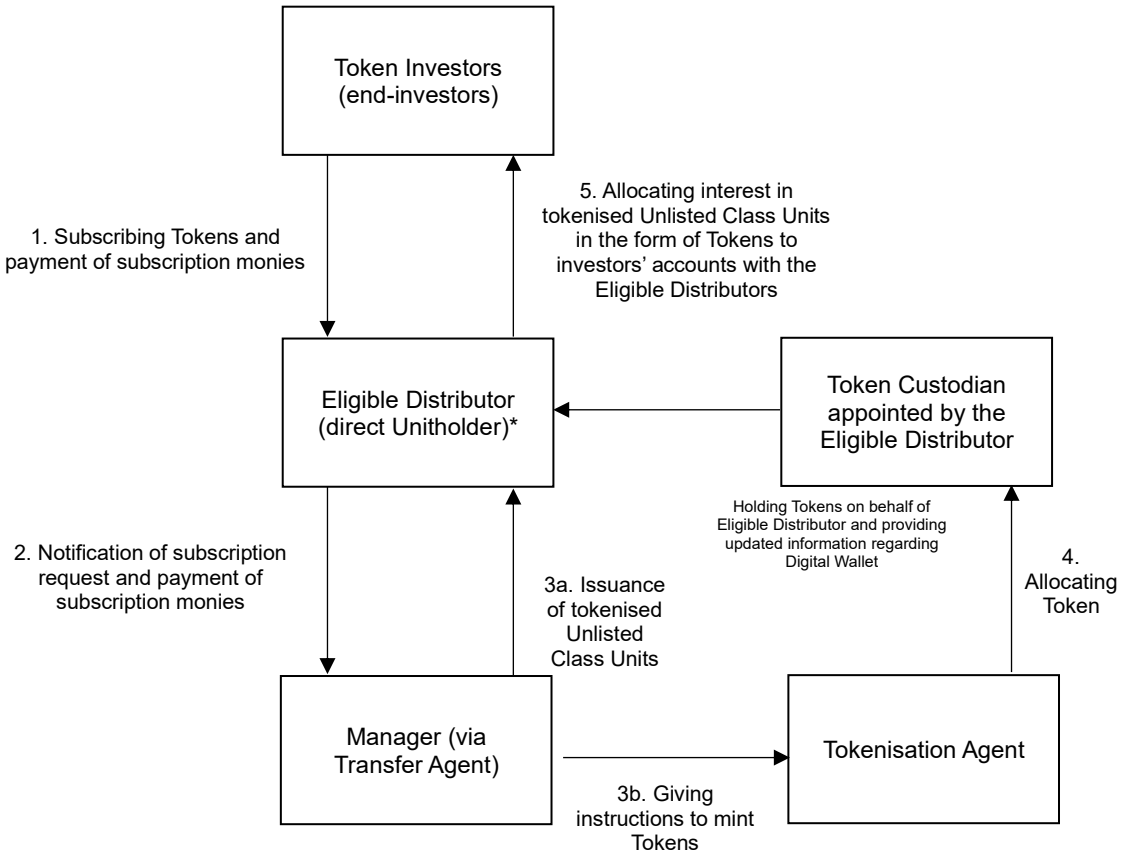
Applications for subscription of tokenised Unlisted Class Units must be forwarded to, and received by, the Transfer Agent (via an Eligible Distributor) by no later than the Dealing Deadline. Applicants should confirm the relevant cut-off times with their Eligible Distributor(s). Applications received after such time will be deemed to have been received on the next Dealing Day and will be dealt with accordingly.

Payment of subscription monies should be made through end-investors' Settlement Accounts opened with an Eligible Distributor. The subscription amount payable for the corresponding number of tokenised Unlisted Class Units subscribed by an applicant, in respect of any Dealing Day, is due and payable to the Transfer Agent (via an Eligible Distributor) no later than the Dealing Deadline on the relevant Dealing Day as specified for tokenised Unlisted Class Units in the relevant Appendix.

Upon the confirmation of acceptance of subscription, the Tokenisation Agent will run the tokenisation process until the Tokens representing the corresponding number of tokenised Unlisted Class Units subscribed by an Eligible Distributor have been minted. The minted Token(s) will be allocated to the relevant Eligible Distributor's Digital Wallet. The relevant Eligible Distributor will receive the corresponding updated information regarding the Digital Wallet, which will be communicated to the relevant end-investors in the manner as agreed with the end-investors, and allocate the interests in the corresponding tokenised Unlisted Class Units to the relevant end-investor's account with the Eligible Distributor.

The contract note reflecting the confirmation of the acceptance of subscription will be made available to end-investors on the Eligible Distributors' application programmes, platforms or systems through which such end-investors subscribe for tokenised Units in the form of Tokens.

The following illustrates the process of subscription of tokenised Unlisted Class Units and minting of corresponding Tokens:



* To hold and receive Tokens through Digital Wallets

Redemption of tokenised Units

Unless otherwise more specifically provided herein, the procedures regarding the redemption of Unlisted Class Units described under the sub-section headed "Redemption of Unlisted Class Units" under the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" above will apply to the redemption of tokenised Unlisted Class Units directly and/or in the form of Tokens with respect to a Sub-Fund which adopts a tokenisation arrangement. For specific information relating to each Sub-Fund (including whether tokenisation is currently adopted), please refer to the relevant Appendix for further details.

Redemption in-kind is currently not permitted for tokenised Unlisted Class Units.

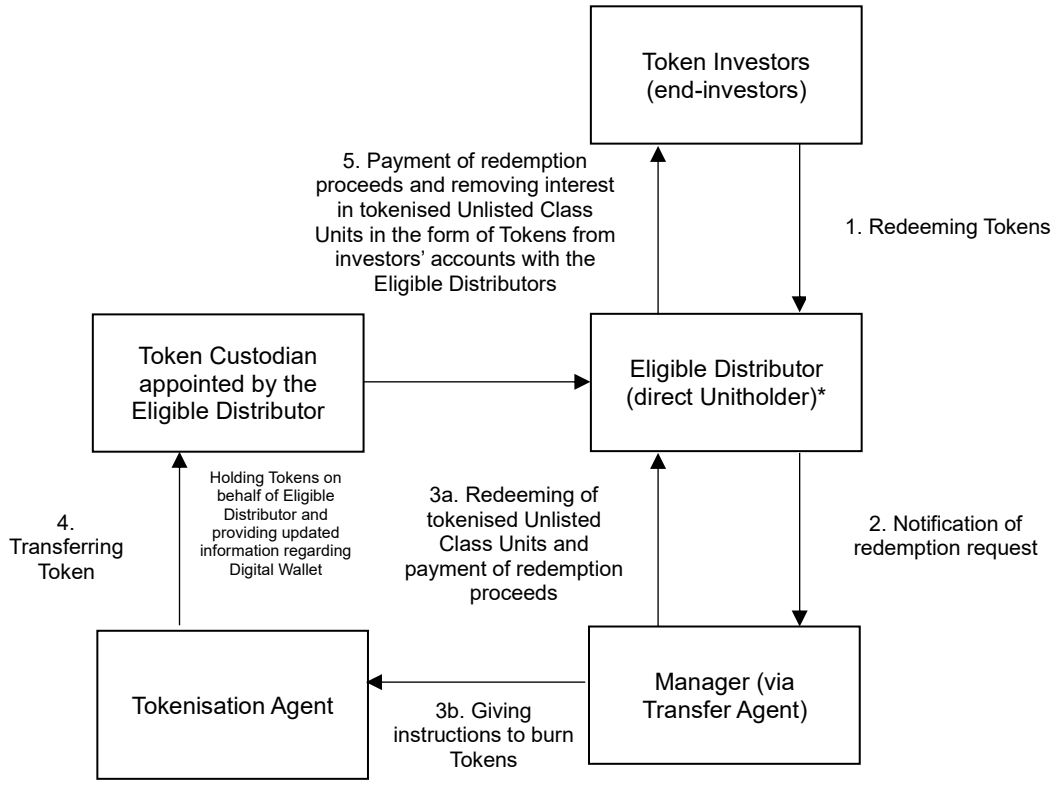
End-investors can redeem tokenised Unlisted Class Units evidenced in the form of Tokens by submitting a redemption request via their respective Eligible Distributors (e.g. through an Eligible Distributor's web portal or application programming interface or other means as the case may be) which is holding the relevant Tokens as nominee on behalf of such end-investors within the relevant Digital Wallets.

For any redemption to be dealt with on a particular Dealing Day, redemption requests of tokenised Unlisted Class Units must be forwarded to, and received by, the Transfer Agent (via an Eligible Distributor) by no later than the relevant Dealing Deadline. Investors should confirm the relevant cut-off times with their Eligible Distributor(s). Redemption requests received after such time will be deemed to have been received on the next Dealing Day and will be dealt with accordingly.

Upon confirmation of the redemption, the Tokenisation Agent will run the tokenisation process until the Tokens representing the number of tokenised Unlisted Class Units redeemed by the investor have been burnt. The burnt Token(s) will be removed from the Eligible Distributors' Digital Wallet. The relevant Eligible Distributor will receive the corresponding updated information regarding the Digital Wallet, which will be communicated to the relevant end-investors in the manner as agreed with end-investors, and the interests in the corresponding tokenised Unlisted Class Units in the relevant end-investor's account with the Eligible Distributor will be removed accordingly. Then, the relevant redemption proceeds will be paid in the currency of the relevant tokenised Unlisted Class Units as soon as practicable after the relevant Dealing Day to the relevant Eligible Distributor (or its nominee)'s account, after which the redemption proceeds will be normally transferred to the respective end-investors' Settlement Accounts with their Eligible Distributor(s) as soon as practicable after such Eligible Distributor(s) has received such redemption proceeds, subject to the transferal arrangement between the investor and their Eligible Distributor(s). Under extreme market conditions, payment of end-investors' redemption proceeds may be delayed, but in any event redemption proceeds will be paid within one calendar month from the day on which the Manager has received a properly documented redemption request.

The contract note reflecting the confirmation of the acceptance of redemption will be made available to end-investors on the Eligible Distributors' application programmes, platforms or systems through which such end-investors redeem tokenised Units in the form of Tokens.

The following illustrates the process of redemption of tokenised Unlisted Class Units and burning of corresponding Tokens:



* To hold and receive Tokens through Digital Wallets

Switching in or out of tokenised Units of an Unlisted Class of a Sub-Fund is not permitted.

Review and audit

The Manager conducts yearly performance review and due diligence refresh on the Tokenisation Agent to monitor the measures it has put in place to manage and mitigate cybersecurity risks, data privacy, system outages and recovery. It is intended that the Tokenisation Agent will also procure third parties to perform smart contract audits to ensure the highest standards of cybersecurity robustness. Smart contract audits will take place before the launch of the relevant Sub-Fund and upon every major code change to the smart contract.

Business continuity plans

The following business continuity arrangements and measures have been put in place in respect of the distributed ledger technology-related events:

a. In case of failure of an on-chain function that tracks and responds to on-chain events, while automated on-chain actions may fail, tokens can be re-created based on the off-chain register if necessary.

b. In case of fork or network split, the Manager, in consultation with the Trustee and the Tokenisation Agent, will evaluate the fork's impact, identifying which chain to adopt for continued operations.

c. In case of Denial of Service (i.e. a situation where a system, network, or service is unavailable to its intended users due to an attack or disruption) cyberattacks or data centre failure:

    - All critical infrastructure used for the tokenisation service is configured with redundancies (i.e. deploying multiple resources, instances, or backups).
    - Failover (i.e. switching to a redundant or standby server, network, system or component) will take place within recovery time objective (i.e. the maximum acceptable amount of time for restoring service and/or regaining access to data) of 24 hours, with a recovery point objective (i.e. the maximum amount of data loss tolerated, measured by time) of 24 hours.

In case the existing Tokenisation Agent ceases to or is no longer able to provide the tokenisation service, the Manager will appoint (as soon as practicable) another service provider who is assessed to be eligible and has capability to support fund tokenisation on-chain infrastructure. If replacement is decided and to be implemented, the Manager will discuss with the existing Tokenisation Agent with an aim to design tokenised fund infrastructure with interoperability to ensures tokenised assets, smart contracts, and associated data can be migrated to an alternative provider with minimal disruption. It is intended that all critical on-chain and off-chain data associated with the relevant Sub-Fund will be securely backed up. It includes maintaining a comprehensive and regularly updated record of transaction history, token ownership, and other vital information to preserve the continuity of operations.

Restrictions and controls on dealing in tokenised Units on primary market

Certain restrictions and controls have been implemented in respect of dealing in tokenised Units on primary market which fall into two main categories: (i) whitelisting and (ii) approval process.

Whitelisting

The process of onboarding the Eligible Distributors will be the same process as standard onboarding process adopted for traditional non-tokenised Units. The Digital Wallets owned by or brought to the relevant Sub-Fund by the Eligible Distributors will also be screened prior to whitelisting for the relevant Sub-Fund.

Only direct Unitholders (Eligible Distributors) who have passed anti-money laundering and know-your-customer checks will be added to the whitelist and only direct Unitholders on the whitelist can receive Tokens.

Approval process

The smart contracts adopted by the Tokenisation Agent enforce role-based access control ensuring that only authorised entities can execute them to safeguard a Sub-Fund's operations.

These smart contracts facilitate the creation, burning and control the movements of all Tokens. With transaction authorisation policies, access to these smart contracts is controlled allowing for an approval process for key actions such as minting and burning of Tokens.

To ensure that no unauthorised transfers occur, transactions involving the Tokens must be carried out by the Tokenisation Agent based on the Manager's authorisation/instruction or confirmation.

Restrictions on trading of tokenised Units on secondary markets and peer-to-peer transfer

While tokenised Units may be offered on virtual asset trading platform(s) in the form of Tokens, the Manager does not intend to allow peer-to-peer transfer or trading of these Tokens on any secondary markets.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be determined by the Trustee (and verified by the Manager) 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 Trust Deed.

Set out below is a summary of how various Investments and/or assets held by a Sub-Fund are valued:

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

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

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

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

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

(f) (in respect of Hang Seng Gold ETF only) any Bullion which is deliverable or delivered to Sub-Fund shall be measured in fine weight of troy ounces and/or kilograms and shall be valued in the following manners: (i) Bullion measured in fine weight of troy ounces shall be valued based upon the LBMA Gold Price AM; and (ii) Bullion measured in fine weight of kilograms shall be valued based upon the LBMA Gold Price AM multiplied by a conversion factor in accordance with the Conversion Table published by the LBMA and as updated from time to time.

(g) notwithstanding the foregoing, the Manager may with the consent of the Trustee adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment is more appropriate in relation to such investment to fairly reflect its value.

The Trustee will perform any currency conversion at rates as may be agreed between the Trustee and the Manager from time to time.

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

Suspension of determination of Net Asset Value

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

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

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Investments 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 Unitholders of Units of the relevant Sub-Fund;

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

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

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Investments of the relevant Sub-Fund or the subscription or redemption of Units of the relevant Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange;

(f) the business operations of the Manager, the Trustee or the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) 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; or

(g) in respect of Hang Seng Gold ETF, during any period when the Trustee and/or any of its delegates or agents (including the Gold Custodian and/or Sub-Gold Custodian(s)) in relation to the operation of a Designated Vault at which the Sub-Fund's Bullion is held cannot operate such facility.

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

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension in respect of Listed Class Units, on the Trust's website at www.hangsenginvestment.com (this website has not been reviewed by the SFC) or in such other publications as the Manager decides.

In respect of the Listed Class Units, no Application shall be made by any of the Participating Dealers and in the event any Application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise withdrawn), such Application shall be deemed as having been received immediately following the termination of the suspension.

In respect of the Unlisted Class Units, no subscription application shall be made by any investors and in the event any subscription application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise withdrawn), such subscription application shall be deemed as having been received immediately following the termination of the suspension.

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

In respect of Listed Class Units, a Participating Dealer may at any time after a suspension has been declared and before termination of such suspension withdraw an Application submitted prior to such suspension by notice in writing to the Manager and the Trustee. If the Manager has not received any such notification of withdrawal of such Application before termination of such suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, create and issue Listed Class Units or redeem Listed Class Units in respect of such Application and such Application shall be deemed to be received immediately following the termination of such suspension.

In respect of Unlisted Class Units, an applicant may at any time after a suspension has been declared and before termination of such suspension withdraw any subscription, switching, redemption or transfer application submitted prior to such suspension by notice in writing to the Manager and the Trustee. If the Manager has not received any such notification of withdrawal of such subscription, switching, redemption or transfer application before termination of the suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, issue, switch, redeem or transfer such Unlisted Class Units in respect of such application and such application shall be deemed to be received as at the Dealing Day next following the termination of such suspension.

Issue Price and Redemption Value of Units

The initial Issue Price of a Listed Class Unit and an Unlisted Class Unit during the Initial Offer Period of each Sub-Fund (if applicable) may be determined by the Manager in its discretion and will be set out in the relevant Appendix.

After the expiry of the Initial Offer Period (if any), notwithstanding any Multi Counter being adopted for a Sub-Fund (if applicable), the Issue Price or Redemption Value of each Listed Class Unit or an Unlisted Class Unit for any relevant Dealing Day will, subject to the qualification below, be based on the Net Asset Value of the relevant Sub-Fund in its base currency at the Valuation Point divided by the number of Listed Class Units or Unlisted Class Units (as the case may be) then in issue or deemed to be in issue, rounded to the number of decimal places as specified in the relevant Appendix. Any amount corresponding to the rounding up or down shall accrue to the relevant Sub-Fund.

Where there is net cash inflow to a Sub-Fund, the Manager will generally acquire Investments for the Sub-Fund; where there is net cash outflow to a Sub-Fund, Investments may need to be sold to fulfil the redemption obligations of the Sub-Fund. Duties and Charges incurred in such processes, if significant, will adversely affect the interest of the remaining Unitholders of the Sub-Fund. To ensure all investors in each Sub-Fund are treated fairly, the Manager may, subject to consultation with the Trustee, make adjustments to the Net Asset Value per Unit. This, in effect, is to allocate the Duties and Charges to the subscribing investors and the redeeming Unitholders (as the case may be).

For subscription and redemption applications in cash for Unlisted Class Units, in determining the Issue Price of a Unit, where the net subscription with respect to the relevant classes on a Dealing Day exceeds the pre-defined threshold (if any), the Manager may, in good faith and in the best interest of Unitholders, add to the Net Asset Value per Unit (before making any rounding adjustment) an amount or rate, for the account of the relevant Sub-Fund, which it considers to be an appropriate allowance to reflect the Duties and Charges which would be incurred if the appropriate number of underlying Investments were purchased at the values attributed to them in calculating the Net Asset Value per Unit.

Similarly, for subscription and redemption applications in cash for Unlisted Class Units, when determining the Redemption Value of any Unit, where the net redemption with respect to the relevant classes on a Dealing Day exceeds the pre-defined threshold (if any), the Manager may, in good faith and in the best interest of Unitholders, and in consultation with the Trustee, deduct for the account or rate of the relevant Sub-Fund from the Net Asset Value per Unit (before making any rounding adjustment) an amount which it considers to be an appropriate allowance to reflect the Duties and Charges which would be incurred if the appropriate number of underlying Investments were to be sold at the values attributed to them in calculating the Net Asset Value per Unit.

In practice (subject to specific provisions of the relevant Sub-Fund), for subscription and redemption applications in cash for Unlisted Class Units, in determining any adjustment to the Net Asset Value per Unit in good faith and in the best interest of Unitholders, the Manager may take into account various factors, including whether the net subscription or net redemption for Units received in respect of all relevant classes of the Sub-Fund on a Dealing Day has reached a pre-defined threshold (in terms of a percentage of the Net Asset Value of a Sub-Fund) (if any) and the amount of Duties and Charges which would be incurred in relation to such subscription or redemption. Such pre-defined threshold (if any) will be determined and reviewed on a periodic basis by the Manager. Where an adjustment is to be made, the rate of adjustment will be at a pre-defined rate and it will be applied to all relevant classes of Units of the Sub-Fund in one direction to enable the Sub-Fund to recover an appropriate amount reflecting the Duties and Charges to be incurred as a result of such net subscription or net redemption. The pre-defined threshold (if any) and the adjustment rate may be different for different Sub-Funds and may vary over time. However, the adjustment rate may not exceed 2% of the original Net Asset Value per Unit.

Investors should note that the adjustments to the Net Asset Value per Unit are related to the cash inflow into and outflow from all relevant classes of Units of the Sub-Fund in relation to subscription and redemption applications in cash for Unlisted Class Units, and are not predictable on any Dealing Day. Consequently it is not possible to accurately predict how frequently such adjustments will need to be made. Besides, the adjustments made may be greater than or less than the actual Duties and Charges incurred. If the adjustments made are less than the actual Duties and Charges incurred, the difference will be borne by the Sub-Fund. Furthermore, before reaching the pre-defined threshold (if any), no adjustments will be made to the Net Asset Value per Unit in which case the relevant Duties and Charges will be borne by the Sub-Fund. This would result in a reduction in the value of the Sub-Fund's assets. Investors should also be aware that where an adjustment needs to be made on a particular

Dealing Day, the same rate of adjustment will be applied to all relevant classes of Units of the Sub-Fund in one direction. Therefore it may be the case that the adjustment may have the effect of benefitting certain investor(s). For instance, an investor subscribing for the Units of a class on a Dealing Day on which the Net Asset Value per Unit of the relevant class is adjusted downwards as a result of net redemption of the relevant Sub-Fund may benefit from paying a lower Issue Price in respect of his subscription than he would otherwise have to pay. On the other hand, an investor redeeming the Units of a class on a Dealing Day on which the Net Asset Value per Unit of the relevant class is adjusted upwards as a result of net subscription of the relevant Sub-Fund may benefit from receiving a higher Redemption Value in respect of his redemption than he would otherwise have received. Investors should be aware that swing pricing adjustments may not always, or fully, prevent the dilution of the relevant Sub-Fund's assets.

For the avoidance of doubt, neither the Issue Price nor the Redemption Value takes into account the Duties and Charges, Transaction Fee or fees payable by a Participating Dealer.

For Special Creation Applications and Special Redemption Applications in cash for Listed Class Units, the Manager reserves the right to request the Eligible Investors to reimburse the relevant Sub-Fund for all reasonable costs representing an appropriate provision for the Duties and Charges for the purpose of compensating or reimbursing the relevant Sub-Fund incurred in relation to the Special Creation Application or Special Redemption Application.

Market price

Dealings in the Listed Class Units on the secondary market may be effected at market prices on the SEHK which may vary throughout the day and may be higher or lower than the Net Asset Value per Listed Class Unit.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out below, and in each Appendix, current as at this date of the Prospectus.

Fees and expenses payable by Participating Dealers and investors (applicable to Listed Class only)

For details of the amount of fees and expenses payable by Participating Dealers and investors, please refer to the section headed "Fees and expenses payable by Participating Dealers and investors" in 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 (applicable to both Listed Class Units and Unlisted Class Units)

For details of the amount of fees and expenses currently payable by a Sub-Fund (or class), please see the section below and the sub-section headed "Fees and expenses payable by the Sub-Fund" under the section headed "Fees and expenses relating to the Sub-Fund" in the relevant Appendix.

Manager's fee

The current management fee percentage in respect of each Sub-Fund (or class) is set out in the relevant Appendix and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

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

Trustee's and Registrar's fees

The Trustee receives out of the assets of each Sub-Fund (or class) a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day at the applicable trustee fee percentage set out in the relevant Appendix of the Sub-Fund.

The Registrar is entitled to receive certain fees in its capacity as the Registrar for each Sub-Fund (or class) as set out in the relevant Appendix.

Gold Custodian's fees (applicable to Hang Seng Gold ETF only)

The Gold Custodian is entitled to receive a gold custody fee from the Sub-Fund as set out in the relevant Appendix.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager in respect of the Listed Class of each Sub-Fund. The Manager shall pass on to the relevant Sub-Fund such reconciliation fee.

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by

the Service Agent in connection with the Service Agent's role.

Ongoing charges

The ongoing charges figure of a Sub-Fund (or class), which is the sum of actual ongoing expenses of the relevant Sub-Fund (or class) expressed as a percentage of its actual average Net Asset Value, is set out in the product key facts statement of the Sub-Fund. Where a Sub-Fund (or class) is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. Ongoing expenses may be deducted from the assets of a Sub-Fund (or class) where these are permitted by the Trust Deed, the Code and the applicable law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. The ongoing charges do not represent tracking error.

Promotional expenses

A Sub-Fund (or class) 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 relevant Sub-Fund (or class) will not be paid (either in whole or in part) out of the Trust Fund.

Other expenses

Each Sub-Fund (or class) will only bear the expenses which are attributable to it. A Sub-Fund (or class) will bear all operating costs relating to the administration of such Sub-Fund (or class) 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 Listed Class Units on the SEHK and maintaining the Trust's and the relevant Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the relevant Sub-Fund (or class) by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly reports, accounts and other circulars relating to the relevant Sub-Fund (or class) and the expenses of publishing Unit prices.

Pricing or rebate arrangements

The Manager may share any fees, charges or amounts it is entitled to receive as manager of a Sub-Fund with any persons who distribute or otherwise procure investors to invest into that Sub-Fund. Investors should note that any of the Manager's employees, Authorised Distributors and/or its employees and/or its agents may, out of any fees, charges or amounts the Manager is entitled to receive from the relevant Sub-Fund and retain for its own use and benefit, receive or enjoy rebates, discounts, commissions, sales incentives, fees, benefits and/or other advantages in different forms and at varying rates arising out of or in connection with an investor's investment in that Sub-Fund. Such amounts will not be borne by any Sub-Funds.

The Manager may enter into separate pricing arrangements with end investors to offer discounts of fees and charges to them. Such discounts will only be offered out of the fees or charges the Manager is entitled to receive from the relevant Sub-Fund and retain for its own use and benefit and will not have any implication on the Sub-Fund.

Establishment costs

The cost of establishing the Trust and Hang Seng Gold 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 of approximately HK$800,000 will be borne by the Trust and Hang Seng Gold ETF and amortised over the first 5 financial years of the Trust and Hang Seng Gold ETF.

Unless otherwise stated in the in this section or in the relevant Appendix, the cost of establishing the subsequent Sub-Funds under the Trust, including inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs, will be borne by the relevant Sub-Fund (unless otherwise determined by the Manager) and amortised over the first 5 financial years of the relevant Sub-Fund (or such other period as determined by the Manager after consulting the Auditor).

The attention of investors is drawn to the risk factor "Valuation and accounting risk" under the section headed "**RISK FACTORS**".

Increase in fees

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

Fees and charges payable by investors for dealing in the Unlisted Class Units only

Preliminary charge

The Manager, its agents or delegates (including any Authorised Distributor(s) appointed by the Manager from time to time) may charge a Preliminary Charge on the issue of each Unlisted Class Unit of a percentage of the Issue Price of such Unlisted Class Unit as at the appropriate Valuation Point. The maximum and current rate of Preliminary Charge (if any) and the manner in which it will be imposed are specified in the relevant Appendix. For the avoidance of doubt, a lower maximum rate of Preliminary Charge may be imposed in relation to the issue of Units of an Unlisted Class in a Sub-Fund as compared to other Sub-Funds and also in relation to different Unlisted Classes of a Sub-Fund.

Subject to the applicable requirements of the Code, the Manager may at any time increase the rate of the Preliminary Charge of an Unlisted Class or a Sub-Fund up to the permitted maximum rate (which is 5.0%) as set out in the Trust Deed.

The Manager, its agents or delegates may on any day differentiate between applicants or Unlisted Classes as to the amount of the Preliminary Charge. The Preliminary Charge will be retained by or paid to the Manager, its agents or delegates for their own absolute use and benefit.

Redemption charge

The Manager may charge a Redemption Charge on the redemption of Unlisted Class Units of a percentage of the Redemption Value of such Units as at the appropriate Valuation Point. The maximum and current rate of Redemption Charge (if any) and the manner in which it will be imposed are specified in the relevant Appendix. For the avoidance of doubt, a lower maximum rate of Redemption Charge may be imposed in relation to the redemption of Unlisted

Class Units of a Sub-Fund as compared to other Sub-Funds and also in relation to different Unlisted Classes of a Sub-Fund.

Subject to the applicable requirements of the Code, the Manager may at any time increase the rate of the Redemption Charge payable for a Sub-Fund or an Unlisted Class up to the permitted maximum rate (which is 4.0%) as set out in the Trust Deed.

For the purpose of calculating the Redemption Charge payable on a partial redemption of a Unitholder's holding, Unlisted Class Units subscribed earlier in time are deemed to be redeemed prior to Unlisted Class Units subscribed later in time unless the Manager and the Trustee agree otherwise.

The Manager shall be entitled to differentiate between Unitholders or Unlisted Classes as to the amount of the Redemption Charge (within the authorised rate of Redemption Charge). The Redemption Charge will be retained by or paid to the Manager for its own absolute use and benefit or, if so stated in the relevant Appendix, retained by the relevant Sub-Fund. Where the Redemption Charge is retained by the Manager, it may at its discretion, pay all or part of the Redemption Charge to its agents or delegates.

Switching fee

A Switching Fee of the Issue Price per Unit of the New Class as at the appropriate Valuation Point may be charged by the Manager in respect of each Unit of the New Class to be issued upon such switching.

Subject to the applicable requirements of the Code, the Manager may at any time increase the rate of the Switching Fee up to the permitted maximum rate (which is 4.0%) as set out in the Trust Deed.

The Switching Fee shall be retained by or paid to the Manager for its own absolute use and benefit.

Fees and charges payable by investors for dealing in the tokenised Units only

Tokenisation fee

For Sub-Funds which offer tokenised Units, the Tokenisation Agent is entitled to receive a fee for the tokenisation arrangement of the relevant tokenised class of Units of a Sub-Fund and maintaining and operating the tokenisation infrastructure and platform. Furthermore, blockchain networks typically impose transaction fees in the form of the network's native digital asset.

The tokenisation fee is charged as a percentage of the Net Asset Value of the relevant tokenised class of Units of a Sub-Fund at the Valuation Point on each Dealing Day, at the rates specified in the relevant Appendix and is calculated and accrued as at the Valuation Point on each Dealing Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of a Sub-Fund will be achieved. You should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, investment objective, 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 a Sub-Fund. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix.

Risks associated with investment in a Sub-Fund

Risks applicable to both Listed Class Units and Unlisted Class Units

Market risk

The Net Asset Value of each Sub-Fund will change with changes in the market value of the Investments it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Sub-Fund is based on the capital appreciation and income on the Investments it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each 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 Investments would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (for an Index Tracking Sub-Fund, risk of a default by the underlying issuer of a security that forms part of the relevant 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 Investments in which the Sub-Fund invests may underperform or outperform returns from other Investments markets or from investment in other assets. Different types of Investments tend to go through cycles of out-performance and underperformance when compared with other general Investments markets.

Liquidity risk

In respect of the underlying investments of a Sub-Fund, liquidity risk exists. It is possible that a particular investment or position cannot be easily unwound or offset in a timely manner and/or at a reasonable price due to insufficient market depth or market disruption. Liquid investments may become illiquid or less liquid in particular during period of market turmoil or economic uncertainty. The liquidity of the underlying investments of a Sub-Fund would have an impact on the ability of the Sub-Fund to meet the redemption applications of its Unitholders. Absence of liquidity of the underlying investments may have an adverse impact on a Sub-Fund and the value of its underlying investments.

In addition, securities exchanges normally have the right to suspend or limit trading in any securities traded on the relevant exchanges under certain circumstances. A suspension or limitation on trading means liquidation of such securities is impossible or trading such securities is limited during the relevant period and where a Sub-Fund invests in these securities, it may be subject to losses. In case of low trading volume in respect of an underlying

security, the liquidity of such security may be adversely affected. Accordingly, the ability of a Sub-Fund to meet the redemption applications of its Unitholders may be adversely affected.

Securities risk

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

Equity risk

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

Risks associated with investments in fixed income instruments

(1) Credit/counterparty risk
A Sub-Fund which invests in fixed income instruments are exposed to the credit/default risk of issuers of the fixed income instruments that the Sub-Fund may invest in. They are also subject to risk that the issuer of such fixed income instruments being unable or unwilling to make timely principal and/or interest payments, or to honour its obligations. If the issuer of a fixed income instrument in which a Sub-Fund invests defaults, the performance of the Sub-Fund will be adversely affected. In particular, where the instruments in which the Sub-Fund invests are lower rated/higher yielding debt securities, to some extent, the Sub-Fund shall be subject to a higher degree of credit risk than a Sub-Fund which invests in higher rated/lower yielding debt securities.

(2) Interest rate risk
Sub-Funds which invest in fixed income instruments are subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, market value of fixed income instruments tends to fall. Long-term fixed income instruments in general are subject to higher interest rate risk than short-term fixed income instruments. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities may not increase in value if interest rates decline.

(3) Credit rating risk
Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit appraisal system in an emerging market and the rating methodologies employed in an emerging market may be different from those employed in other markets. Credit ratings given by local rating agencies in an emerging market may therefore not be directly comparable with those given by other international rating agencies.

(4) Downgrading risk
The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of a Sub-Fund may be adversely affected.

The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

(5) Valuation risk
Valuation of a Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

(6) Sovereign debt risk
A Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

(7) Volatility and liquidity risk
The debt securities that can be considered as emerging market debt securities are generally accompanied by higher risks, due to the greater political and credit risks associated with investing in the asset class, but they can also potentially enhance income and return for investors. Therefore, investors should be prepared for greater volatility and lower liquidity than investment in debt securities in developed markets, with an increased risk of capital loss. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and a Sub-Fund may incur significant costs.

Management risk

This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Investments 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 the Index Tracking Sub-Fund will fully replicate the relevant Index, it is also subject to the above management risk.

Single country / concentration risk

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

Loss of capital risk

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

Indemnity risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except as a result of their own negligence, fraud, default, breach of duty or trust of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the relevant Sub-Fund and the value of the Units.

Dividends or distributions may not be paid risk

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

Dividends payable out of capital risk

Where specified in the relevant Appendix, the Manager may, at its discretion, pay dividends out of capital. The Manager may also, at its discretion, pay dividends out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividends out of the capital. Payment of dividends out of capital or effectively out of the capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the capital or effectively out of the capital of a Sub-Fund may result in an immediate reduction of the Net Asset Value per Unit.

Please refer to the "Distribution policy" section under "STATUTORY AND GENERAL INFORMATION".

Possible early termination of a Sub-Fund risk

A Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than USD20 million; (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the relevant Sub-Fund; (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed; (iv) (in respect of an Index Tracking Sub-Fund) the relevant Index is no longer available for benchmarking or if the Listed Class Units are no longer listed on the SEHK or any other Recognised Stock Exchange (including in circumstances where the Index licence agreement is terminated – see below); (v) at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or (vi) (in respect of Hang Seng Gold ETF only) (a) where the Gold Custody Agreement is terminated and the Gold Custodian ceases to act as a gold custodian, no replacement gold custodian acceptable to the SFC is appointed upon such cessation, or (b) where the Gold Custodian ceases to be able to provide custody services in respect of the Sub-Fund, no replacement provider of a secure vault is found (within sixty Business Days of the date of cessation) which is acceptable to both the Manager and the

Trustee. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder.

Prohibited securities risks

A Sub-Fund may not invest in securities of certain companies, for example, companies and/or securities deemed incompatible with the best interest of investors, such as those subject to sanctions, ESG or sustainability concerns or those with potential tax issues ("non-investment in incompatible companies and/or securities"). In addition, in accordance with HSBC Group policy (which applies as the Manager is a member of the HSBC Group) ("HSBC Group policy", together with "non-investment in incompatible companies and/or securities", defined as "policy"), a Sub-Fund may not invest in the securities of companies considered to be involved directly in the use, development, manufacturing, stockpiling, transfer or trade of controversial weapons banned by international convention. As this policy aims to prohibit investment in certain types of securities, investors should be aware that this reduces the investment universe and prevents a Sub-Fund from benefitting from any potential returns from these companies (in case there is originally no such restriction at the fund or Index level). The HSBC Group policy does not apply to third party funds or derivative instruments any Sub-Fund may invest in.

Risks associated with securities financing transactions

A Sub-Fund which engages in securities financing transactions will be subject to the following risks:

(A) Risks relating to securities lending transactions

(1) Counterparty risk

Securities lending transactions may involve the risk that the counterparty may fail to return the securities lent out in a timely manner. In this event, the relevant Sub-Fund could experience delays in recovering its securities and may possibly incur a capital loss. The value of the collateral may fall below the value of the securities lent out. Securities lending transactions may also involve wrong-way risk which may occur when the probability of counterparty default is negatively correlated with the value of the collateral.

(2) Collateral risk

As part of the securities lending transactions, the relevant Sub-Fund must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent. This may cause significant losses to the relevant Sub-Fund if the counterparty fails to return the securities lent out. The relevant Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

(3) Operational risk

By undertaking securities lending transactions, the relevant Sub-Fund is exposed to risk of errors or disruptions in the operation processes of securities lending such as settlement, reconciliation and record-keeping. The relevant Sub-Fund is also exposed to operational risks (e.g. error in settlement, collateral management) and resilience risks (e.g. the ability to operate during disruptions) of the securities lending agent. Such

delays and disruptions may restrict the relevant Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

(B) Risks relating to sale and repurchase transactions

Sale and repurchase transactions involve credit risk to the extent that the relevant Sub-Fund's counterparties may avoid such obligations in bankruptcy or insolvency proceedings, thereby exposing the relevant Sub-Fund to unanticipated losses. The amount of credit risk incurred by the relevant Sub-Fund with respect to a particular sale and repurchase transaction will depend in part on the extent to which the obligation of the relevant Sub-Fund's counterparty is secured by sufficient collateral. In the event of the failure of the counterparty with which collateral has been placed, the relevant 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.

(C) Risks relating to reverse repurchase transactions

If a seller of securities to a Sub-Fund under a reverse repurchase transaction defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the relevant Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the relevant Sub-Fund's ability to dispose of the underlying securities may be restricted or the relevant Sub-Fund may have difficulty in realising collateral. It is possible, in a bankruptcy or liquidation scenario, that the relevant Sub-Fund may not be able to substantiate its interest in the underlying securities.

In the event of the failure of the counterparty with which cash has been placed, the relevant 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.

Risks associated with collateral management and re-investment of cash collateral

Where a Sub-Fund enters into a securities financing transaction, collateral may be received from or provided to the relevant counterparty.

A Sub-Fund may receive both cash and non-cash collateral from a counterparty.

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. Such collateral assets shall be replaced immediately as soon as the credit quality has deteriorated to such a degree that it would undermine the effectiveness of the collateral.

Where cash collateral received by a Sub-Fund is re-invested, the relevant Sub-Fund will be

exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is provided by a Sub-Fund to the relevant counterparty, in the event of the insolvency of the counterparty, the relevant Sub-Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty.

Finance charges received by a Sub-Fund under a securities lending transaction may be reinvested. Similarly, cash collateral received by a Sub-Fund may also be reinvested. In both circumstances, the relevant Sub-Fund will be exposed to market risk in respect of any such investments and may incur a loss in reinvesting the financing charges and cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made. A decline in the value of investment of the cash collateral would reduce the amount of collateral available to be returned by the relevant Sub-Fund to the securities lending counterparty at the conclusion of the securities lending contract. The relevant Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the relevant Sub-Fund.

Under a sale and repurchase transaction, a Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price if that pre-determined price is higher than the value of the securities at the time of repurchase. If the relevant Sub-Fund chooses to reinvest the cash collateral received under the sale and repurchase transaction, it is also subject to market risk arising in respect of such investment.

If the additional income which is generated through finance charges imposed by a Sub-Fund on the counterparty of a reverse repurchase transaction is reinvested, the relevant Sub-Fund will assume market risk in respect of such investments.

Redemption by proprietary investments/seed money

A Sub-Fund's Net Asset Value may at any time include, to a significant extent, proprietary money (or "seed money") invested by one or more interested parties, such as Participating Dealers (applicable to Listed Class Units only). Investors should be aware that 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, in consultation with the Trustee (where applicable), to consider taking exceptional measures, such as terminating the Sub-Fund in accordance with the Trust Deed.

Borrowing risks

The Trustee, at the request of the Manager, may borrow for the account of a Sub-Fund for various reasons (if applicable), such as facilitating redemptions or (except for Hang Seng Gold ETF) 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 Sub-Fund's indebtedness will be accessible or be able to be refinanced by the Sub-Fund at any time.

Government intervention and restrictions risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of a Sub-Fund, and may have an unpredictable impact on the Sub-Fund. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Index (in respect of an Index Tracking Sub-Fund) and the performance of a Sub-Fund.

Differences in dealing arrangements between Listed Class and Unlisted Class Units

A Sub-Fund may offer both Listed Class Units and Unlisted Class Units. Dealing arrangements in respect of Listed Class Units and Unlisted Class Units are different, and depending on market conditions, investors of the Listed Class Units may be at an advantage compared to investors of the Unlisted Class Units, or vice versa.

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

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

Differences in fee and cost arrangements between Listed Class and Unlisted Class Units

The levels and types of fees (including management fee) and costs applicable to each of the Listed Class Units and the Unlisted Class Units may differ. As such, the Net Asset Value per Unit of each of the Listed Class Units and Unlisted Class Units may also be different due to the different fees and costs applicable to each class of Units.

- For Listed Class Units, the Transaction Fee may be payable by the Participating Dealer in respect of Creation and Redemption Applications. In relation to cash Creation and Redemption Applications by Participating Dealers, the Manager reserves the right to require the relevant Participating Dealer to pay an additional sum on the creation amount or deduct from the redemption proceeds such sum representing the Duties and Charges for the purpose of compensating or reimbursing the relevant Sub-Fund. Investors in the secondary market will not be subject to the foregoing, but may incur SEHK-related fees such as brokerage fees, transaction levy and trading fee.

- For Unlisted Class Units, Unitholders may be subject to a Preliminary Charge and/or a Redemption Charge in respect of subscription and redemption respectively. For subscription and redemption applications in cash, the Manager may, in good faith and in the best interest of Unitholders, make adjustments to the Net Asset Value per Unit in determining the Issue Price or Redemption Value per Unit (as the case may be)

which it considers to be an appropriate allowance to reflect the Duties and Charges allocated to the subscribing investors or the redeeming Unitholders (as the case may be). For further details, please refer to the sub-section headed "Issue Price and Redemption Value of Units" under the section headed "DETERMINATION OF NET ASSET VALUE".

For details of the fees and costs applicable to each class of Units, please refer to the sub-section headed "Fees and expenses payable by the Sub-Fund" headed "Fees and expenses relating to the Sub-Fund" in the relevant Appendix.

Effect of redemptions risk

If significant redemptions of Units are requested by the Participating Dealers or Unitholders of Listed Class Units or Unlisted Class Units, it may not be possible to liquidate a 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 (for Listed Class Units) the Participating Dealer's clients or (for Unlisted Class Units) investors. Where significant redemptions of Units are requested, the right of Unitholders to require redemptions in excess of 10% of the total Net Asset Value of Units in a Sub-Fund then in issue (or such higher percentage as the Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended. Such redemption gate applies to redemption applications in cash only for both Listed Class Units and Unlisted Class Units.

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 headed "**DETERMINATION OF NET ASSET VALUE**" for further details.

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 a Sub-Fund or of the Trust.

Reliance on the Manager risk

The Manager manages and/or formulates the investment strategies of a Sub-Fund, and the performance of a Sub-Fund is largely dependent on the services and skills of its officers and employees as well as (where relevant) in making investments. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Trustee may not be able to find successor managers with the requisite skills and qualifications quickly (or at all) and the new appointment may not be on equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in a Sub-Fund's performance and investors may lose money in those circumstances.

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, commodities and other traditional investments. Generally, a derivative 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. Both exchange-traded and over-the-counter derivatives may be utilised. 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 a fund are exposed to a higher degree of fluctuation in value than other funds 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 are no regulated markets 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. Exposure to FDIs may lead to a high risk of significant loss. There is no assurance that the derivative strategy used by a Sub-Fund (if any) will succeed.

Short selling risk

A Sub-Fund may make short sales in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. However, the possible losses to a Sub-Fund from short selling a security differ from losses that could be incurred from a cash investment in the same security. Such losses are unlimited due to the lack of an upper limit on the price to which a security may rise, whereas the maximum potential loss from a cash investment is a finite amount i.e. the total amount of the cash investment.

Issuer-specific changes

Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect the value of an issuer's securities. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Such issuer-specific changes may have an impact on the constituent stock of an Index.

Counterparty to custodian risk

Deposits of securities or cash with a custodian, bank or financial institution ("custodian or depository") will carry counterparty risk as the custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In most cases, the relevant Sub-Fund's assets will be maintained by the custodian or depository in segregated accounts and would be protected in the event of the insolvency of the custodian or depository.

RMB risk

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.

Risks associated with actively managed Sub-Funds

Active investment management risk

The Manager may employ an actively managed investment strategy in respect of an actively managed Sub-Fund. An actively managed 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. An actively managed 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 of each actively managed Sub-Fund, 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 an actively managed Sub-Fund or may lose a substantial part or all of their initial investment.

Risks associated with Index Tracking Sub-Funds

Passive investment risk

Index Tracking Sub-Funds are not actively managed. Accordingly, an Index Tracking Sub-Fund may be affected by a decline in the market segments relating to the relevant Index. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Index Tracking Sub-Fund invests in the Investments constituting or relating to the relevant Index regardless of their investment merit. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. You should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of an Index Tracking Sub-Fund will mean that falls in the Index are expected to result in corresponding falls in the value of the Index Tracking Sub-Fund.

Tracking error risk

Although the Manager may adopt a full replication strategy to reduce tracking error for a particular Index Tracking Sub-Fund, there can be no assurance of exact or identical replication at any time of the performance of the relevant Index. Because the Manager has no other strategy to minimise tracking error, the Net Asset Value of an Index Tracking Sub-Fund may not correlate exactly with the relevant Index. Factors such as the fees and expenses of an Index Tracking Sub-Fund, costs associated with a Sub-Fund's ongoing operations, the frequency of dealings, imperfect correlation between an Index Tracking Sub-Fund's assets and the Investments constituting or relating to the relevant Index, inability to rebalance an Index Tracking Sub-Fund's holdings of Investments in response to changes in the constituents of the relevant Index due to illiquidity, rounding of Investment prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the relevant Index. These factors may cause each Index Tracking Sub-Fund's returns to deviate from the relevant Index. The Manager will monitor and seek to manage such risk to minimise tracking error. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Investments constituting or relating to an Index Tracking Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of an Index Tracking Sub-Fund being achieved. Investors should note that the tracking error may be higher than the Manager's anticipation due to factors beyond the control of the Manager, especially in the event of extreme market fluctuations. In the event that the actual tracking error is significantly higher than the Manager's anticipation, the performance of a Sub-Fund may be adversely affected.

Fluctuations risk

The performance of the Units 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 Units will vary or decline accordingly.

Index termination risk

In the event that an Index Tracking Sub-Fund's Index ceases to be operated or is not available, the Manager will, subject to the prior approval of the SFC and by giving at least one month's notice, and in accordance with the provisions of the constitutive document of the relevant Index Tracking Sub-Fund, change the Index to a replacement index that is tradable and has similar objectives to the Index. Although the Manager will seek to find a replacement index, the relevant Index Tracking Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Index. The SFC reserves the right to withdraw the authorisation of the relevant Index Tracking Sub-Fund if the Index is no longer considered to be acceptable to the SFC.

In case the Manager is granted a licence by each Index Provider to use each Index to create the relevant Index Tracking Sub-Fund based on the Index and to use certain trade-marks and any copyright in the Index, if the licence agreement is terminated, the relevant Index Tracking Sub-Fund may not be able to fulfil its objective and may be 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.

Compilation of Index risk

The constituents 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 the Investments constituting or relating to the relevant Index Tracking Sub-Fund generally or in any Index Tracking Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the relevant Index Tracking Sub-Fund into consideration in determining, composing or calculating the relevant Index. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, 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.

Composition of the Index may change risk

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

Risks associated with tokenised Units

As disclosed in the section headed "**TOKENISATION OF UNITS**" above, the administration and dealing of tokenised Units will involve the use of blockchain technology, which is subject

to the following risks:

Blockchain technology risk

The blockchain technology is relatively new and is subject to various threats or risks that can adversely impact a Sub-Fund. Notwithstanding the fact that blockchains are secured by means of cryptography, consensus mechanism and decentralised architecture, there is a possibility that such security measures can be compromised (for example, blockchain systems can be susceptible to generic network and phishing attacks or vulnerabilities in smart contract) and thereby resulting in the unauthorised alteration of the blockchain or the tokens that may disrupt the operation of the relevant Sub-Fund.

Furthermore, a blockchain network may experience a "fork" (i.e., "split") of the network, which would result in the existence of two or more versions of the blockchain network running in parallel with duplication of the same token, but with each version's native asset lacking interchangeability, potentially competing with each other for users and other participants. Where a fork occurs in one of the blockchain networks used by the Sub-Fund, the Manager, in consultation with the Trustee and the Tokenisation Agent, will act in the best interest of investors and have the sole discretion to determine which of the resulting blockchain networks will continue to be used in respect of the Sub-Fund's tokenised Units and which will be discontinued.

There is also a risk of undiscovered technical flaws associated with systems utilizing blockchain technology. In addition, there is a possibility that new technologies or services that inhibit access to, or utility of, a blockchain may emerge. Blockchain technology may also never be implemented to a scale that provides identifiable economic benefit.

Digital asset security risks

The loss of the private key of an Eligible Distributor will compromise its Digital Wallet and expose its corresponding investor(s) to risk of misappropriation of digital assets or inability to access Tokens associated with the Digital Wallet. In the event of loss of Tokens, the lost Tokens will be reissued to the relevant investors by the Tokenisation Agent.

Risk associated with loss of Tokens held in omnibus account

Investors' Tokens are currently held in the name of their Eligible Distributor as nominee with the Token Custodian appointed by the Eligible Distributor. The beneficial ownership record of Tokens is maintained by the Eligible Distributor and reflected in the investors' trading and custody accounts with the Eligible Distributor. The Token Custodian is appointed by each Eligible Distributor and will hold the distributor's assets in a segregated wallet. Where a Token Custodian is appointed by more than one Eligible Distributor, such Token Custodian will be required to maintain a separate segregated account for each Eligible Distributor (i.e., Token Custodians will not hold assets for Eligible Distributors in omnibus accounts).

However, where an Eligible Distributor holds Tokens in an omnibus account instead of maintaining a separate segregated account for each end-investor, an end-investor's Tokens may be commingled with the Tokens of other end-investors held by the same Eligible Distributor. In the event of loss of Tokens held in the omnibus account due to theft, cyberattacks, loss or damage, an end-investor may need to share the shortfall together with other end-investors whose Tokens are held in the omnibus account on a pro rata basis. Consequently, end-investors may need to bear the shortfall together with other investors in the case of loss of Tokens.

Cybersecurity risks

The Tokenisation Agent has access to the complete transaction history of the tokenised Units and certain data on the blockchain utilised is available to the public. As a result, certain information other than identifying information may be publicly accessible by way of tools that are capable of displaying activity on the blockchain. Identifying information of investors, if any, will be maintained separately by the Manager, the Tokenisation Agent and the Eligible Distributors (as the case may be) and is not available to the public.

While it is intended that each of the Manager and the Tokenisation Agent shall have put in place adequate policies and measures to counter cybersecurity risks, such policies and measures cannot provide absolute security. The techniques used to obtain unauthorised access to data and information change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may also contain defects in design or manufacture or other problems that can unexpectedly compromise information security.

Risks associated with challenges to modern-day cryptography used by distributed ledger technology networks due to advancements in quantum computing

The integrity and security of a blockchain network may be compromised by malfunctioning nodes or errors in the underlying source code, as well as by advancements in mathematics or technology (such as digital computing, algebraic geometry, or quantum computing). In extreme cases, such issues can lead to the complete failure of the network, and loss of information and assets.

Delay risk

Delays in transaction processing can occur on the blockchain utilised for the relevant tokenised Units. For example, delays can occur when computers on the network are unable to reach a consensus on transactions on the blockchain. During a delay, it will not be possible to record transactions in the tokenised Units on the blockchain which may create discrepancies between on-chain and off-chain records, thereby impacting investors' ability to subscribe or redeem the relevant tokenised Units. Delay risk may have adverse impact on both subscription and redemption processes of the tokenised Units and investors' receipt of tokenised Units or redemption proceeds may be delayed.

Dependence on service provider

The Manager and the Sub-Fund rely on various parties (including Eligible Distributors) to facilitate the administration and offering of the relevant tokenised Units through the use of blockchain and blockchain-related technology and maintain the relevant operating infrastructure (e.g. software, systems and smart contract technology). Such operations may be adversely impacted if any such party ceases to provide the relevant services.

Regulatory risk

As the use of blockchain technology is relatively new and still evolving, Hong Kong regulations regarding blockchain are evolving and subject to development that may negatively impact the operation of a Sub-Fund in relation to the administration and offering of the relevant tokenised Units.

Potential challenges in application of existing laws

There are differences in the way tokenised Units are dealt with and recorded, compared to traditional funds and their means of distribution. This can make the resolution of issues

concerning tokenised Units more complex and difficult under existing laws.

Smart contract and technical risks

Smart contracts used for tokenisation may contain coding errors, bugs, or vulnerabilities that could result in loss of tokens, unauthorised operations, or system failures. The upgrade mechanism of smart contracts may introduce new vulnerabilities or cause temporary service interruptions. Dependencies on external smart contracts or protocols may introduce additional security risks. Token standards may have inherent limitations or vulnerabilities that could affect token operations.

Operational infrastructure risks

Integration between traditional fund administration systems and blockchain infrastructure may face operational disruptions. The mint and burn mechanism for tokens relies on multiple parties and systems, introducing operational complexity and potential points of failure. System upgrades or maintenance of the blockchain infrastructure may cause temporary service interruptions.

Recovery and business continuity risks

Service provider failures may affect token operations and management. Business continuity plans may prove inadequate in blockchain-specific scenarios.

Risks associated with virtual asset trading platforms (as distributors)

The virtual asset trading platforms on which tokenised Units in a Sub-Fund may be offered are relatively newly established. The use of virtual asset trading platforms may expose investors to, amongst other things, counterparty risks of the platform operators and liquidity risks whereby demand of the tokenised Units of the relevant Sub-Fund may be limited and such platforms may impose limits or restrictions on which moneys deposited in such platforms can be withdrawn. Furthermore, virtual asset trading platforms present operational risks, including, but not limited to, system outages, which may adversely impact the administration of tokenised Units and investors' access to, and dealing, such tokenised Units. In addition, virtual asset trading platforms are also common targets of cybercriminals. Please also refer to "Cybersecurity risks" above.

Risks associated with differences in dealing and fee arrangements between tokenised Units and non-tokenised Units

Dealing arrangements in respect of tokenised Units and non-tokenised Units are different. The applicable dealing procedures with Eligible Distributor(s) (in the case of tokenised Units) and Authorised Distributor(s) (if applicable, in the case of non-tokenised Units) may be different. Investors should check with their Eligible Distributor(s) or Authorised Distributor(s) for the applicable dealing procedures and timing. The Net Asset Value per Unit of each of the tokenised class and non-tokenised class(es) may also be different due to the different fees (such as the management fee and tokenisation fee) applicable to each such class. Any or all of these factors may lead to a difference in the Net Asset Value of each of the tokenised Units and non-tokenised Units.

For non-tokenised Units, investors can buy or sell such non-tokenised Units at the Net Asset Value of the relevant non-tokenised Units. Applicants may apply for non-tokenised Units through the Manager or an Authorised Distributor. Authorised Distributor(s) may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for non-tokenised Units through an Authorised

Distributor should therefore consult the Authorised Distributor for details of the relevant dealing procedures. Unitholders may from time to time switch all or part of their Units in a non-tokenised class in a Sub-Fund (the "Existing Class") into a non-tokenised class of the same Sub-Fund or units of any collective investment scheme managed by the Manager and which has been authorised by the SFC (the "New Class") available for subscription or switching provided that no Units may be switched if to do so would result in a holding of less than the minimum holding of Units of the Existing Class or the New Class.

For tokenised Units, investors may only subscribe for, or redeem, such tokenised Units at the Net Asset Value in the form of Tokens via an Eligible Distributor. Switching in or out of tokenised Units of a class of a Sub-Fund is not permitted.

Risks applicable to the Listed Class Units only

Trading risk

While the creation/redemption feature of a Sub-Fund is designed to make it likely that Listed Class Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Listed Class Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Listed Class Units are listed. The Manager cannot predict whether Listed Class Units will trade below, at, or above their Net Asset Value. Since, however, Listed Class Units must generally be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Listed Class Units should not be sustained. If the Manager suspends creations and/or redemptions of Listed Class Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Listed Class Units and the Net Asset Value. For an Authorised Feeder Fund invested in another ETF, this risk is also applicable to the relevant master fund.

Currency risk

Where a Sub-Fund's base currency, Net Asset Value, underlying assets and/or distributions are in one currency but has Units traded in another currency, secondary market investors of such Units may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the trading currency and changes in exchange rate controls (if any) when trading Units in the secondary market and receiving dividend.

Multi Counter risks

Where a Multi Counter has been adopted in respect of a Sub-Fund, there is a risk that the market price on the SEHK of Listed Class Units traded in one counter may deviate significantly from the market price on the SEHK of Listed Class Units traded in another counter due to different factors such as market liquidity, supply or demand in each counter and exchange rate fluctuations. The trading price of Listed Class Units in each counter is determined by market forces and so will not be the same as the trading price of Listed Class Units multiplied by the prevailing rate of foreign exchange. Accordingly, when selling Listed Class Units or buying Listed Class Units traded in one counter, an investor may receive less or pay more than the equivalent amount in the currency of another counter if the trade of the relevant Listed Class Units took place on another counter. There can be no assurance that the price of Listed Class Units in each counter will be equivalent. Investors without accounts of a specific currency may not be able to buy or sell Listed Class Units traded in such currency. In addition, distributions are made in the base currency of the relevant Sub-Fund, and as such investors without

accounts of such currency may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

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

Absence of active market and liquidity risks

Although Listed Class Units of a Sub-Fund are listed for trading on the SEHK and one or more Market Makers have been appointed, there can be no assurance that an active or liquid trading market for such Listed Class Units will develop or be maintained or that such Market Maker(s) will not cease to fulfil that role. In addition, if the underlying Investments which comprise the relevant Sub-Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Listed Class Units and the ability of an investor to dispose of its Listed Class Units at the desired price. For an Index Tracking Sub-Fund, there can be no assurance that Listed Class Units will experience trading or pricing patterns similar to those of ETFs which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices other than the Index. If you need to sell your Listed Class Units at a time when no active market for them exists, the price you receive for your Listed Class Units - assuming you are able to sell them - is likely to be lower than the price received if an active market did exist.

Suspension of trading risk

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

Trading differences risk

As the relevant stock exchanges may be open when Listed Class Units in a Sub-Fund are not priced, the value of the Investments in the relevant Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the relevant Sub-Fund's Listed Class Units. Furthermore, the market price of underlying Investments listed on the relevant 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. For an Authorised Feeder Fund invested in another ETF, this risk is also applicable to the relevant master fund.

Listed Class Units may trade at prices other than Net Asset Value risk

Listed Class Units trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of a Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the Sub-Fund's holdings. The trading prices of the Listed Class Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Listed Class Units may deviate significantly from Net Asset Value particularly during periods of market

volatility. Any of these factors may lead to the Listed Class Units of a Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Listed Class Units are generally created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Listed Class Units will normally trade at prices close to a Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the Sub-Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Listed Class Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Cost of trading Listed Class Units risk

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Listed Class Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Listed Class Units on the SEHK.

In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Listed Class Units (bid price) and the price at which they are willing to sell Listed Class Units (ask price). Frequent trading may detract significantly from investment results and an investment in Listed Class Units may not be advisable particularly for investors who anticipate making small investments regularly.

Secondary market trading risk

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

Reliance on Market Makers risk

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class Units of each Sub-Fund in each counter. 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 counter. Nevertheless, it should be noted that liquidity in the market for the Listed Class Units may be adversely affected if there is no Market Maker for Listed Class Units in a particular counter. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that is at least one Market Maker for each counter gives not less than 3 months' notice prior to terminating market making arrangement. It is possible that there is only one SEHK Market Maker to a counter (HKD or USD) or to each 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 Dealers risk

The creation and redemption of Listed Class Units may only be effected through Participating Dealers. Although each Participating Dealer shall be required to indicate to the Manager that

it will generally create and redeem for its clients (as outlined in the section headed "**THE OFFERING AND REDEMPTION OF LISTED CLASS UNITS**"), whether or not a Participating Dealer agrees with its clients to create or redeem Units for them has to be agreed between the relevant client and that Participating Dealer. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Listed Class Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of securities through the CCASS is disrupted or (in respect of an Index Tracking Sub-Fund) the relevant Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Listed Class Units if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant Sub-Fund's Investments cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Listed Class Units freely.

Risks applicable to the Unlisted Class Units only

Currency and exchange rate control risk

A class of Unlisted Class Units of a relevant Sub-Fund may be designated in a currency other than the base currency of such Sub-Fund. In addition, assets of the relevant Sub-Fund may be denominated in currencies other than the class currencies of the respective classes of Units of such Sub-Funds. The performance and distribution (if any) of these Sub-Funds may be adversely affected by changes in exchange rates between the currencies in which the assets of the relevant Sub-Fund are held and the base currency of such Sub-Fund or the relevant class currency or by changes in exchange rate controls.

Currency hedging risk

A Sub-Fund may attempt to hedge the currency of denomination of a class of Unlisted Class Units against the base currency of the Sub-Fund or the portfolio currency. The costs of hedging transactions will be reflected in the Net Asset Value of such class of Unlisted Class Units and therefore, Unitholders of a hedged class will have to bear the associated hedging costs, which may be significant depending on prevailing market conditions.

If the counterparties of the instruments used for hedging purpose default, Unitholders of the hedged class may be exposed to currency exchange risk on an unhedged basis and may therefore suffer further losses. There is no assurance that hedging will be effective and Unitholders may still be subject to the currency exchange risk. Any profits or losses from currency hedging shall accrue to the value of the relevant currency hedged classes. When the Manager seeks to hedge against currency fluctuations, while it is not the intention, this could result in over-hedged or under-hedged positions. As such, Unitholders of a hedged class may have exposure to the currency fluctuations between the Sub-Fund's base currency and/or the portfolio currency relative to the denominated currency of the hedged class. Furthermore, risks associated with leverage may arise from the derivative positions of the hedging transactions as a result of over-hedging the currency exposure. It should also be noted that hedging transactions may be entered into whether the denominated currency of the hedged classes is declining or increasing in value relative to a Sub-Fund's base currency and/or the portfolio currency, where such hedging is undertaken it may substantially protect Unitholders in the hedged class against a decrease in the value of the Sub-Fund's base currency and/or the portfolio currency relative to the class currency of the hedged class, but it may also preclude Unitholders from benefiting from an increase in the value of the Sub-Fund's base currency and/or the portfolio currency.

Unitholders investing into portfolio currency hedged classes who are seeking a return in a

currency other than the currency of denomination of a class of Unlisted Class Units may be adversely impacted as a result of exchange rate fluctuations between the currency of denomination of a class of Unlisted Class Units and the currency they are seeking a return in.

Unitholders investing into base currency hedged classes will be exposed to currency exchange rate movements of the underlying portfolio currencies against a Sub-Fund's base currency rather than being exposed to the underlying portfolio currencies against the currency of denomination of a class of Unlisted Class Units which may be volatile and may have a material impact on Unitholders' returns.

Distribution risk for currency hedged classes

The distribution amount and/or rate of the currency hedged classes of a Sub-Fund may be more than or less than such amount and/ or rate of the class of Units which is denominated in the Sub-Fund's base currency due to various factors, including but not limited to short-term interest rate differentials. Interest rate differentials mean differences in interest rates of the denominated currency of the hedged class and the Sub-Fund's base currency. When the interest rate of the denominated currency of the hedged class is lower than the Sub-Fund's base currency, the distribution amount and/or rate of the currency hedged classes may be less than that of the class of Units which is denominated in the Sub-Fund's base currency, vice versa.

The distribution amount and Net Asset Value of the hedged Unit classes may be adversely affected by the interest rate differentials, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than non-hedged classes.

Risks associated with regulation

Withdrawal of SFC authorisation risk

The Trust and each Sub-Fund have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Trust or a Sub-Fund or impose such conditions as it considers appropriate. If the Manager does not wish the Trust or a Sub-Fund (including if the SFC no longer considers an Index to be an acceptable benchmark for the relevant Sub-Fund) to continue to be authorised by the SFC, the Manager will give Unitholders at least 3 months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions, it becomes illegal, impractical or inadvisable to continue the Trust or a Sub-Fund, the Trust 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 relevant Sub-Fund. Furthermore, such change in the laws or regulations may have an impact on the market sentiment which may in turn affect the performance of the Index or the Investments in a Sub-Fund's portfolio and as a result, the performance of the relevant Sub-Fund. Changes in the laws and regulations in relevant jurisdictions may adversely affect the operations of companies in a Sub-Fund's portfolio. Stock exchanges may also impose certain requirements for the continued listing of securities. Investors cannot be assured that

the relevant Investments in a Sub-Fund's portfolio will continue to meet the requirements necessary to maintain the listing on the relevant stock exchange, or that the relevant stock exchange will not change the listing requirements. It is impossible to predict whether such an impact caused by any change of law or regulations will be positive or negative for the investments of a Sub-Fund and accordingly for the Sub-Fund. In the worst case scenario, a Unitholder may lose a material part of its investments in a Sub-Fund.

Listed Class Units may be delisted from the SEHK risk

If the Listed Class Units of a Sub-Fund are delisted from the SEHK, Unitholders will have the option to redeem their Listed Class Units 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 Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of a Sub-Fund for any reason it is likely that Listed Class Units may also have to be delisted.

Taxation risk

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

Valuation and accounting risk

The Manager intends to adopt IFRS in drawing up the annual 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. Under IFRS (i) investments should be valued at fair value (bid and offer pricings are considered to be representative of fair value for listed investments) rather than last traded price; and (ii) establishment costs should be expensed as incurred rather than amortised over a period of time. Accordingly, the Net Asset Value as described in this Prospectus will not necessarily be the same as the Net Asset Value to be reported in the annual reports as the Manager will make necessary adjustments in the annual accounts to comply with IFRS (although the Manager does not consider the differences between IFRS and the calculation of Net Asset Value are material). Any such adjustments will be disclosed in the annual reports, including a reconciliation. Otherwise, non-compliance with IFRS may result in the auditors issuing a qualified or an adverse opinion on the annual reports depending on the nature and level of materiality of the non-compliance.

Contagion across sub-funds risk

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

Sub-Funds.

Non-recognition of sub-fund segregation risk

The assets and liabilities of each Sub-Fund (including a Sub-Fund) under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Trust Deed provides that the assets of each Sub-Fund should be segregated from each other. There is no guarantee that the courts of any jurisdiction 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.

LIQUIDITY RISK MANAGEMENT

Liquidity risk management process

Liquidity risk management process is in place for the Manager to manage and monitor liquidity profile of each Sub-Fund in a prudent manner under both normal and adverse market situations.

When managing a Sub-Fund, in addition to risk factors such as market risk, credit risk, exchange rate risk, interest rate risk, etc., the portfolio management team of the Manager considers the liquidity of the Sub-Fund's investments and the corresponding impact on the liquidity profile of the Sub-Fund, as well as the Sub-Fund's potential liquidity requirement, in a manner which shall facilitate the Sub-Fund to meet its redemption obligations.

An investment liquidity risk monitoring framework is employed by the Manager to assess and manage liquidity risk of each Sub-Fund. Ongoing liquidity risk assessments and monitoring are performed, taking into account the potential liquidity requirements of the Sub-Fund and the market liquidity under normal and stressed circumstances.

In assessing the potential liquidity requirements of a Sub-Fund, the Manager considers the historical and expected redemption patterns of the Sub-Fund to the extent practicable and how concentration of holding of Units of the Sub-Fund (if any) might impact the redemption profile and hence the level of liquidity risk of the Sub-Fund.

Mechanism is in place for the Manager to assess, review and decide on the actions which may be required at short notice to meet liquidity demands of a Sub-Fund under unexpected stressed conditions.

Independent control monitoring is put in place by the Manager to ensure the ongoing implementation of the liquidity risk management process for a Sub-Fund. Liquidity risk management for a Sub-Fund is also subject to oversight by an internal committee of the Manager.

Liquidity risk management tools

The following liquidity risk management tools are in place for the Manager to manage the liquidity risk of each Sub-Fund and to ensure that Unitholders are treated fairly, subject to consultation with the Trustee:

Deferred redemption

In order to manage and maintain the liquidity profile of a Sub-Fund in a prudent manner and protect the interests of the remaining Unitholders of a Sub-Fund amid large redemption demand, in the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total Net Asset Value of Units in a Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders (in respect of both Listed Class Units and Unlisted Class Units) seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund) of the total Net Asset Value of Units (pro rata amongst both Listed Class Units and Unlisted Class Units)in the relevant Sub-Fund then in issue. For details, please refer to the sub-section headed "Deferred redemption" under the sections headed "CREATIONS AND REDEMPTIONS (PRIMARY MARKET)" and "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" of this

Prospectus.

Suspension of creations and redemptions

Under certain circumstances, the Manager may, at its discretion, in consultation with the Trustee (and where applicable, after consultation with Participating Dealers) suspend the creation or issue of Units of a Sub-Fund, suspend the redemption of Units of a Sub-Fund and/or (subject to the relevant requirements of the Code where payment of redemption monies exceeds one calendar month) delay the payment of any monies in respect of any Creation Application, Redemption Application or Special Application for the Listed Class Units, or (in the case of the Unlisted Class Units) subscription and redemption applications in cash for the Unlisted Class Units. For details of such circumstances and the relevant notification arrangement by the Manager etc., please refer to the sub-section headed "Suspension of creations and redemptions" under "CREATIONS AND REDEMPTIONS (PRIMARY MARKET)" of this Prospectus.

Suspension of determination of Net Asset Value

There are circumstances in which the Net Asset Value of a Sub-Fund may not be ascertained or it is not reasonably practicable to realise any investments of a Sub-Fund. In such cases, the Manager may, in consultation with the Trustee, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund. No Units will be issued or redeemed during such a period of suspension. For details of such circumstances and the relevant notification arrangement by the Manager etc., please refer to the sub-section headed "Suspension of determination of Net Asset Value" under the section headed "DETERMINATION OF NET ASSET VALUE" of this Prospectus.

Issue Price and Redemption Value of Units

Where there is net cash inflow to a Sub-Fund, the Manager will generally acquire investments for the Sub-Fund; where there is net cash outflow to a Sub-Fund, investments may need to be sold to fulfil the redemption obligations of the Sub-Fund. Duties and Charges incurred in such processes, if significant, will adversely affect the interest of the remaining Unitholders of the Sub-Fund. As such, for cash subscriptions and redemptions, the Manager may make adjustments to Issue Price and Redemption Value of the Listed Class Units and/or the Unlisted Class Units to reflect not only the Net Asset Value per Unit but also the appropriate provision for Duties and Charges, as set out in the sub-section headed "Issue Price and Redemption Value of Units" under the section headed "DETERMINATION OF NET ASSET VALUE". This, in effect, is to allocate the costs of subscription to subscribing investors and the costs of redemption to redeeming Unitholders.

Borrowings

There may be circumstances in which sufficient cash is not readily available for payment of redemption proceeds of a Sub-Fund, e.g. redemption payment is due to be settled before proceeds from disposal of underlying investments of a Sub-Fund is received. Borrowing can be used as a liquidity risk management tool for a Sub-Fund to meet redemption obligations, subject to the restrictions as set out in the sub-section headed "Borrowing policy" under "SCHEDULE 1 INVESTMENT RESTRICTIONS, SECURITY LENDING AND BORROWING" of this Prospectus.

Impact of the use of the liquidity risk management tools on a Sub-Fund and investors

The liquidity risk management tools aim to protect the interests of Unitholders under circumstances as stated above and determined by the Manager from time to time. Investors

should pay attention to the impact of the use of liquidity risk management tools on a Sub-Fund and the investors:

- *Deferred redemption*: Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the total Net Asset Value of Units in the relevant Sub-Fund then in issue pro rata amongst both Listed Class Units and Unlisted Class Units) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed. The redemption gate applies to redemption applications in cash only for both Listed Class Units and Unlisted Class Units.

- *Suspension of creations and redemptions*:

  (1) A notice of suspension following the suspension shall be published by the Manager. For the arrangement regarding any Creation Application or any Redemption Application received during the period of suspension in respect of the Listed Class Units, please refer to the sub-section headed "Suspension of creations and redemptions" under the section headed "CREATIONS AND REDEMPTIONS (PRIMARY MARKET)" of this Prospectus. For the arrangement regarding any subscription application or any redemption application received during the period of suspension in respect of the Unlisted Class Units, please refer to the section headed "Suspension of Determination of Net Asset Value" under "LIQUIDITY RISK MANAGEMENT" for further details.

  (2) If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units and the Net Asset Value.

- *Suspension of determination of Net Asset Value*: Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of each Sub-Fund and the Manager shall be under no obligation to rebalance each Sub-Fund until the suspension is terminated. No Units will be issued or redeemed during any period of suspension of the determination of the Net Asset Value.

- *Redemption Value of Units*: Adjustments to reflect not only the Net Asset Value per Unit but also the appropriate provision for Duties and Charges for a Sub-Fund aim to allocate the costs of redemption to redeeming Unitholders. Unitholders should note that such costs of redemption charged to the redeeming Unitholders and so received by a Sub-Fund may be greater than or less than the actual costs of redemption incurred by such Sub-Fund.

- *Borrowings*: While borrowings may provide liquidity for a Sub-Fund, it will increase its operating expenses and hence would affect the performance of the Sub-Fund.

MANAGEMENT OF THE TRUST

The Manager and the Listing Agent

The Manager, Hang Seng Investment Management Limited, was incorporated in Hong Kong with limited liability in April 1993. It is a wholly-owned subsidiary of Hang Seng Bank Limited (the "Bank") and is the investment arm of the Bank. It also provides investment management services to the Bank and the Bank's customers and has extensive experience in managing index-tracking funds, retirement funds, institutional accounts and private client portfolios. Founded in 1933, the Bank is a principal member of the HSBC Group, one of the world's largest banking and financial services organisations.

The Manager is licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising in securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The Manager will also act as the Listing Agent of each Sub-Fund.

The Manager may appoint other investment managers or investment delegates to assist the Manager in managing the Sub-Funds. No such investment manager or investment delegate has yet been appointed as at the date of this offering document.

Under the Trust Deed, the assets forming part of each of the Sub-Funds are invested, at the discretion of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders for the account of each Sub-Fund and providing continuous monitoring of the assets of each Sub-Fund. Under the Trust Deed the Manager benefits from various indemnities out of the assets of each Sub-Fund. Please refer to the sub-section headed "Indemnities of the Trustee and Manager" under the section headed "STATUTORY AND GENERAL INFORMATION".

The Trustee, the Registrar and the Transfer Agent

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited. The Trustee also acts as the Registrar of each Sub-Fund, and provides services in respect of the establishment and maintenance of the register of the Unitholders. The Trustee also acts as the Transfer Agent for receiving subscription and redemption requests.

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

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and each Sub-Fund, subject to the provisions of the Trust Deed.

The Trustee may from time to time (1) appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, depositary, nominee or

agent, all or any of the investments, assets or other property comprised in the Trust Fund or any of the Sub-Funds, and may empower any such custodian, depositary, nominee or agent to appoint or arrange for, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians and/or depositaries (each such custodian, depositary, nominee, agent, co-custodian and sub-custodian a "Correspondent") and (2) delegate all or any of its duties, powers and discretions under any provisions of the Trust Deed to any person or corporation (including a Connected Person of the Trustee). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of Correspondents and (b) be satisfied that each such Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant services to the relevant Sub-Fund. The Trustee shall be liable for the acts and omissions of any Correspondent and of any delegate which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee. The Trustee shall use reasonable endeavours to recover any loss of the investments, assets or other property comprised in the Trust Fund or any of the Sub-Funds arising from any default of a Correspondent but the Trustee shall not be obligated to take any action or otherwise pursue any claim which might involve it in expense or liability unless the Trustee is indemnified to its satisfaction for any costs in relation thereto. Provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent and of any delegate which is not a Connected Person of the Trustee. For the purpose of the foregoing "Correspondent" shall include the Gold Custodian. The Gold Custodian is the Hongkong and Shanghai Banking Corporation Limited (please see below). The Gold Custodian is a Connected Person of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised depositary or clearing system.

Subject as provided in the Trust Deed, the Trustee shall not be liable for losses caused by the performance of investments made by the Trust and/or the Sub-Fund.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or a Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those imposed under Hong Kong law or resulting from breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or the Sub-Fund. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates, be liable for any losses, costs or damage to the Trust, any Sub-Fund or any Unitholder.

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

The Trustee will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control (the "OFAC") of the US Department of the Treasury. The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions," which are described by OFAC as trade or financial transactions and other dealings in which US persons

may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general license for certain categories of transactions, or by specific licences issued on a case-by-case basis. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Trustee may request for additional information if deemed necessary.

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

The Trustee is entitled to the fees set out in the sub-section headed "Fees and expenses payable by a Sub-Fund" under the section headed "FEES AND EXPENSES" and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or a Sub-Fund and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Except as provided in the Trust Deed or expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or a Sub-Fund, and they are not responsible for the preparation or issue of this Prospectus other than their description under this sub-section.

The Gold Custodian and the Sub-Gold Custodian(s) (in respect of Hang Seng Gold ETF only)

The Gold Custodian, a wholly owned subsidiary of HSBC Holdings plc, is responsible for safekeeping all of Hang Seng Gold ETF's physical Bullion deposited with it under delegated authority from the Trustee pursuant to the Gold Custody Agreement.

The Trustee empowers the Gold Custodian to appoint or arrange for a sub-custodian, agent or depository to safekeep the Sub-Fund's physical bullion. Accordingly, the Trustee has appointed the Gold Custodian which has arranged for HKIA Precious Metals Depository Limited and Brink's Hong Kong Limited to safekeep the Sub-Fund's physical bullion located in Hong Kong.

*HKIA Precious Metals Depository Limited ("**HKIA PMD**")*

HKIA PMD safekeeps the Sub-Fund's physical bullion located in Hong Kong as a gold depositary ("**Gold Depositary**").

HKIA PMD is a company with limited liability incorporated in Hong Kong. It is a wholly owned subsidiary of Airport Authority Hong Kong ("**AAHK**"), a statutory body corporate established in Hong Kong under the Airport Authority Ordinance (Chapter 483 of the Laws of Hong Kong). AAHK is wholly owned by the Hong Kong SAR Government. Established in 1995, AAHK is responsible for the operation and development of Hong Kong International Airport. The Hong Kong SAR Government and AAHK both have credit ratings of AA+ from Standard & Poor's.

HKIA PMD is currently designated by HKEx as a recognised depository for gold futures. HKIA PMD has been granted a Type I Security Company License (Provision of security guarding services) by the Security and Guarding Services Industry Authority, a regulatory body established under the Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong) ("**SGSIA**").

The Sub-Fund's physical bullion will be safekept by HKIA PMD on a fully allocated basis at its dedicated precious metals storage facility located at the Hong Kong International Airport. The facility offers safe-keeping and related services to banks, bullion dealers, commodity exchanges and refineries, and has been in operation since its official opening on 2 September 2009.

The service arrangement in respect of the Sub-Fund's bullion is strictly between HKIA PMD and the Gold Custodian only (i.e., HKIA PMD has a contractual relationship with, and owes contractual duties to, the Gold Custodian only but not any other party under such service arrangement). Where the Sub-Fund suffers a loss as a result of loss or damage to Bullion in the custody of HKIA PMD, the Trustee (on behalf of the Sub-Fund) will rely on the Gold Custodian's right of claim against HKIA PMD under the relevant service agreement.

The role of HKIA PMD is limited to the physical custody and safekeeping of the Sub-Fund's bullion located in Hong Kong. HKIA PMD provides safekeeping services only in respect of the Sub-Fund's bullion under delegated authority from the Gold Custodian. HKIA PMD assumes no responsibility for the genuineness, fineness, purity, quality, quantity, weight, value or other specifications of, or the ownership of or title to, any bullion deposited with it.[3] HKIA PMD makes no representations or warranties, express or implied, regarding any bullion deposited with it. HKIA PMD shall have no obligations with respect to the Sub-Fund, any depository account or bullion other than those expressly set out in the terms and conditions of the relevant Sub-Gold Custodian service agreement.

*Brink's Hong Kong Limited ("**Brink's HK**")*

Brink's HK, established in 1979 and a wholly owned subsidiary of The Brink's Company, safekeeps the Sub-Fund's bullion as a Sub-Gold Custodian. With more than 20 years of experience in bullion and precious metal storage in Hong Kong, Brinks provides dedicated and segregated bullion vaulting services, as well as local and international transportation, clearance capabilities on precious metals: they offer non-destructive assaying services on precious metals. The Sub-Fund's physical bullion will be safekept by Brink's Hong Kong Limited on a fully allocated basis at its precious metals storage facility built based on internationally recognised high-security standards. Brink's HK is currently designated by the HKEx as a recognised depository and forwarder for gold futures.

Brink's HK has been granted a Type I Security Company Licence (Provision of security guarding services) and a Type II Security Company Licence (Provision of armoured transportation services) by the SGSIA.

The service arrangement in respect of the Sub-Fund's bullion is strictly between Brink's HK and the Gold Custodian only (i.e., Brink's HK has a contractual relationship with, and owes contractual duties to, the Gold Custodian only but not any other party under such service arrangement). Where the Sub-Fund suffers a loss as a result of loss or damage to Bullion in the custody of Brink's HK, the Trustee (on behalf of the Sub-Fund) will rely on the Gold Custodian's right of claim against Brink's HK under the relevant service agreement.

The role of Brink's HK is limited to the physical custody and safekeeping of the Sub-Fund's bullion located in Hong Kong and the transportation of such bullion between Designated Vaults. Brink's HK provides safekeeping and transportation services only in respect of the Sub-Fund's bullion under delegated authority from the Gold Custodian. Brink's HK will not ascertain nor will it be responsible or liable for the authenticity or correctness of markings on, or assay

[3] For Hang Seng Gold ETF, the Gold Dealer(s) will ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

characteristics, or the weight, contents, composition or fineness of any bullion deposited with it.[4] Brink's HK makes no representations or warranties, express or implied, regarding any bullion deposited with it. Brink's HK shall have no obligations with respect to the Sub-Fund, any depository account or bullion other than those expressly set out in the terms and conditions of the relevant Sub-Gold Custodian service agreement.

The Gold Custodian may, with the prior written consent in writing of the Trustee, from time to time arrange for additional Sub-Gold Custodian(s), which have complied with all the applicable regulatory requirements, to safekeep Hang Seng Gold ETF's physical bullion.

Any replacement or substitute Gold Custodian in respect of the Sub-Fund shall be as agreed by the Trustee and the Manager and have complied with all the relevant regulatory requirements (if applicable). Subject to the terms of the Gold Custody Agreement, the Gold Custodian shall not cease to act as a gold custodian unless a new custodian has been appointed.

The Gold Dealers (in respect of Hang Seng Gold ETF only)

The Hongkong and Shanghai Banking Corporation Limited and Heraeus Metals Hong Kong Limited presently act as the providers of Bullion of minimum standard, acceptable to the Hang Seng Gold ETF. The Manager has entered into Gold Dealer agreements with each Gold Dealer in respect of such role.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is a member of the HSBC Group, which is a global leader in precious metals with over 150 years of experience. It offers clients a full suite of physical, trading, banking, custody and clearing business. Over the years it has established strong relationships with global refineries and producers. It has a dedicated shipping team which works closely with approved logistics companies to move physical metals to various locations as and when needed. It is one of the largest suppliers of physical gold into China and a leading supplier of gold and silver into India. The Hongkong and Shanghai Banking Corporation Limited currently has a credit rating of AA- (Standard & Poor's) and Aa3 (Moody's Investor Services). The latest annual report of The Hongkong and Shanghai Banking Corporation Limited is available at and may be downloaded from https://www.hsbc.com/investors/results-and-announcements (this website has not been reviewed by the SFC).

Under the Gold Dealer agreement with The Hongkong and Shanghai Banking Corporation Limited as a Gold Dealer of Hang Seng Gold ETF, the Manager (acting on behalf of Hang Seng Gold ETF) has the right to be indemnified by The Hongkong and Shanghai Banking Corporation Limited as a Gold Dealer of Hang Seng Gold ETF.

Heraeus Metals Hong Kong Limited

Heraeus Metals Hong Kong Limited is a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of Heraeus Limited. Established in 1974, the company provides refining, manufacturing, trading, and logistics services for precious metals through its facility and office in Hong Kong. Heraeus Limited is a member of the Hong Kong Gold Exchange and is accredited by the London Bullion Market Association and the London Platinum and Palladium Market. In addition, Heraeus Limited is certified by the Responsible

[4] For Hang Seng Gold ETF, the Gold Dealer(s) will ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

Jewellery Council, reflecting compliance with sustainability and responsible sourcing standards. The Heraeus Group, headquartered in Germany, is a globally recognised technology company specializing in precious metals and advanced materials. Heraeus Holding GmbH, the ultimate parent company, has credit ratings of BBB+ (Standard & Poor's) and Baa1 (Moody's). The latest annual report of Heraeus Holding GmbH is available at and may be downloaded from https://www.heraeus.com (this website has not been reviewed by the SFC). Under the Gold Dealer agreement with Heraeus Metals Hong Kong Limited and its parent company Heraeus Limited, the Manager (acting on behalf of Hang Seng Gold ETF) has the right to be indemnified by Heraeus Metals Hong Kong Limited and Heraeus Limited jointly and severally.

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

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealer, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Listed Class Units by Participating Dealers.

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

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications in respect of the Listed Class Units of a Sub-Fund. The latest list of the Participating Dealers which offers Listed Class Units is available at the Trust's website at www.hangsenginvestment.com (this website has not been reviewed by the SFC).

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

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

Subject to applicable regulatory requirements, the Manager will use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for each Sub-Fund which offers Listed Class Units traded in each counter (which may be the same Market Maker) on the Listing Date on the SEHK and After Listing. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will use its best endeavours to ensure that there is at least one other Market Maker per Sub-Fund which offers Listed Class Units or counter (as appropriate) to facilitate the efficient trading of Listed Class Units in each counter (which may be the same Market Maker) to facilitate the efficient trading of such Listed Class Units. The Manager use its best endeavours to put in place arrangements so that at least one Market Maker per Sub-Fund or counter (as appropriate) is required to give not less than 3 months' prior notice to terminate market making.

The Tokenisation Agent (in respect of tokenised Units only)

The Hongkong and Shanghai Banking Corporation Limited will act as the Tokenisation Agent in respect of the Trust's tokenisation arrangements. The Tokenisation Agent are responsible for the tokenisation of Units of a Sub-Fund, in particular:

(a) providing and maintaining the relevant tokenisation infrastructure and platform;

(b) minting and burning Tokens based on the instructions of the Manager;
(c) reconciliating holding and transaction records between off chain book-entry and blockchain transactions; and
(d) whitelisting the Digital Wallet addresses for holding of Tokens.

Please refer to the section headed "TOKENISATION OF UNITS" above for details.

The Eligible Distributors (in respect of tokenised Units only)

In respect tokenised Units of a Sub-Fund, investors may only apply for subscription and redemption through Eligible Distributor(s). Currently, only Unlisted Class Units of a Sub-Fund may be tokenised. Please refer to the sub-sections headed "Subscription of tokenised Unlisted Class Units" and "Redemption of tokenised Unlisted Class Units" under the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" above for details of subscription and redemption in tokenised Units and the minting and burning of Tokens.

The Auditor

The Manager has appointed KPMG to act as the auditor of the Trust and each Sub-Fund (the "Auditor"). The Auditor is independent of the Manager and the Trustee.

Conflicts of Interest and Soft Dollars

The Manager, the Trustee and the custodian or depositary (including the Gold Custodian, the Gold Dealer(s) and the Participating Dealer(s)), and the Tokenisation Agent may, from time to time, act as manager, listing agent, 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 Trust and the Sub-Funds 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 the relevant Sub-Fund.

(b) The Trustee, the Manager, the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, or any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of each of the Sub-Funds' assets.

(c) The Trustee, the Manager, the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, or any of their Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.

(d) The Trustee, the Manager, the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, or any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the relevant Sub-Fund.

(e) Monies for the account of the relevant Sub-Fund can be borrowed from any of the Trustee, the Manager (including its investment delegate, if any), the custodian or

depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, or any of their Connected Persons (being a bank) provided that such person shall charge interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount, than is in accordance with its normal banking practice at the rate for a commercial loan of the size and nature of the loan in question negotiated at arm's length.

(f) Any arrangements for deposit of any monies for the account of the relevant Sub-Fund may be made with any of the Trustee, the Manager (including its investment delegate, if any), the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, or any of their Connected Persons being an institution licensed to accept deposits provided such cash deposit must be maintained in a manner that is in the best interests of the Unitholders having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with the ordinary and normal course of business.

(g) Neither the Trustee nor the Manager nor the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) nor the Tokenisation Agent nor any of their Connected Persons shall be liable to account to each other or to the relevant Sub-Fund or to the Unitholders 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 Trustee, the Manager, the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, 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 relevant Sub-Fund and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegates, or any of their Connected Persons may enter into portfolio transactions for or with each Sub-Fund as agent in accordance with normal market practice, provided that commissions charged to each 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 relevant Sub-Fund must waive any preliminary or initial charge and redemption charges 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 relevant Sub-Fund.

None of the Manager nor its delegates (including investment delegates (if any)) or any of their Connected Persons shall retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) 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 any investment delegates), 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 may be permitted under the Code, applicable rules and regulations) from brokers and dealers through whom investment transactions are carried out 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 dollar arrangements will be disclosed in each Sub-Fund's annual report.

The services of the Trustee and the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) provided to the Trust and each Sub-Fund are not deemed to be exclusive and the Trustee, the Gold Custodian and the Sub-Gold Custodian(s) 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 Trustee and the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) shall not be deemed to be affected with notice of or to be under any duty to disclose to each Sub-Fund any fact or thing which comes to the notice of the Trustee and the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)) in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of a Sub-Fund will be executed at arm's length terms and in the best interests of the Unitholders. For so long as the Sub-Fund is authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager (or its investment delegates, if any), the custodian or depositary (including the Gold Custodian and the Sub-Gold Custodian(s)), the Tokenisation Agent, the Trustee, or any of their respective Connected Persons, must ensure it complies with the following obligations:

(a) such transactions should be on arm's length terms;

(b) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

(c) transaction execution must be consistent with applicable best execution standards;

(d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

(e) the Manager must monitor such transactions to ensure compliance with its obligations; and

(f) the nature of such transactions and the total commissions and other quantifiable

benefits received by such broker or dealer shall be disclosed in the annual report of the relevant Sub-Fund.

The Manager will take all reasonable steps to identify, prevent, manage and monitor any actual or potential conflicts of interests, including conducting all transactions in good faith at arm's length and in the best interests of each Sub-Fund on normal commercial terms.

STATUTORY AND GENERAL INFORMATION

Reports and accounts

The year-end of the Trust and each Sub-Fund is 31 December in each calendar year.

An audited annual financial report will be made available to Unitholders within four months of the end of each financial year.

The unaudited interim financial reports will also be made available to Unitholders within two months of the period which they cover.

The interim and annual financial reports will be available in both English and Chinese language, and provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review (including for 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 Sub-Fund have been complied with). The reports shall also provide a comparison of each Sub-Fund's performance and (for an Index Tracking Sub-Fund) the actual relevant Index performance over the relevant period and such other information as is required under the Code.

Printed copies of the financial reports are available for inspection free of charge when they are issued within the relevant timeframe in the offices of the Manager at Hang Seng Building, 83 Des Voeux Road Central, Hong Kong. Alternatively, soft copies of the financial reports will be available when they are issued within the relevant timeframe on the Trust's website at www.hangsenginvestment.com (this website has not been reviewed by the SFC) and/or the SEHK's website at www.hkex.com.hk (this website has not been reviewed by the SFC).

Trust Deed

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

Indemnities of the Trustee and Manager

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

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed by supplemental deed without consulting the Unitholders, provided that in the opinion of

the Trustee and the Manager such proposed modification, alteration or addition (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of any Sub-Fund; (ii) is necessary in order to make possible compliance with any fiscal, statutory, regulatory or official requirement (whether or not having the force of law); or (iii) is made to correct a manifest error. In all other cases, modifications, alterations and additions involving material changes require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must, where applicable, also give its prior approval to such amendments to the Trust Deed.

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

Name of the Trust and the Sub-Funds

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

Meetings of Unitholders

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

Voting rights

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

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating a Sub-Fund at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by 75% or more of the votes cast.

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

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

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within 60 days; (ii) in the opinion of the Trustee, the

Manager is incapable of performing its duties satisfactorily; (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders; (iv) a law is passed that renders it illegal, or in the opinion of the Trustee, impracticable or inadvisable to continue the Trust; (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by Extraordinary Resolution; or (vi) 60 days after the Trustee notifies the Manager of its intention to retire, no new person willing to act as trustee has been identified.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the units in the Sub-Fund(s) of the Trust is less than USD20 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund if: (i) after one year from the date of establishment of the relevant Sub-Fund, the aggregate Net Asset Value of all the Units is less than USD20 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund; (iii) (for an Index Tracking Sub-Fund) the respective Index of the relevant Sub-Fund is no longer available for benchmarking or if the Listed Class Units of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or (v) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Fund by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Sub-Fund if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the relevant Sub-Fund; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the relevant Sub-Fund or has done something calculated to bring the relevant Sub-Fund into disrepute or that is harmful to the interests of Unitholders of the Sub-Fund; (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Sub-Fund; or (iv) (in respect of Hang Seng Gold ETF only) (a) where the Gold Custody Agreement is terminated and the Gold Custodian ceases to act as a gold custodian, no replacement gold custodian acceptable to the SFC is appointed upon such cessation, or (b) where the Gold Custodian ceases to be able to provide custody services in respect of the Sub-Fund, no replacement provider of a secure vault is found (within sixty Business Days of the date of cessation) which is acceptable to both the Manager and the Trustee.

Notice of the termination of the Trust or a Sub-Fund will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the relevant Sub-Fund and the alternatives available to them, and any other information required by the Code. Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may at the expiration of twelve calendar months from the date upon which the same became payable be paid into court.

Investors should note that, due to the nature of the listing of the Listed Class Units on the SEHK, the termination procedures applicable to Listed Class Units and Unlisted Class Units of the same Sub-Fund may differ. In the event of termination of the Trust, a Sub-Fund or a particular Class of Units, Unitholders will be notified of the relevant termination procedures applicable to its holding of the relevant Class of Units.

Distribution policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on payments on 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.

Proxy Voting Policy

The proxy voting guidelines of the Manager can be accessed via the website www.hangsenginvestment.com (this website has not been reviewed by the SFC).

Inspection of documents

Copies of the constitutive documents in respect of the Trust and each Sub-Fund are available for inspection free of charge during normal business hours on each Business Day at the offices of the Manager.

Part XV of the SFO

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

Anti-money laundering regulations

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

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

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

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Trustee and the Manager as having sufficient anti-money laundering regulations. Notwithstanding the foregoing, the Manager, the Trustee and the Participating Dealer reserve the right to request and receive additional information and documentation as

may be required to comply with applicable laws and regulations where necessary.

Index license agreement

Please refer to the relevant Appendix for details in respect of each Index (for an Index Tracking Sub-Fund).

Material changes to an Index (for 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 Unitholders 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 relevant Index.

Replacement of an Index (for 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 Unitholders would not be adversely affected, to replace an Index with another index in accordance with the provisions of the relevant index license agreement, the Trust Deed and the Code. 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 license to use the Index being terminated;

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

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

(e) investing in the Index constituents becomes difficult;

(f) the Index Provider increasing its license 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 a Sub-Fund if the relevant Index changes or for any other reasons including if license to use the relevant Index is terminated. Any change to (i) the use by a Sub-Fund of the Index and/or (ii) the name of a Sub-Fund will be notified to investors.

Information available on the internet

The Manager publishes important news and information with respect to each Sub-Fund (including for Index Tracking Sub-Funds, in respect of the relevant Index), both in the English and in the Chinese languages, on the Trust's website at www.hangsenginvestment.com (this

website has not been reviewed by the SFC) including:

(a) this Prospectus (including the Product Key Facts Statement) in respect of each of the Sub-Funds (as revised from time to time). Investors should note that where a Sub-Fund offers both Listed Class Units and Unlisted Class Units, a separate set of Product Key Facts Statement will be available for each of the Listed Class Units and Unlisted Class Units of the same Sub-Fund. Where a Sub-Fund offers tokenised Units, a separate set of Product Key Facts Statement will also be available for such tokenised Units;

(b) the latest annual audited report and interim unaudited report;

(c) the last Net Asset Value of each Sub-Fund in the base currency of the Sub-Fund and the last Net Asset Value per Unit of each class of Units of the Sub-Fund (including, in respect of the Listed Class Units, in each trading currency of the Sub-Fund) (updated on a daily basis);

(d) (in respect of the Listed Class Units) the near real time indicative Net Asset Value per Unit of each Sub-Fund (updated every 15 seconds during the SEHK trading hours throughout each Dealing Day) in each trading currency of the Sub-Fund;

(e) (in respect of the Listed Class Units) the latest list of the Participating Dealers and Market Makers;

(f) (in respect of Hang Seng Gold ETF only) the latest list of Gold Dealer(s);

(g) the full holdings of each Sub-Fund (updated on a daily basis);

(h) any notices relating to material changes to each Sub-Fund which may have an impact on its investors, such as material alterations or additions to this Prospectus or any of the constitutive documents of the Trust and/or a Sub-Fund;

(i) any public announcements made by the Manager in respect of any of the Sub-Funds, including information with regard to a Sub-Fund and (for an Index Tracking Sub-Fund) the Sub-Fund's Index or (for an Authorised Feeder Fund) the master fund, notices of suspension of creation and redemption of Units, suspension of the calculation of the Net Asset Value, changes in fees and (in respect of the Listed Class Units only) suspension and resumption of trading;

(j) the ongoing charges figure and the past performance information of each Sub-Fund;

(k) (for an Index Tracking Sub-Fund) the annual tracking difference and tracking error of the Sub-Fund; and

(l) (if applicable) compositions of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months.

The near real time indicative Net Asset Value per Unit in the trading currency that is not the base currency of the Sub-Fund, under (d) above, is indicative and is for reference only. This is updated during SEHK trading hours.

In relation to Hang Seng Gold ETF, The near real time indicative Net Asset Value per Unit in HKD is calculated using the indicative Net Asset Value per Unit in USD multiplied by a real time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is open for trading. Since the indicative Net Asset Value per Unit in USD will not be updated when the

London bullion market is closed, the change to the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate. The last Net Asset Value per Unit in HKD, under (c) above, is indicative, is for reference only and is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the Tokyo Composite at 3:00 p.m. Tokyo time (2:00 p.m. Hong Kong time) mid rate quoted by Bloomberg as of the same Dealing Day (i.e. each Business Day on which the London bullion market is open for business). When the London bullion market is closed, the official last Net Asset Value per Unit in USD and the indicative last Net Asset Value per Unit in HKD will not be updated.

The trading information shall appear on every Dealing Day via the SEHK's website at www.hkex.com.hk (this website has not been reviewed by the SFC) for Participating Dealer's in-kind creation and redemption of Units.

Notices

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

Manager	***Trustee***
Hang Seng Investment Management Limited 83 Des Voeux Road Central Hong Kong	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong

Website information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Listing Agent, the Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Listing Agent, the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, its website at www.hangsenginvestment.com (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.

TAXATION

The following summary is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units under the laws and practice of Hong Kong, the PRC and the laws and practice of other relevant jurisdictions. The information below is based on the law and practice in force in the relevant jurisdictions at the date of this Prospectus (save as otherwise specified). The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes and amendments 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/the date on which the advice regarding the law and practice in force in the relevant jurisdictions was received. 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.

Hong Kong taxation

The Trust and the Sub-Fund(s)

Profits tax

As the Trust and each Sub-Fund have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and each Sub-Fund arising from the sale or disposal of Securities, net investment income received by or accruing to the Trust and each Sub-Fund and other income or profits of the Trust and each Sub-Fund are exempt from Hong Kong profits tax.

Stamp duty

Pursuant to section 19(1DA) and Part 2 of Schedule 10 of the SDO and according to the Stamping Circular No.02/2019, each Sub-Fund is an "authorized open-ended collective investment scheme" as defined under the SDO, and, provided that the value of the Hong Kong stock is proportionate to the value of the Unit, any Hong Kong stamp duty (i.e. fixed and ad valorem) on the delivery of Hong Kong stocks as consideration for the allotment of Units will be exempted. Similarly, provided that the value of the Hong Kong stock is proportionate to the value of the Unit, Hong Kong stamp duty on the delivery of Hong Kong stocks as consideration for redemption of Units will also be exempted. The allotment or redemption is considered to be proportionate if the value of the Hong Kong stock sold or purchased is equivalent to the asset value of the Sub-Fund which the allotted or redeemed Unit represents as at the date of allotment or redemption (as the case may be).

No Hong Kong stamp duty is payable by each Sub-Fund on issues or redemptions of Units in cash.

The sale and purchase of the HK stocks by the relevant Sub-Fund will be subject to Hong Kong stamp duty under the SDO.

The Unitholders

Profits tax

Hong Kong profits tax is not payable by a Unitholder (other than Unitholders carrying on a trade, profession or business in Hong Kong) on any gains or profits made on the sale, redemption or other disposal of the Units. Any distributions payable to Unitholders is not subject to withholding tax in Hong Kong.

Stamp duty in respect of Listed Class Units

Pursuant to section 19(1DA) and Part 2 of Schedule 10 of the SDO and according to the Stamping Circular No.02/2019, each Sub-Fund is an "authorized open-ended collective investment scheme" as defined under the SDO, and, provided that the value of the Hong Kong stock is proportionate to the value of the Listed Class Unit, any Hong Kong stamp duty (i.e. fixed and ad valorem) on the delivery of Hong Kong stocks as consideration for the allotment of Listed Class Units will be exempted. Similarly, provided that the value of the Hong Kong stock is proportionate to the value of the Listed Class Unit, Hong Kong stamp duty on the delivery of Hong Kong stocks as consideration for redemption of Listed Class Units will also be exempted. The allotment or redemption is considered to be proportionate if the value of the Hong Kong stock sold or purchased is equivalent to the asset value of the Sub-Fund which the allotted or redeemed Listed Class Unit represents as at the date of allotment or redemption (as the case may be).

No Hong Kong stamp duty is payable by an investor in relation to an issue of Listed Class Units to him or her or the redemption of Listed Class Units by him or her or on the sale and purchase of Listed Class Units by him or her in the secondary market.

Stamp duty in respect of Unlisted Class Units

No Hong Kong stamp duty should be payable where the sale or transfer of the Unlisted Class Units is effected by selling the relevant Units back to the Manager, who then either extinguish the Unlisted Class Units or re-sells the Unlisted Class Units to another person within two months thereof. Other types of sales or purchases or transfers of Unlisted Class Units by the Unitholders in a Sub-Fund should normally be liable to Hong Kong stamp duty under the SDO.

Subscription of Unlisted Class Units/switching into Unlisted Class Units effected through allotment of new Unlisted Class Units and redemption/switching out effected through cancellation of Unlisted Class Units respectively will normally not be subject to Hong Kong stamp duty.

Investors of tokenised Units

Profits tax

Similar to the non-tokenised Units of the Trust and the Sub-Fund(s), Hong Kong profits tax is not payable by an investor of tokenised Units (other than investors carrying on a trade, profession or business in Hong Kong) on any gains or profits made on the redemption of the tokenised Units. Currently, there are no distributions payable to investors of tokenised Units.

Stamp duty

There is no trading of tokenised Units on any secondary markets. Further, transfer and switching are not allowed for tokenised Units.

Upon subscription / redemption of tokenised Units, investors would receive / return tokenised Units in the form of Tokens.

Subscription of tokenised Units effected through issuance of new tokenised Units / Tokens and redemption of tokenised Units effected through cancellation of the tokenised Units / Tokens will normally not be subject to Hong Kong stamp duty.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the "Amendment Ordinance"), which is the legislative framework for the implementation of Automatic Exchange of Financial Account Information (the "AEOI") in Hong Kong, came into force on 30 June 2016.

The AEOI is a system that involves the transmission of financial account information from Hong Kong to a tax jurisdiction with which Hong Kong has entered into an AEOI agreement[5]. Under the Amendment Ordinance, reporting financial institutions in Hong Kong are required to apply due diligence procedures to identify the tax residency of the account holders and controlling persons for the purpose of AEOI[6] and collect the specified information. The financial institution is required to report to the IRD the required information collected in respect of the reportable accounts on an annual basis. IRD will then transmit the information to the tax administration of the relevant jurisdiction of which the account holder is tax resident[7]. Under the Amendment Ordinance, information that may be reported to the IRD includes details of account holders, including but not limited to their name, date of birth, place of birth (if any), address, jurisdiction of tax residence, tax identification number (if any), account number, account balance/value, distribution income and sales/redemption proceeds.

Each Sub-Fund, as a reporting financial institution, is required to, amongst other things:

(i) conduct due diligence on its financial accounts to identify whether any such accounts are considered as "Reportable Accounts" for AEOI purpose; and

(ii) report to the IRD the required information on such Reportable Accounts.

By investing and/or continuing to invest in the Sub-Funds, Unitholders acknowledge that:

(i) the IRD may automatically exchange information of the Unitholders (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are passive non-financial entities) as outlined above with relevant tax authorities in other jurisdictions;

(ii) Unitholders may be required to provide additional information and/or documentation for AEOI purpose; and

(iii) in the event that an Unitholder fails to provide the requested information and/or documentation, irrespective of whether or not that actually leads to non-compliance on

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5 FAQ1 of the Frequently Asked Questions regarding the Automatic Exchange of Financial Account Information available at the website of the IRD http://www.ird.gov.hk/eng/faq/dta_aeoi.htm (this website has not been reviewed by the SFC)

6 FAQ6 of the Frequently Asked Questions regarding the Automatic Exchange of Financial Account Information available at the website of the IRD http://www.ird.gov.hk/eng/faq/dta_aeoi.htm (this website has not been reviewed by the SFC)

7 FAQ3 of the Frequently Asked Questions regarding the Automatic Exchange of Financial Account Information available at the website of the IRD http://www.ird.gov.hk/eng/faq/dta_aeoi.htm (this website has not been reviewed by the SFC)

the part of the Sub-Funds and/or the Manager, the Manager reserves the right to take remedial actions including, without limitation, to require the Unitholder to transfer the Unitholder's Units or, failing such transfer, redeem such Units in accordance with the Trust Deed, and to the extent permitted by applicable laws and regulations.

Unitholders and prospective investors should consult their professional advisers and obtain independent professional advice on the implications of AEOI on their current and/or proposed investment in a Sub-Fund.

U.S. – Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("FATCA") impose a 30% withholding tax on certain payments to a foreign financial institution ("FFI") if that FFI is not compliant with FATCA. Each of the Sub-Funds is a FFI and thus, subject to FATCA. Each Sub-Fund in the Trust intends to comply with FATCA by qualifying as a Deemed-Compliant FFI.

This withholding tax applies to payments to each Sub-Fund that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation).

These FATCA withholding taxes may be imposed on payments to a Sub-Fund unless (i) the relevant Sub-Fund becomes FATCA compliant pursuant to the provisions of FATCA and the relevant regulations, notices and announcements issued thereunder, or (ii) the relevant Sub-Fund is subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA ("IGA"). The Sub-Funds intend to comply with FATCA so that no FATCA withholding is imposed on any payments to the Sub-Funds.

Hong Kong and the U.S. have entered into an IGA for the implementation of FATCA, adopting "Model 2" IGA arrangements. Under these "Model 2" IGA arrangements, FFIs in Hong Kong (such as the Sub-Funds) will be required to register with the U.S. Internal Revenue Service ("IRS") and comply with the terms of the FFI Agreement. Otherwise, they will be subject to a 30% withholding tax on relevant US-sourced payments to them. As a sponsoring entity, the Manager has registered with the U.S. IRS on behalf of each Sub-Fund. Each Sub-Fund intends to take any other measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations.

In order to comply with its FATCA obligations, each Sub-Fund is required to obtain certain information from its Unitholders so as to ascertain their U.S. tax status, including the appropriate IRS withholding statement on Form W-8 or W-9. If the Unitholder is a specified U.S. person, U.S. owned non-U.S. entity, non-participating FFI ("NPFFI") or does not provide the requisite documentation, each Sub-Fund may need to report information on these Unitholders to the appropriate tax authority, as far as legally permitted.

If a Unitholder either fails to provide the relevant Sub-Fund, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Sub-Fund to comply with FATCA or is a NPFFI, to the extent that it is required to comply with the terms of the IGA, the Unitholder may be subject to withholding on amounts otherwise distributable to the Unitholder, (provided that the Manager or the Trustee (as the case may be) shall observe relevant legal requirements and shall act in good faith and on reasonable grounds). The Sub-Fund may at its discretion enter into any supplemental agreement without the consent of Unitholders to provide for any measures that the Sub-Fund deem appropriate or necessary to comply with FATCA.

Other countries have adopted or are in the process of adopting tax legislation concerning the reporting of information, including AEOI as described above. Each of the Sub-Funds also

intends to comply with such other similar tax legislation that may apply to each Sub-Fund, although the exact parameters of such requirements are not yet fully known. As a result, each Sub-Fund may need to seek information about the tax status of Unitholders under such other country's laws and each Unitholder for disclosure to the relevant governmental authority.

The disclosure in this section is based on advice received by each Sub-Fund regarding the law and practice in force in the U.S.. Unitholders/Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, investors who invest in a Sub-Fund through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding tax on their investment returns.

Although each Sub-Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Sub-Fund will be able to satisfy these obligations. If the Sub-Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material losses.

SCHEDULE 1

INVESTMENT RESTRICTIONS, SECURITY LENDING AND BORROWING

Investment restrictions

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

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

Unless otherwise specifically provided for in the relevant Appendix, the investment restrictions applicable to each Sub-Fund (that are included in the Trust Deed) 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 Net Asset Value of such Sub-Fund, (save as permitted by Chapter 8.6(h) of the Code and as varied by Chapter 8.6(h)(a) of the Code):

  (1) investments in securities issued by such entity;

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

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

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

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

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

  (3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly

burdensome and the cash deposits arrangement would not compromise investors' interests;

For the purposes herein, "cash deposits" generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

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

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

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

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

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

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

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

(h) subject to (g), a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, a Sub-Fund which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues;

(i) unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary, a Sub-Fund may not invest in physical commodities. Where a Sub-Fund is approved by the SFC to invest in physical commodities, the investment restrictions as set out under the sub-section headed "**Investment restrictions**" in this Schedule 1 shall also be applicable with modifications or exceptions as specified in the Appendix of the relevant Sub-Fund;

(j) for the avoidance of doubt, ETFs that are:

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

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

may either be considered and treated as (x) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (y) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in ETFs shall be subject to paragraph (e) above and the relevant investment limits in ETFs 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 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 Net Asset Value of the Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Sub-Fund, provided that in respect of (1) and (2) above:

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

(ii) where the underlying schemes are managed by the same management company as that of a Sub-Fund that invests in them, or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;

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

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

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

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

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

(2) 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 and its master fund will be deemed a single entity;

(iii) the Sub-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 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, Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the Sub-Fund may result, if the master fund in which the Sub-Fund invests is managed by the Manager or by its Connected Person; and

(4) notwithstanding paragraph (k)(2)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraphs (k)(1) and (k)(2); 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.

The Manager shall not on behalf of any Sub-Fund(s):

(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 REITs). In the case of investments in such shares and REITs, they shall comply with the investment limits as set out in Chapters 7.1, 7.1A, 7.2, 7.3 and 7.11 of the Code, where applicable. For the avoidance of doubt, where investments are made in listed REITs,

Chapter 7.1, 7.1A and 7.2 of the Code apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then Chapters 7.3 and 7.11 of the Code apply respectively;

(C) make short sales if as a result such Sub-Fund would be required to deliver securities exceeding 10% of the Net Asset Value of such Sub-Fund (and for this purpose securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, the 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 such 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 (e), assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;

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

(G) apply any part of such 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 such Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of Chapter 7.29 and 7.30 of the Code.

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the SFC under the 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. For a Sub-Fund authorised under Chapter 8.6 of the Code as an index tracking ETF, given the investment objective of the Sub-Fund and the nature of the Index, the relevant Sub-Fund is allowed under Chapter 8.6(h) of the Code to hold investments in constituent securities of any single entity exceeding 10% of the relevant Sub-Fund's Net Asset Value if such constituent securities account for more than 10% of the weighting of the Index and the relevant Sub-Fund's holding of any such constituent securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature. However, the Manager may cause a Sub-Fund to deviate from the Index weighting (in pursuing a representative sampling strategy) under Chapter 8.6(h)(a) of the Code on the condition that (i) the representative sampling strategy must be clearly disclosed in this Prospectus, (ii) the excess of weightings of the constituent securities held by the Sub-Fund over the weightings in the Index must be caused by the implementation of the representative sampling strategy and (iii) the maximum deviation from the index weighting of any constituent will not exceed the percentage as determined by the Manager after consultation with the SFC, as disclosed in the relevant Appendix. In determining this limit, the 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. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit.

The annual and interim financial statements of the relevant Sub-Fund shall also disclose whether or not such limit has been complied with during such period and account for any non-compliance in those reports.

Securities financing transactions

A Sub-Fund may engage in securities financing transactions, provided that they are in the best interests of Unitholders of such Sub-Fund to do so and the associated risks have been properly mitigated and addressed, and provided further that the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

Where it is disclosed in the relevant Appendix, a Sub-Fund may engage in securities lending, sale and repurchase and/or reverse repurchase transactions subject to the maximum limit disclosed in the investment policy of the Sub-Fund.

Under a securities lending transaction, a Sub-Fund lends its securities to a security-borrowing counterparty for an agreed fee subject to a commitment from that counterparty that it will return equivalent securities on a specified future date or when requested to do so by the relevant Sub-Fund. The types of assets that may be subject to securities lending transactions include equity securities, fixed income securities, collective investment schemes, and money market instruments and cash.

Under a sale and repurchase transaction, a Sub-Fund sells its securities to a counterparty of reverse repurchase transactions subject to an agreement to repurchase the securities at an agreed price with a financing cost on a specified future date. Where a Sub-Fund enters into a sale and repurchase transaction under which it sells securities to the counterparty, it will incur a financing cost from engaging in this transaction which will be paid to the relevant counterparty.

Under a reverse repurchase transaction, a Sub-Fund purchases securities from a counterparty of sale and repurchase transactions subject to an agreement to re-sell the relevant securities to the counterparty at an agreed price on a specified future date.

Where a Sub-Fund engages in securities financing transactions, it is subject to the following requirements and arrangements:-

(1) A Sub-Fund shall have at least 100% collateralization in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions.

(2) All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions shall be returned to the Sub-Fund. Such direct and indirect expenses shall include brokerage fees, stamp duty, and tax levies associated with securities financing transactions, the fees and expenses payable to securities lending agents engaged and the normal compensation for the services rendered by the Manager in the context of such securities lending transactions to the extent permitted by the applicable legal and regulatory requirements for the relevant Sub-Fund from time to time. Such fees and expenses of any securities lending agents engaged for the relevant Sub-Fund, will be at normal commercial rates and will be borne by the relevant Sub-Fund in respect of which the relevant party has been engaged. The securities lending agents engaged for a Sub-Fund may be Connected Persons of the Manager or its investment delegates, and their fees and expenses will be at normal commercial rates and will be borne by the relevant Sub-Fund in respect of which the relevant party has been engaged. Information on the revenues generated under such

transactions shall be disclosed in the annual and interim financial reports of the relevant Sub-Fund, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. These entities may include the Manager, its investment delegates or any other Connected Persons.

(3) The counterparties to a securities financing transaction will be selected in accordance with the criteria as set out below under the sub-section "Counterparty and collateral policy" below.

(4) A Sub-Fund shall only enter into a securities financing transaction if the terms of such securities financing transaction include the power for the Sub-Fund at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction(s) or terminate the securities financing transaction(s) into which it has entered.

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

(6) The securities financing transactions will be subject to the following safekeeping arrangement:-

(a) *Assets received*
Assets (including any collateral) received by a Sub-Fund under a title-transfer arrangement should be held by the Trustee or by duly appointed nominee, agent or delegate.

(b) *Assets provided*
Assets (including any collateral) provided to a counterparty under a title-transfer arrangement shall no longer belong to the Sub-Fund. Assets (including any collateral) provided to a counterparty other than under a title-transfer arrangement shall be held by the Trustee or by duly appointed nominee, agent or delegate (which may include the counterparty to the relevant securities financing transaction). Upon the exercise of a right of re-use by a counterparty, such assets will not be safe-kept by the Trustee or by duly appointed nominee, agent or delegate and such counterparty may use the assets at its absolute discretion.

Information on a Sub-Fund's securities financing transactions will be included in the annual report of the Sub-Fund.

Counterparty and collateral policy

The Manager employs a counterparty and collateral policy in relation to collateral received in respect of securities financing transactions entered into in respect of a Sub-Fund.

A Sub-Fund may receive collateral from a counterparty to a securities financing transaction in order to reduce its counterparty risk exposure.

Counterparty policy

The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of securities financing transactions which shall include amongst other considerations, fundamental creditworthiness (e.g. ownership structure, financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure

of proposed trading activities, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

The counterparty of securities financing transactions must be financial institutions which are subject to ongoing prudential regulation and supervision.

The counterparty to a securities financing transaction must have a minimum credit rating of Baa1 or BBB+ or equivalent, or must be deemed by the Manager to have an implied rating of Baa1 or BBB+ or equivalent assigned by an internationally recognised credit agency (e.g. Standard & Poor's or Moody's). Alternatively, an unrated counterparty will be acceptable where the Manager is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating acceptable to the Manager, to be assessed on a case-by-case basis.

Collateral policy

Collateral received from counterparties shall comply with the following criteria:-

(1) Nature – the collateral may include both cash and non-cash collateral. Cash collateral may include cash and cash equivalents. Non-cash collateral may comprise of money market instruments, government bonds, or corporate bonds whether long/short term bonds, listed or traded in any regulated markets, supernational bonds, stocks and funds. Collateral does not include (i) structured products whose payouts rely on embedded financial derivatives or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes. There is no specific criteria on maturity of eligible collateral. The issuer of collateral must be of high quality, good reputation, solid financial status and the rating by a recognised credit rating agency shall be taken into account in the credit assessment process; debt securities must be rated investment grade or above to be eligible;

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

(3) Valuation – the collateral is marked-to-market daily by using independent pricing sources;

(4) Credit quality – the collateral is of high credit quality provided that, in the event the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral, such collateral shall be replaced immediately;

(5) Haircut – the collateral is subject to a prudent haircut policy. Haircuts will take into account the characteristics of the assets such as the credit standing or the price volatility. Assets that exhibit high price volatility will not be accepted by a Sub-Fund as collateral unless suitably conservative hair-cuts are in place. Haircuts are reviewed by the Manager on an ongoing basis to ensure that they remain appropriate for eligible collateral taking into account collateral quality, liquidity and price volatility;

(6) Diversification – the collateral is appropriately diversified so as to avoid concentrated exposure to any single entity and/or entities within the same group. A Sub-Fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in sub-paragraphs (a), (b), (c),

(g), (h), (k)(1) to (2) under the sub-section "Investment restrictions" above and sub-paragraph (B) of the proviso under the sub-section "Investment restrictions" above;

(7) 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. For this purpose, securities issued by the counterparty or the issuer of the FDIs, or the counterparty of securities financing transactions or any of their related entities shall not be used as collateral;

(8) Management of operational and legal risks – the Manager has appropriate systems, operational capabilities and legal expertise for proper collateral management;

(9) Independent custody – the collateral is held by the Trustee or by duly appointed nominee, agent or delegate;

(10) Re-investment of collateral – any re-investment of collateral received for the account of the relevant Sub-Fund shall be subject to the following requirements:

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

(ii) cash collateral received is not allowed to be further engaged in any securities financing transactions;

(iii) 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

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

(11) Encumbrances and enforceability – the collateral is free of prior encumbrances and is readily accessible or enforceable by the Trustee without further recourse to the issuer of the FDIs, or the counterparty of the securities financing transactions; and

(12) Safe-keeping of collateral – Any non-cash assets received by a Sub-Fund from a counterparty on a title transfer basis (whether in respect of a securities financing transaction or an OTC derivative transaction) should be held by the Trustee or by duly appointed nominee, agent or delegate. This is not applicable in the event that there is no title transfer in which case the collateral will be held by a third party custodian which is unrelated to the provider of the collateral. A description of collateral holdings of each Sub-Fund will be disclosed in its interim and annual financial reports as required under Appendix E of the Code. Assets provided by a Sub-Fund on a title transfer basis shall no longer belong to the Sub-Fund. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Trustee or by duly appointed nominee, agent or delegate.

Borrowing policy

Unless otherwise specified in the relevant Appendix, borrowing against the assets of a Sub-Fund is allowed up to a maximum of 10% of its latest available Net Asset Value. Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Trustee may at the request of the Manager borrow for the account of a Sub-Fund any currency, and charge or pledge assets of the Sub-Fund, for the following purposes:

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

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

(c) for any other proper purpose as may be agreed by the Manager and the Trustee.

For the avoidance of doubt, securities financing transactions in compliance with the requirements as set out in the sub-section "**Securities financing transactions**" above are not borrowings for the purpose of, and are not subject to, the restrictions as set out hereinabove.

FDIs

Subject always to the provisions of the Trust Deed and the Code, the Trustee upon the instructions of the Manager may on behalf of a Sub-Fund enter into any transactions in relation to swaps or other FDI.

A Sub-Fund may acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that a 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 pursuant to Chapter 8 of the Code). For the avoidance of doubt:

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

(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.

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

For the avoidance of doubt, restrictions and limitations on counterparty as set out in paragraphs (a) and (b) under the section entitled "Investment restrictions" above and paragraph (c) below will not apply to FDIs that are (i) transacted on an exchange where the clearing house performs a central counterparty role; and (ii) marked-to-market daily in the valuation of their FDI positions and subject to margining requirements at least on a daily basis.

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 or currencies or other asset classes acceptable to the SFC, in which a Sub-Fund may invest according to its investment objectives and policies. Where a Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 provided that the index is in compliance with the requirements under Chapter 8.6(e) of the 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;

(c) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund. Exposure of the Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive marked-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 or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through such measures as may be established from time to time. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of a Sub-Fund. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

A Sub-Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs. 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. 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 a Sub-Fund's discretion, be cash settled, such 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, a 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, a Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation provided further that such Sub-Fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embed financial derivatives as well.

Although FDIs may be used (as aforesaid), they will not be used extensively for investment purpose.

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 Trust. 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 any) refer to the relevant Index details in respect of the Index Tracking Sub-Fund of which are set out in that Appendix.

APPENDIX 1: HANG SENG GOLD ETF

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

Investors should note that this Sub-Fund offers both Listed Class Units and Unlisted Class Units. For Unlisted Class Units, they may be tokenised or non-tokenised. Please refer to the sections relevant to your intended holding of Units.

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

Benchmark (LBMA Gold Price AM)	The morning fixing price of gold per troy ounce calculated, quoted in US dollars and published by the IBA once the IBA auction process run at 10:30 a.m. (London time) is concluded, or any benchmark as acceptable and approved under the relevant requirement(s) of the Code
Base Currency	USD
Investment Strategy	Physical Bullion holding (Please refer to the section headed "**What is the investment strategy?**" below)
Gold Dealers*	The Hongkong and Shanghai Banking Corporation Limited Heraeus Metals Hong Kong Limited
Distribution Policy	No distribution will be made
Financial Year End	31 December
Dealing Day	Each Business Day on which the London bullion market is open for business, or any other day or days as the Manager may from time to time determine with the approval of the Trustee, for processing dealing applications in the Sub-Fund
Website	www.hangsenginvestment.com (this website has not been reviewed by the SFC)

* *Please refer to the Trust's website for the latest lists of Gold Dealers.*

Key information applicable to Listed Class Units only

Initial Issue Date	28 January 2026 (the Business Day immediately before the Listing Date)
Listing Date (SEHK)	Expected to be 29 January 2026, but may be postponed by the Manager to a date no later than 7 March 2026
Issue Price during the Initial Offer Period	HKD15, or such other amount from time to time determined by the Manager
Exchange Listing	SEHK – Main Board
Stock Code	03170 – HKD Counter

Short Stock Name	HS GOLD ETF – HKD Counter
Trading Board Lot Size	50 Units – HKD Counter
Trading Currency	Hong Kong dollars – HKD Counter
Creation/Redemption Policy	Cash (in USD, or other currency subject to the Manager's discretion) or in-gold creation and redemption
Application Unit Size (only by or through Participating Dealers)	Minimum 250,000 Units (or whole multiples thereof or such other multiple of Units from time to time determined by the Manager based on applicable factors, approved by the Trustee and notified to Participating Dealers) for all creations and redemptions in cash or in-gold
Dealing Deadline	4:00 p.m. (Hong Kong time)
Management Fee	Currently up to 0.25% per year of the Net Asset Value
Market Makers (HKD counter)*	China Merchants Securities (HK) Co., Ltd Mirae Asset Securities (HK) Limited
Participating Dealers*	ABN AMRO Clearing Hong Kong Limited China Merchants Securities (HK) Co., Ltd Hang Seng Securities Limited Mirae Asset Securities (HK) Limited The Hongkong and Shanghai Banking Corporation Limited
Service Agent	HK Conversion Agency Services Limited
Listing Agent	Hang Seng Investment Management Limited

* *Please refer to the Trust's website for the latest lists of Market Makers and Participating Dealers.*

Key information applicable to Unlisted Class Units only

Initial Issue Date	29 January 2026 or any other date as determined by the Manager
Unlisted Classes Offered	Class A USD – Accumulation Units Class A HKD – Accumulation Units Class A RMB (hedged) – Accumulation Units Class D HKD – Accumulation Units Class G USD – Accumulation Units Class I USD – Accumulation Units Class T USD – Accumulation Units Class Z USD – Accumulation Units
Initial Issue Price	Class A USD – Accumulation Units: USD10 Class A HKD – Accumulation Units: HKD10 Class A RMB (hedged) – Accumulation Units: RMB 10 Class D HKD – Accumulation Units: HKD1 Class G USD – Accumulation Units: USD10 Class I USD – Accumulation Units: USD 10 Class T USD – Accumulation Units: USD 10 Class Z USD – Accumulation Units: USD 10
Dealing Deadline	4:00 p.m. (Hong Kong time)

Management fee	Class A Units Class D Units Class G Units Class T Units	Currently up to 1% per year of the Net Asset Value
	Class I Units	Currently up to 0.5% per year of the Net Asset Value
	Class Z Units	Currently 0% per year of the Net Asset Value
Trustee fee	0.095% per year of the Net Asset Value of the Sub-Fund, subject to a minimum monthly fee of USD4,800.	

Key similarities and differences between Listed Class Units and Unlisted Class Units

Investment Objective **Investment Strategy**	Same for both Listed Class Units and Unlisted Class Units. Please refer to the sections headed "What is the investment objective?" and "What is the investment strategy?" in this Appendix below.
Valuation Policy	Same for both Listed Class Units and Unlisted Class Units. Please refer to the section headed "DETERMINATION OF NET ASSET VALUE" in Part 1 of the Prospectus.
Valuation Point	Same for both Listed Class Units and Unlisted Class Units. Please refer to the section headed "DEFINITIONS" in Part 1 of the Prospectus.
Dealing Arrangements	There are some differences in certain dealing arrangements in respect of each of Listed Class Units and Unlisted Class Units, including but not limited to the Dealing Deadline and minimum amounts for creation/subscription and redemption of Units. Unitholders should note that dealing frequency and the definition of "Dealing Day" in respect of both Listed Class Units and Unlisted Class Units are the same. However, the applicable dealing procedures and timing with the relevant Participating Dealer(s) (in the case of Listed Class Units) and the Authorised Distributor(s) (if applicable, in the case of Unlisted Class Units) and the Dealing Deadline for creation/subscription and redemption of Units may be different. Unitholders should check with the relevant Participating Dealer(s) or Authorised Distributor(s) (as applicable) for the applicable dealing procedures and timing. **In respect of Listed Class Units:** - a cash or in-gold Creation Application or Redemption Application for Listed Class Units received at or before 4:00 p.m. (Hong Kong time) on a Dealing Day (i.e., Day T) will be processed at the Net Asset Value per Unit of the Listed Class Units of the Sub-Fund of Day T;

	- a cash or in-gold Creation Application or Redemption Application for Listed Class Units received after the Dealing Deadline of Day T for such class (i.e. 4:00 p.m. (Hong Kong time) on Day T), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class Units of the Sub-Fund of Day T+1; - the Manager may determine and agree with the Trustee such other time prior to the calculation of the Net Asset Value of the Sub-Fund on the relevant Dealing Day as the Dealing Deadline; and - a secondary market investor can buy and sell the Listed Class Units on the SEHK through his stockbroker at any time the SEHK is open for trading. Investors can buy or sell the Listed Class Units at market price. **In respect of Unlisted Class Units:** - a subscription or redemption application for Unlisted Class Units received at or before 4:00 p.m. (Hong Kong time) on Day T will be processed at the Net Asset Value per Unit of the Unlisted Class Units of Day T; - a subscription or redemption application for Unlisted Class Units received after the dealing deadline of Day T for such class (i.e. 4:00 p.m. (Hong Kong time) on Day T), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of the Unlisted Class Units of Day T+1; and - applicants may apply for Unlisted Class Units through the Manager or an Authorised Distributor. Authorised Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class Units through an Authorised Distributor should therefore consult the Authorised Distributor for details of the relevant dealing procedures. Please refer to the sections headed “THE OFFERING AND REDEMPTION OF LISTED CLASS UNITS” and “THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS” in Part 1 of the Prospectus for details of the dealing arrangements of Listed Class Units and Unlisted Class Units respectively.
Distribution policy	Same for both Listed Class Units and Unlisted Class Units. Please refer to the section headed “**Distribution policy**” in this Appendix below.

Fee structure	**In respect of both the Listed Class and Unlisted Class:** Currently, the Trustee receives out of the assets of the Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day at 0.095% per year of the Net Asset Value of the Sub-Fund, subject to a minimum monthly fee of USD4,800. **In respect of Listed Class Units:** The current management fee is up to 0.25% per year of the Net Asset Value of Listed Class and is accrued daily and calculated as at each Dealing Day. It is payable out of the Listed Class monthly in arrears. An investment in the Listed Class in the secondary market is subject to fees involved in relation to the trading of such Listed Class Units on the SEHK (such as the brokerage fee, transaction levy, trading fee and so on). **In respect of Unlisted Class Units:** For Class A Units, Class D Units, Class G Units and Class T Units, the management fee is currently up to 1% per year of the Net Asset Value of each class, and is accrued daily and calculated as of each Dealing Day. For Class I Units, the management fee is currently up to 0.5% per year of the Net Asset Value of the class, and is accrued daily and calculated as of each Dealing Day. For Class Z Units, the management fee is currently 0% per year of the Net Asset Value of the class. The Manager may levy a Preliminary Charge of up to 5% of the Issue Price of Unlisted Class Units. No Redemption Charge will be levied on the Unlisted Class Units.[1] Neither Listed Class Units nor Unlisted Class Units employ a single management fee structure. The following fees and expenses may be payable out of and borne by each of the classes: the Trustee's and Registrar's fee, the Gold Custodian's fee, the tokenisation fee (in respect of tokenised Units only), fees and expenses of the auditors, transaction fee, license fees, ordinary out-of-pocket expenses incurred by the Manager or the Trustee or any of their agents. Please refer to the section headed "**Fees and Expenses**" in Part 1 of the Prospectus and this Appendix below for further details.

[1] While no Redemption Charge will be levied on the Unlisted Class Units at the Sub-Fund level, each Authorised Distributor may impose a charge for a redemption request. For details, please check with your Authorised Distributor(s).

Net Asset Value per unit	There is a separate Net Asset Value for each class of Units. The Net Asset Value may be different in respect of each of the Listed Class Units and Unlisted Class Units due to various factors, including but not limited to the different fee and expense items applicable to each class of Units, and charges, stamp duty and so on. Accordingly, the performance of the different classes will be different. Further, Listed Class Units in the secondary market will be bought and sold at market price which may be different from the Net Asset Value per Unit of the Listed Class. Please refer to the relevant risk factors in the product key facts statements of the Listed Class Units and Unlisted Class Units and the section headed "RISK FACTORS" in Part 1 of the Prospectus.
Termination	Due to the nature of the listing of Listed Class Units, the termination procedures applicable to Listed Class Units and Unlisted Class Units may differ. Please refer to the sub-section headed "Termination" under the section headed "STATUTORY AND GENERAL INFORMATION" of this Prospectus for further details.

Key similarities and differences between tokenised and non-tokenised Unlisted Class Units

Investment Objective	Same for both tokenised and non-tokenised Unlisted Class Units. Please refer to the sections headed "What is the investment objective?" and "What is the investment strategy?" in this Appendix below.
Investment Strategy	
Valuation Policy	Same for both tokenised and non-tokenised Unlisted Class Units. Please refer to the section headed "DETERMINATION OF NET ASSET VALUE" in Part 1 of the Prospectus.
Valuation Point	Same for both tokenised and non-tokenised Unlisted Class Units. Please refer to the section headed "DEFINITIONS" in Part 1 of the Prospectus.
Dealing Arrangements	There are some differences in certain dealing arrangements in respect of each of tokenised Unlisted Class Units and non-tokenised Unlisted Class Units. Investors should note that the minimum amounts for subscription and redemption in respect of tokenised Unlisted Class Units and non-tokenised Unlisted Class Units may be different. Investors should also note that while the dealing frequency, the definition of "Dealing Day" and the Dealing Deadlines for subscription and redemption in respect of tokenised and non-tokenised Unlisted Class Units are the same, the applicable

	dealing procedures with Eligible Distributor(s) (in the case of tokenised Unlisted Class Units) and Authorised Distributor(s) (if applicable, in the case of non-tokenised Unlisted Class Units) may be different. Investors should check with the Eligible Distributor(s) or Authorised Distributor(s) for the applicable dealing procedures and timing. In respect of the tokenised Unlisted Class Units: - the Dealing Deadline currently is 4:00 p.m. (Hong Kong time) on each Dealing Day. Investors may only subscribe for, or redeem, the tokenised Unlisted Class Units at the Net Asset Value in the form of Tokens via the Eligible Distributor. - Switching in or out of tokenised Units of an Unlisted Class of the Sub-Fund is not permitted. - the subscription or redemption requests for tokenised Unlisted Class Units submitted after 4:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. In respect of the non-tokenised Unlisted Class Units: - the Dealing Deadline currently is 4:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the non-tokenised Unlisted Class Units at the Net Asset Value of the relevant non-tokenised Unlisted Class Units. Applicants may apply for non-tokenised Unlisted Class Units through the Manager or an Authorised Distributor. Authorised Distributor(s) may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for non-tokenised Unlisted Class Units through an Authorised Distributor should therefore consult the Authorised Distributor for details of the relevant dealing procedures. - Unitholders may from time to time switch all or part of their Units in a non-tokenised Unlisted Class in a Sub-Fund (the “Existing Class”) into a non-tokenised Unlisted Class of the same sub-fund or unlisted class units of any collective investment scheme managed by the Manager (the “New Class”) available for subscription or switching provided that no Unlisted Class Units may be switched if to do so would result in a holding of less than the minimum holding of Units of the Existing Class or the New Class. - the subscription or redemption requests for non-tokenised Unlisted Class Units submitted after 4:00 p.m. (Hong Kong time) on a Dealing Day will be

	deemed to have been received on the next Dealing Day. Please refer to the sections headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" and "TOKENISATION OF UNITS" in Part 1 of the Prospectus for details of the dealing arrangements of tokenised and non-tokenised Unlisted Class Units.
Distribution policy	Same for both tokenised and non-tokenised Unlisted Class Units. Please refer to the section headed "**Distribution policy**" in this Appendix below.
Fee structure	Different in respect of each of the tokenised Unlisted Class Units and non-tokenised Unlisted Class Units. Both tokenised and non-tokenised Unlisted Class Units are subject to management fee, the Trustee's and Registrar's fee and the Gold Custodian's fee, and may be subject to the payment of Preliminary Charge, but not Redemption Charge. An investment in the tokenised Unlisted Class Units is subject to tokenisation fee, but is not subject to Switching Fee as switching in and out of the tokenised Unlisted Class is not permitted. An investment in the non-tokenised Unlisted Class Units may be subject to the payment of Switching Fee (if applicable). Please refer to the section headed "**Fees and Expenses**" in Part 1 of the Prospectus and this Appendix below for further details.
Net Asset Value per unit	Different in respect of each of the tokenised and non-tokenised Unlisted Class Units due to various factors, including but not limited to the different fee structures applicable to each Unlisted Class and different dealing arrangements. Accordingly, the performance of the different Unit Classes will be different. There is a separate Net Asset Value for each Unlisted Class. The Trustee does allow each Unlisted Class to have its own Net Asset Value (i.e. one Net Asset Value for one Unlisted Class). Please refer to the relevant risk factors in the product key facts statements of each of the tokenised Unlisted Class Units and non-tokenised Unlisted Class Units and the section headed "RISK FACTORS" in Part 1 of the Prospectus.
Termination	Same for both tokenised and non-tokenised Unlisted Class Units. Please refer to the sub-section headed "Termination" under the section headed "STATUTORY AND GENERAL INFORMATION" of this Prospectus for further details.

What is the investment objective?

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

What is the investment strategy?

To seek to achieve its investment objective, the Sub-Fund will acquire and hold Bullion.

Up to 10% of the Sub-Fund's Net Asset Value may be invested in (i) FDIs (such as gold futures) and/or (ii) cash and cash equivalents (including money market funds which are authorised under Chapter 8.2 of the Code), paper gold schemes authorised by the SFC, and other physical ETFs authorised by the SFC and listed on the SEHK (whose primary investment objective is to track the performance of a gold benchmark) for the purposes of (i) maximising portfolio management efficiency and minimising transaction costs, (ii) cash management and/or (iii) hedging. FDIs may also be used for currency hedging purposes in respect of hedged Unlisted Class(es). Accordingly the Sub-Fund will not at all times be fully invested in Bullion.

The Sub-Fund will not lend its Bullion. The Sub-Fund is also subject to the investment and borrowing restrictions as set out in the section headed "Investment and borrowing restrictions applicable to the Sub-Fund" in this Appendix below.

The Sub-Fund's net derivative exposure may be up to 10% of its Net Asset Value.

As a result of the investment strategy described above and the ongoing charges of the Sub-Fund, based upon historical data and current market conditions the Manager anticipates that the Sub-Fund may suffer a tracking error to the movement of up to 0.5% a year, although the Manager estimates that the tracking error will generally be approximately 0.3% a year.

What is the LBMA Gold Price AM?

Any Bullion which is deliverable or delivered to Sub-Fund shall be measured in fine weight of troy ounces and/or kilograms and shall be valued in the following manners: (i) Bullion measured in fine weight of troy ounces shall be valued based upon the LBMA Gold Price AM; and (ii) Bullion measured in fine weight of kilograms shall be valued based upon the LBMA Gold Price AM multiplied by a conversion factor in accordance with the Conversion Table published by the LBMA and as updated from time to time.

The LBMA Gold Price AM is a price calculated, quoted in US dollars and published by the IBA once the IBA auction process run at 10:30 a.m. (London time) is concluded.

The IBA's electronic price fixing processes used to determine the fixing for gold will establish and publish fixed prices for troy ounces of gold twice each London trading day during fixing sessions beginning at 10:30 a.m. London time and 3:00 p.m. London time. At these times, participants in the auction process will place buy and sell orders via the IBA's electronic platform. Within the auction process, aggregated gold bids and offers will be updated in real-time with the imbalance calculated and the price updated every 30 seconds until the buy and sell orders are matched and the LBMA Gold Prices will be set at the price at which the orders matched. In this way, the LBMA Gold Prices will be set in a fully transparent and auditable process. Additionally, it is expected that IBA will require participants in the LBMA Gold Prices to sign up to codes of conduct in relation to participation of the LBMA Gold Prices to ensure further governance over the process and ensure that it will be administered in a way consistent

with applicable regulation such as the International Organization of Securities Commissions' "Principles for Financial Benchmarks".

During London trading hours on a daily basis, the LBMA Gold Prices each provide reference gold prices for that day's trading. Many long-term contracts will be priced on the basis of either of the LBMA Gold Prices, and market participants will usually refer to such prices when looking for a basis for valuations. Both the IBA and the LBMA are independent of the Manager and its Connected Persons. The LBMA Gold Prices are a widely used international benchmark for daily gold prices and to be viewed as a full and fair representation of all market interest at the conclusion of the electronic price fixing process.

The LBMA Gold Price AM published by the IBA at any time is available on the IBA's website www.theice.com/iba (this website has not been reviewed by the SFC) as well as on the LBMA's website www.lbma.org.uk (this website has not been reviewed by the SFC).

All references to the LBMA Gold Price AM are used with the permission of the IBA and have been provided for informational purpose only. IBA accepts no liability or responsibility for the accuracy of the prices or the Sub-Fund.

Any change to the use of the LBMA Gold Price AM as the Sub-Fund's benchmark may only be made in accordance with the Trust Deed (and with the SFC's prior approval) and will only be effective upon not less than one month's prior notice (or such other period as may be agreed with the SFC) being given to Unitholders.

Disclaimer

THE LBMA GOLD PRICE, WHICH IS ADMINISTERED AND PUBLISHED BY ICE BENCHMARK ADMINISTRATION LIMITED (IBA), SERVES AS, OR AS PART OF, AN INPUT OR UNDERLYING REFERENCE FOR HANG SENG GOLD ETF.

LBMA GOLD PRICE IS A TRADE MARK OF PRECIOUS METALS PRICES LIMITED, AND IS LICENSED TO IBA AS THE ADMINISTRATOR OF THE LBMA GOLD PRICE. ICE BENCHMARK ADMINISTRATION IS A TRADE MARK OF IBA AND/OR ITS AFFILIATES. THE LBMA GOLD PRICE AM, AND THE TRADE MARKS LBMA GOLD PRICE AND ICE BENCHMARK ADMINISTRATION, ARE USED BY HANG SENG INVESTMENT MANAGEMENT LIMITED WITH PERMISSION UNDER LICENCE BY IBA.

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Determination of Net Asset Value of the Sub-Fund

The Net Asset Value of the Sub-Fund will be determined in accordance with the section headed "DETERMINATION OF NET ASSET VALUE" in Part 1 of the Prospectus.

Information on the near real time estimated Net Asset Value (based on the mid-point of the bid/ask spread of gold prices), will be disclosed on the Trust's website at www.hangsenginvestment.com (this website has not been reviewed by the SFC). The estimated Net Asset Value is calculated by a third-party data vendor (which collates gold prices quoted by gold market makers from around the world throughout the day) and may not be based on the LBMA Gold Price AM[2]. The Trust's website provides a hyperlink to SEHK's website at www.hkex.com.hk (this website has not been reviewed by the SFC), where information on the bid/ask price, queuing display, the previous day's closing Net Asset Value and composition of a Basket will be available.

It is your responsibility to consider such information. Please refer to the sub-section headed "**Website information**" under the section headed "**STATUTORY AND GENERAL INFORMATION**" for the warning and the disclaimer regarding information contained in such website.

Where will the Sub-Fund's Bullion be held?

All Bullion deposited with the Sub-Fund will be safekept at the Designated Vault(s), which is/are located in Hong Kong.

Who is the Gold Custodian and Sub-Gold Custodian(s) of the Sub-Fund's Bullion?

Please refer to the sub-section headed "The Gold Custodian and the Sub-Gold Custodians (in respect of Hang Seng Gold ETF only) under the section headed "MANAGEMENT OF THE TRUST" in Part 1 of the Prospectus.

Any replacement or substitute Gold Custodian in respect of the Sub-Fund shall be as agreed by the Trustee and the Manager and have complied with all the relevant regulatory requirements (if applicable). Such new Gold Custodian shall be an entity or a financial institution acceptable to the SFC and shall only be appointed following approval by the SFC. Subject to the terms of the Gold Custody Agreement, the Gold Custodian shall not cease to act as a gold custodian unless a new gold custodian has been appointed.

Currently, the Gold Custodian has arranged for the Sub-Gold Custodian(s) to safekeep the Sub-Fund's physical Bullion at Designated Vault(s) that is/are located in Hong Kong. Thus, any reference to holding and/or safekeeping of the Sub-Fund's physical Bullion by the Gold Custodian shall mean such holding and/or safekeeping by the Gold Custodian and/or the Sub-Gold Custodian(s).

Is the Sub-Fund's Bullion allocated?

Bullion deposited with the Sub-Fund is safekept at the Designated Vault(s) and is primarily held on a "fully allocated" basis. This means that the Sub-Fund will have an account with the Gold Custodian in the Sub-Fund's name which will evidence that uniquely identifiable pieces of Bullion are "allocated" to the Sub-Fund as belonging to the Sub-Fund, and are physically held and segregated in the Designated Vaults from other bullion (including gold) belonging to

[2] It is not expected that there will be significant discrepancy between the near real time estimated Net Asset Value and the LBMA Gold Price AM.

other owners. All Bullion fully allocated to the Sub-Fund will be clearly identifiable through the refiner's brand and unique serial number.

Bullion is allocated only in multiples of whole bars. As such, any quantity of Bullion that cannot be allocated in a whole number of physical bars will be acquired by the Manager on an unallocated basis. Please refer to the section headed "Why is an "unallocated" account needed?" below for further details.

Why is an "unallocated" account needed?

Bullion deposited with the Trust is safekept at the Designated Vault(s) and is primarily held on a fully allocated basis.

Bullion is allocated only in multiples of whole bars. Any quantity of Bullion that cannot be allocated in a whole number of physical bars will be acquired by the Manager on an unallocated basis and held by the Gold Custodian for the Sub-Fund pursuant to the unallocated precious metals account agreement. The unallocated Bullion held by the Gold Custodian for the Sub-Fund will not be segregated from the Gold Custodian's assets. Please refer to the "Unallocated account risk" under the section headed "Risk factors relating to the Sub-Fund" and the section headed "How will the "unallocated" account risk and Sub-Gold Custodian risk be mitigated?" below.

How will the "unallocated" account risk and Sub-Gold Custodian risk be mitigated?

The unsecured credit risk of the unallocated accounts and Sub-Gold Custodian risk are mitigated in the following ways:

(a) The Gold Custodian generally maintains insurance at its own expense with regard to its business on such terms and conditions as it considers reasonable and appropriate. The Gold Custodian is responsible for the safekeeping of the Sub-Fund's Bullion and, in respect of loss of and damage to the Sub-Fund's allocated Bullion, the Gold Custodian has taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with regard to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. For further details, please refer to the section headed "Is the Sub-Fund's gold insured?" below; and

(b) Bullion safekept by the Gold Custodian and/or the Sub-Gold Custodian(s) is primarily held on a fully allocated basis. The Manager will use its commercially reasonable measures to ensure that the quantity of Bullion held in the Sub-Fund's unallocated account does not exceed the weight of a standard LBMA gold bar, that is approximately 430 troy ounces, as of the close of business on each Business Day on a best-efforts basis. In exceptional circumstances, such as a supply shortage from the Gold Dealers, this threshold may be temporarily exceeded. The Manager will execute gold allocation processes as soon as practicable to reduce the quantity of unallocated gold holdings and restore it to a level below the above-mentioned limit. Please refer to the section headed "Why is an "unallocated" account needed?" above.

What is the role of a Gold Dealer?

The Gold Dealers at present are the Hongkong and Shanghai Banking Corporation Limited and Heraeus Metals Hong Kong Limited. Additional Gold Dealers may be appointed in consultation with the Trustee and the Gold Custodian from time to time.

To ensure that all gold accepted by the Sub-Fund is Bullion of the requisite standard (please refer to the section headed "What sort of gold will the Sub-Fund acquire?" below), Participating Dealers (which may create in-gold) and the Manager (on behalf of the Sub-Fund) may only acquire Bullion from a Gold Dealer and may not acquire Bullion from any other source for the purpose of any Creation Application and/or portfolio rebalancing, unless otherwise agreed by the Manager and Trustee in consultation with the Gold Custodian. The Gold Dealer(s) shall ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

If the gold sold to it by a Gold Dealer is not of the requisite standard or fineness, the Participating Dealer or the Manager will be entitled to claim against the relevant Gold Dealer. Any dispute relating to the standard or fineness of gold sold will be resolved in good faith such as via replacement of gold bar by the relevant Gold Dealer at its own cost, payment of compensation by the relevant Gold Dealer, and/or indemnification by the Gold Dealers.

Under the Gold Dealer agreement with each of the Gold Dealers, the Manager (acting on behalf of the Sub-Fund) has the right to be indemnified by each such Gold Dealer.

Each Gold Dealer agreement may only be terminated, without cause, on 6 months' prior notice. Please refer to the "Reliance on Gold Dealer risk" under the section headed "Risk factors relating to the Sub-Fund" below.

What sort of gold will the Sub-Fund acquire?

The Sub-Fund will only hold Bullion (i.e. gold in the form of bars or ingots from approved refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold of minimum fineness of 99.5% gold). Each bar of Bullion held for the account of the Sub-Fund on a fully allocated basis is uniquely identifiable as having been made by the relevant refiner.

Any Bullion allocated to the Sub-Fund will be in the form of bars which comply with The Good Delivery Rules for Gold and Silver Bars published by the LBMA, or in such other form of bars as agreed between the Trustee and the Gold Custodian.

The Gold Dealer(s) shall ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund).

What are the LBMA, London Good Delivery and London Good Delivery Bars?

Although the market for physical gold is distributed globally, most over the counter market trades are cleared through London. Over the counter trades are typically on a principal-to-principal basis and are confidential. The LBMA co-ordinates these market activities and acts as the main point of contact between the market and its regulators. A primary function of the LBMA is its involvement in the promotion of refining standards by maintenance of the "London Good Delivery Lists", which are the lists of LBMA accredited melters and assayers of gold. The LBMA also coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation.

"London Good Delivery Bars" refers to bullion that meets the specifications of "London Good Delivery" made by the LBMA accredited melters and assayers of gold. These specifications include weight, dimensions, fineness, identifying marks (including the assay stamp of a LBMA acceptable refiner) and appearance for bullion as set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA. The unit of trade in London is the troy ounce (1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams). A London

Good Delivery Bar is acceptable for delivery in settlement of a transaction on the grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the over-the-counter market. Typically referred to as 400-ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness of 99.5%, be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of the melters and assayers who are on the LBMA approved list.

Can I exchange my gold for Units or Units for gold?

In respect of Listed Class Units, only Participating Dealers and Eligible Investors can create and redeem Units directly with the Sub-Fund in-gold although Participating Dealers can do so on your behalf. Participating Dealers must fulfil the relevant anti-money laundering requirements to the Manager and the Trustee's satisfaction and acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee in consultation with the Gold Custodian. Redemptions in-gold by a Participating Dealer (for itself or on your behalf) may only be made in Application Unit size i.e., minimum 250,000 Units (or multiples thereof or such other multiple as may from time to time be determined by the Manager upon regular review, approved by the Trustee and notified to the Participating Dealers).

In respect of Unlisted Class Units, while only cash subscriptions will be accepted in general, you can redeem Class G Units directly with the Sub-Fund in-gold through the Authorised Distributor. Redemptions in-gold by a Unitholder may only be made in the minimum of 16,000 Units (or multiples thereof or such other multiple as may from time to time be determined by the Manager upon regular review, approved by the Trustee and announced to the Unitholders through the Manager's website)[3].

For details, please refer to (for Listed Class Units) the section headed "The offering and redemption of Listed Class Units" and (for Unlisted Class Units) the section headed "The subscription and redemption of Unlisted Class Units" in this Appendix.

Is the Sub-Fund's Bullion insured?[4]

The Trustee and the Manager will not arrange insurance of the Bullion held by the Sub-Fund. As the Sub-Fund only acquires legal title to the Bullion upon its delivery to a Designated Vault, the Sub-Fund accepts no responsibility or liability for any Bullion in transit by a Participating Dealer or the Gold Dealer prior to such delivery of Bullion to the Designated Vault. However, the Gold Custodian will generally maintain insurance at its own expense with regard to its business on such terms and conditions as it considers reasonable and appropriate. The Sub-Fund is not a direct beneficiary of any such insurance and has no authority or ability to dictate the terms or amount of coverage of such insurance. The Gold Custodian regularly reviews its insurance coverage with respect to its business and considers the present insurance coverage to be sufficient and appropriate, taking into account its risk and internal control. A copy of the certificates of insurance in respect of the present insurance policy has been provided to the Trustee and the Manager (although neither the Trustee nor the Manager warrant or represent as to its sufficiency or appropriateness generally). The present insurance policy does not necessarily cover all Bullion which may be deposited at the Designated Vaults for the account of the Sub-Fund. The Gold Custodian has taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with regard to its custodial operations in general, which

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[3] Each Authorised Distributor may impose an amount which is equal to or higher than this minimum redemption amount. For details, please check with your Authorised Distributor(s).

[4] This section shall be equally applicable to Eligible Investors.

the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. However, the terms and amount of coverage of such insurance are determined solely by each relevant Sub-Gold Custodian, and there can be no assurance that such coverage will be sufficient against all risks associated with the custody of Bullion which may be deposited at a Designated Vault and held for the account of the Sub-Fund.

Bullion held by a Participating Dealer or a Gold Dealer does not form part of the assets of the Sub-Fund and remains the sole responsibility of the relevant Participating Dealer or Gold Dealer. Bullion in transit to the Gold Custodian and/or the Sub-Gold Custodian(s) by a Participating Dealer or the Gold Dealer is not the Sub-Fund's property and so remains the sole responsibility of the relevant Participating Dealer or the Gold Dealer (which may or may not have adequate insurance arrangements in place). Because ownership of the Bullion does not pass to the Sub-Fund until it is credited to the Sub-Fund's allocated account with the Gold Custodian (in the case of credit of Bullion between a Participating Dealer's or a Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian) or delivered to the Designated Vault (in the case of direct deposit of Bullion into a Designated Vault), the Sub-Fund is not liable for any loss if any such Bullion is lost, destroyed or stolen in transit to a Designated Vault by a Participating Dealer and/or a Gold Dealer.

In relation to Bullion transported between the Designated Vaults at the Gold Custodian's instructions, the Gold Custodian has taken reasonable steps to confirm that the relevant transport agent maintains insurance with respect to its transportation operations in such an amount that is intended to adequately cover physical loss, damage or destruction of the Bullion, subject to applicable limits. There can be no assurance that such insurance will be sufficient to cover all risks associated with the transportation of Bullion between the Designated Vaults at the Gold Custodian's instructions.

The Gold Custodian will use reasonable care in the performance of its duties under the Gold Custody Agreement for the purpose of the Sub-Fund. Where the Gold Custodian acts in accordance with the Gold Custody Agreement, and it will only be liable for any loss or damage suffered by the Sub-Fund as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties, and in which case the Gold Custodian's liability will not exceed the aggregate market value of the Account Balance (unallocated bullion account and the allocated bullion account) at the time of such negligence, fraud or willful default. The Gold Custodian is not liable for any consequential loss, or loss of profit or goodwill, suffered by the Sub-Fund, whether or not resulting from any negligence, fraud or willful default on the Gold Custodian's part. As a result, the recourse of the Trustee, the Manager and the Unitholders under Hong Kong law is limited under the terms of the Gold Custody Agreement.

Each Sub-Gold Custodian is responsible for the safety of, and loss of and damage to, the Bullion held by it at a Designated Vault in the manner as specified under the relevant Sub-Gold Custodian service agreement. Depending on the scope of the relevant Sub-Gold Custodian service agreement, there may be instances where a Sub-Gold Custodian is only liable for losses that are the direct result of its own gross negligence, fraud, wilful default. As a result, the recourse of the Trustee, the Gold Custodian, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the relevant Sub-Gold Custodian service agreement.

Risk factors relating to the Sub-Fund

In addition to the relevant risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are, in the opinion of the Manager, also considered to be relevant and presently applicable to the Sub-Fund.

Risk factors relating to gold

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the LBMA Gold Price AM. Since the LBMA Gold Price AM is a price for gold, investment in the Sub-Fund will be subject to the following risk factors relating to gold:

- *LBMA Gold Price AM risk*

  The value of the Units will be affected by movements in the US dollar price of gold since the LBMA Gold Price is quoted in US dollars. To the extent that a Unitholder values its Units or Bullion in another currency, that value will be affected by changes in the exchange rate between USD and that other currency. There can be no assurance that gold will maintain its value over time. In particular gold price may fluctuate widely and is affected by numerous factors beyond the Manager's or the Trustee's control, including:

  (a) global or regional political, economic or financial events and situations;

  (b) investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;

  (c) global gold supply and demand, which is influenced by such factors as mine production and net forward selling activities by gold producers, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;

  (d) Interest rates and currency exchange rates, particularly the strength of and confidence in the US dollars; and

  (e) investment and trading activities of hedge funds, commodity funds and other speculators.

- *Competition from other methods of investing in gold risk*

  The Sub-Fund competes with other financial vehicles, including traditional debt and equity securities issued by companies in the gold industry, other ETFs and other securities backed by or linked to gold, direct investments in gold and investment vehicles similar to the Sub-Fund. Market and financial conditions, and other conditions beyond the Manager's and Trustee's control, may make it more attractive to invest in other financial vehicles or to invest in gold directly, which could limit the market for the Units and reduce the liquidity of the Units on the SEHK.

- *Crises may motivate large-scale sales of gold risk*

  The possibility of large-scale distress sales of gold in times of crisis may have a short-term negative impact on the price of gold and adversely affect an investment in the Units. For example, the 1998 Asian financial crisis resulted in significant sales of gold by individuals which depressed the price of gold. Crises in the future may impair gold's price performance which would, in turn, adversely affect an investment in the Units.

- *Substantial sales of gold by the official sector risk*

  The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold gold as part of their reserve assets. The official sector holds a significant amount of gold, most of which is static, meaning that it is held

in vaults and is not bought, sold, leased, swapped or otherwise mobilised in the open market. A number of central banks have sold portions of their gold over the past 10 years, with the result that the official sector, taken as a whole, has been a net supplier to the open market. From 1999 to September 2019, most sales were made in a coordinated manner under the terms of the Central Bank Gold Agreement, under which 15 of the world's major central banks (including the European Central Bank) agreed to limit the level of their gold sales and lending to the market. However, the Central Bank Gold Agreement expired in September 2019. As a result, it is possible that the members of the official sector can liquidate their gold assets all at once or in an uncoordinated manner, in which case the demand for gold might not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold could decline significantly, which would adversely affect an investment in the Units.

- *Fixing process for LBMA Gold Prices risk*

  The LBMA Gold Price AM was launched on 20 March 2015 to replace the defunct fix for gold. Neither the Manager nor the Trustee has any control or supervision over the fixing or the price so fixed. The LBMA Gold Prices are calculated by IBA, which is a private company based in London, authorised and regulated by the Financial Conduct Authority of the United Kingdom. In addition, the LBMA Gold Prices are owned by Precious Metals Limited (a wholly owned subsidiary of the LBMA). Whilst most of the member firms of the LBMA will hold licenses from the Financial Conduct Authority of the United Kingdom in respect of specific regulated activities they may undertake in the course of their various businesses, the LBMA itself is not subject to the oversight or supervision of any financial regulator. The LBMA Gold Prices have been regulated by the Financial Conduct Authority of the United Kingdom since 1 April 2015.

- *Future changes to the LBMA Gold Prices risk*

  The LBMA Gold Price AM was launched on 20 March 2015 and may develop further over time for example to include additional auction participants or by way of a change to the tolerance within which orders will be matched to set the LBMA Gold Price AM. Any such future changes, to the extent they have a material impact on the LBMA Gold Price AM, could adversely impact the Net Asset Value of the Sub-Fund.

- *Other risks relating to the LBMA Gold Price AM*

  The calculations of the LBMA Gold Price AM by which the Sub-Fund's holdings of gold will be valued, is not an exact process. Rather, these are based upon a procedure of matching orders from participants in the auction process and their customers to sell the gold with orders from participants in the auction process and their customers to buy gold at particular prices. The LBMA Gold Price AM does not therefore purport to represent every single buyer or seller of gold in the market, nor does it purport to set a definitive price for gold at which all orders for sale or purchase will take place on that particular day or time. All orders placed into the auction process by the participants will be executed on the basis of the LBMA Gold Price AM (provided that orders may be cancelled, increased or decreased whilst the auction is in progress).

  Further, if the LBMA Gold Price AM is discontinued, the Manager will, in consultation with the Trustee, seek the SFC's prior approval to replace the LBMA Gold Price AM with another benchmark that has similar objectives to the LBMA Gold Price AM as applicable. If the Manager and the Trustee do not agree within a reasonable period on a suitable replacement benchmark acceptable to the SFC, the Manager may, in its discretion, terminate the Sub-Fund. Upon the Sub-Fund being terminated, the amount distributed in accordance with the Trust Deed may be less than the capital invested by the

Unitholder and the investors may suffer losses.

- *Regulatory actions/investigations and lawsuits with respect to the previous London gold fix may impact market confidence in the LBMA Gold Prices*

  The London Gold Market Fixing Limited's decision to discontinue the previous fixing for gold as the pricing benchmark for gold comes after increased attention has been directed to the use of various financial benchmarks and indices as price setting mechanisms for market transactions, including the previous London gold fix. The historical methods of setting the price of gold have been the subject of litigation and regulatory investigations. Within the past few years, electronic auction methodologies have replaced the historical non-electronic auction methods of setting the price of gold. However, if there is a perception that the price of gold is susceptible to intentional disruption, or if the LBMA Gold Price AM is not received with confidence by the markets, the behaviour of investors and traders in gold may reflect the lack of confidence and it may have a negative effect on the price of gold and, consequently, the value of the Units.

- *Auction processes for LBMA Gold Prices risk*

  While the auction processes used to establish the LBMA Gold Price AM is expected to be a transparent and auditable process in accordance with applicable benchmark regulations, there is no guarantee that the participants in the auctions may not be biased or influenced for their own purposes when participating in the auction or the auction may not be manipulated and therefore the price fixed may not reflect the fair value. Further, the operation of the auction process which determines the LBMA Gold Price AM is dependent on the continued operation of IBA and LBMA and their applicable systems. Neither the Manager nor the Trustee has any control or supervision over the auction processes of the LBMA Gold Price AM or the operation and systems of IBA and LBMA.

Gold Custodian related risks

The custody of Bullion for the Sub-Fund is different to custody arrangements typical in mutual funds/unit trusts which invest in equities and bonds. As such the attention of investors is drawn to the following risk factors which relate to the custody arrangements relevant to the Sub-Fund:

- *Custody and insurance*

  The Sub-Fund's Bullion is held at the Designated Vaults. Access to the Sub-Fund's Bullion could be restricted by natural events, such as flooding, or human actions, such as terrorist attack. These "*force majeure*" type events cannot be predicted and are outside the control of the Manager and the Trustee.

  The Sub-Fund does not insure its gold. The Gold Custodian generally maintains insurance with regard to its business on such terms and conditions as it considers reasonable and appropriate. The Gold Custodian has taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with respect to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. However, the terms and amount of coverage of such insurance are determined solely by each relevant Sub-Gold Custodian and may vary between the Sub-Gold Custodians, and there can be no assurance that such coverage will be sufficient against all risks associated with the custody of Bullion which may be deposited at a Designated Vault and held for the account of the Sub-Fund. Accordingly, there is a risk that some or all of the Bullion could be lost, stolen or damaged and the Sub-Fund would not be able to satisfy its obligations in respect of the Units. Depending on the scope of the relevant

Sub-Gold Custodian service agreement, there may be instances where a Sub-Gold Custodian is only liable for losses that are the direct result of its own gross negligence, fraud, wilful default. As a result, the recourse of the Trustee, the Gold Custodian, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the relevant Sub-Gold Custodian service agreement.

- *Gold Custodian insolvency risk*

  Although the owners of gold do not have a proprietary interest in unallocated gold held by the Gold Custodian, if the Gold Custodian and/or the Sub-Gold Custodian(s) becomes insolvent, the Sub-Fund's gold (to the extent that it has been allocated) should belong to the Sub-Fund. Accordingly even if the assets of the Gold Custodian and/or the Sub-Gold Custodian(s) may not be adequate to satisfy the claims of its creditors in the event of insolvency, the Sub-Fund's allocated assets should be segregated from the Gold Custodian's and/or the Sub-Gold Custodian(s)'s own assets or those of its/their clients and recoverable although the Sub-Fund may incur expenses in connection with asserting its claims. There is a risk of delay and costs incurred in identifying any Bullion held in an allocated account. In addition, with regard to unallocated gold and/or if allocation had not been done or had been done incorrectly, the Sub-Fund may rank as an unsecured creditor in respect of such unallocated gold in the event of the Gold Custodian's and/or the Sub-Gold Custodian(s)'s insolvency.

- *Loss, damage or theft risk*

  There is a risk that part or all of the Sub-Fund's Bullion held by the Gold Custodian and/or the Sub-Gold Custodian(s) could be lost, damaged or stolen and any insurance cover may not be able to pay the actual value of such lost, damaged or stolen Bullion. Any of these events and other unforeseeable events may adversely affect the operations of the Sub-Fund and, consequently, an investment in the Units.

- *Inadequate sources of recovery risk*

  Unitholders' recourse against the Sub-Fund, the Trustee, the Manager, the Gold Custodian and the Sub-Gold Custodian(s) under Hong Kong law may be limited. The Sub-Fund itself does not insure its gold. The Gold Custodian will maintain insurance with regard to its business on such terms and conditions as it considers appropriate. The Gold Custodian has also taken reasonable steps to confirm that each Sub-Gold Custodian maintains insurance with respect to its custodial operations in general, which the Gold Custodian considers to be appropriate and consistent with the market standard and may vary between the Sub-Gold Custodians. Any insurance cover may not be able to pay the actual value of any Bullion lost or destroyed. The Trustee and the Manager do not have the ability to dictate the terms or amount of coverage of the insurance of the Gold Custodian and/or the Sub-Gold Custodian(s). It is therefore possible that the Gold Custodian and/or the Sub-Gold Custodian(s) may not maintain adequate insurance with respect to the Bullion held by them on behalf of or credited to the account of the Sub-Fund. Consequently, a loss may be suffered with respect to the Sub-Fund's Bullion which is not covered by insurance.

  Although the Trustee, as trustee of the Sub-Fund, has overall responsibility for custody of the Sub-Fund's assets, all Bullion will be safekept by the Gold Custodian and/or the Sub-Gold Custodian(s) and the liability of the Gold Custodian is limited under the Gold Custody Agreement between the Trustee and the Gold Custodian which establishes the Sub-Fund's custody arrangements.

  The Gold Custodian will use reasonable care in the performance of its duties under the

Gold Custody Agreement for the purpose of the Sub-Fund. Where the Gold Custodian acts in accordance with the Gold Custody Agreement, it will only be liable for any loss or damage suffered by the Sub-Fund as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties, and in which case the Gold Custodian's liability will not exceed the aggregate market value of the Account Balance (unallocated bullion account and the allocated bullion account) at the time of such negligence, fraud or willful default. The Gold Custodian is not liable for any consequential loss, or loss of profit or goodwill, suffered by the Sub-Fund, whether or not resulting from any negligence, fraud or willful default on the Gold Custodian's part. As a result, the recourse of the Trustee, the Manager and the Unitholders under Hong Kong law is limited under the terms of the Gold Custody Agreement.

Each Sub-Gold Custodian is responsible for the safety of, and loss of and damage to, the Bullion held by it at a Designated Vault in the manner as specified under the relevant Sub-Gold Custodian service agreement. Depending on the scope of the relevant Sub-Gold Custodian service agreement, there may be instances where a Sub-Gold Custodian is only liable for losses that are the direct result of its own gross negligence, fraud, wilful default. As a result, the recourse of the Trustee, the Gold Custodian, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the relevant Sub-Gold Custodian service agreement.

Under the allocated bullion accounts agreement, the Gold Custodian is not liable for the acts or omissions or insolvency of the Sub-Gold Custodians except to the extent directly resulting from the Gold Custodian's fraud, negligence or wilful default in selecting and arranging for the relevant Sub-Gold Custodian to safekeep the Sub-Fund's physical Bullion. The Trustee would not have a supportable breach of contract claim against a Sub-Gold Custodian for losses relating to the safekeeping of Bullion, and would need to rely on the Gold Custodian's right to claim against the relevant Sub-Gold Custodian, where available. If the Sub-Fund's Bullion is lost or damaged while in the custody of a Sub-Gold Custodian, the Sub-Fund may not be able to recover damages from the Trustee, the Gold Custodian or the Sub-Gold Custodian(s).

If the Sub-Fund's Bullion is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Sub-Fund, the responsible party may not have the financial resources sufficient to satisfy the Sub-Fund's claim. For example, as to a particular event of loss, the only source of recovery for the Sub-Fund might be limited to the Gold Custodian or one or more Sub-Gold Custodians or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Sub-Fund.

Neither the Unitholders nor any Participating Dealer has a right under the Gold Custody Agreement to assert a claim of the Trustee against the Gold Custodian or any Sub-Gold Custodian; claims under the Gold Custody Agreements may only be asserted by the Trustee on behalf of the Sub-Fund.

- *Gold allocated may not be Bullion risk*

The Gold Dealer(s) shall ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund). Neither the Trustee nor the Gold Custodian independently confirms the fineness of the gold allocated to the Sub-Fund in connection with the creation of a Basket. Moreover, the Bullion allocated to the Sub-Fund may not be in the form of bars which comply with The Good Delivery Rules for Gold and Silver Bars published by the LBMA (i.e. London Good Delivery Bars), or in such other form of bars as agreed between the Trustee and the Gold Custodian. Units

may have been issued against such gold, and if the relevant Gold Dealer fails to satisfy its obligation to credit the Sub-Fund the amount of any deficiency, the Sub-Fund may suffer a loss.

- *Sub-Gold Custodian risk*

  All Bullion deposited with the Sub-Fund will be safekept at the Designated Vaults in Hong Kong. There may also be periods of time when some portion of the Sub-Fund's gold will be held by one or more Sub-Gold Custodian(s).

  The Gold Custodian is required under the allocated bullion accounts agreement to use reasonable care in selecting and arranging for the Sub-Gold Custodian(s) to safekeep the Sub-Fund's physical Bullion but the Gold Custodian is not liable for the acts or omissions or insolvency of its Sub-Gold Custodians(s) except to the extent directly resulting from the Gold Custodian's fraud, negligence or wilful default in such appointment and arrangement.

  In addition, the ability of the Trustee to monitor the performance of the Gold Custodian may be limited because under the Gold Custody Agreement the Trustee has only limited rights to examine the Sub-Fund's Bullion and certain related records maintained by the Gold Custodian.

- *Unallocated account risk*

  The Sub-Fund will have no proprietary rights to the amount of gold held by the Gold Custodian in the unallocated account and will be an unsecured creditor of the Gold Custodian with respect to such amount of gold held in the unallocated account. Unallocated gold will not be segregated from the Gold Custodian's assets, and the Sub-Fund will be an unsecured creditor of the Gold Custodian with respect to the amount so held in the event of the insolvency of the Gold Custodian. In the event the Gold Custodian becomes insolvent, the Gold Custodian's assets might not be adequate to satisfy a claim by the Sub-Fund for the amount of gold held in the Sub-Fund's unallocated account.

  In the case of the insolvency of the Gold Custodian, a liquidator may seek to freeze access to the gold held in all of the accounts held by the Gold Custodian, including the Sub-Fund allocated account. Although the Sub-Fund would be able to claim ownership of properly allocated gold, the Sub-Fund could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay creations and redemptions of Units.

- *Bullion allocated on creation of Units risk*

  Neither the Trustee nor the Manager independently confirms the fineness, weight or conformity with the applicable requirements of the Bullion delivered to the Gold Custodian and/or a Sub-Gold Custodian in the Sub-Fund's unallocated and allocated accounts, in connection with the creation of Units. The gold allocated to the Sub-Fund within the Designated Vaults, may be different from the reported fineness or weight required for Bullion.

- *Failure to appoint replacement Gold Custodian risk*

  The Gold Custody Agreement does not have any expiry date; however, the Trustee or the Gold Custodian may terminate the Gold Custody Agreement pursuant to the relevant provisions therein. If the Gold Custody Agreement is terminated and the Gold Custodian

ceases to act as a gold custodian but no replacement gold custodian acceptable to the SFC is appointed upon such cessation, the Sub-Fund will be unable to maintain its SFC authorisation. Furthermore, under the Trust Deed, the Trustee or the Manager may terminate the Sub-Fund if the Gold Custodian ceases to be able to provide custody services in respect of the Sub-Fund and no replacement provider of a secure vault is found (within sixty Business Days of the date of cessation) which is acceptable to both the Manager and the Trustee.

- *Reliance on Gold Dealers risk*

  The Gold Dealers are the providers of Bullion. For cash or in-gold creation, Participating Dealers and the Manager (on behalf of the Sub-Fund) may only acquire Bullion from a Gold Dealer, and accordingly, creations of Listed Class Units and subscriptions of Unlisted Class Units (including Class T Units, and thus minting of Tokens) depend on the Gold Dealers. For cash redemption, the Manager may in general sell Bullion to a Gold Dealer, and accordingly, redemptions of Listed Class Units and redemptions of Unlisted Class Units (including Class T Units, and thus burning of Tokens) also depend on the Gold Dealers. If for any reason the Gold Dealers cease to provide Bullion to the Sub-Fund or accept Bullion from the Sub-Fund (as the case may be) and there is no suitable substitute Gold Dealer identified, Listed Class Units may not be created or redeemed and Unlisted Class Units may not be issued or redeemed (including for Class T Units, Tokens may not be minted or burnt), which may (for Listed Class Units) cause the trading price to deviate from the NAV and possibly lead to a suspension of trading of Units on the SEHK or (for Unlisted Class Units) a suspension of subscriptions and redemptions of Units (including Class T Units).

  The gold price transacted via the Gold Dealers may not always be the best market price due to a limited number of Gold Dealers and the provision and acceptability of Bullion by the Gold Dealers as mentioned above. Where there is only one Gold Dealer, gold may be transacted at a price that is less favourable, regardless of better market prices available elsewhere.

  The Manager relies on the Gold Dealers to ensure that all Bullion will meet the requisite standard and guarantee the fineness of the Bullion sold to any Participating Dealer (for the purpose of in-gold creation) and to the Manager (on behalf of the Sub-Fund), so there is no guarantee that all Bullion will meet such standard/fineness, although the Manager (on behalf of the Sub-Fund) is indemnified by the Gold Dealers against all loss suffered or incurred by the Manager in connection with the non-compliance by the Gold Dealers with such standard/fineness.

  Moreover, as part of the creation of Units, whether in-gold or in cash, the Gold Dealer is responsible for ensuring that gold is duly delivered to a Designated Vault for the relevant creation request to be deemed settled. Should the gold fail to arrive at the Designated Vault, the Units creation request will be considered unsuccessful and cancelled.

Investments related risks

- Non-diversification risk

  The Sub-Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is susceptible to fluctuations in the price of gold resulting from supply and demand of a single commodity, gold.

- *Gold dealing risks*

  For any redemptions by investors through Participating Dealers in cash if a Participating Dealer by agreement with its investor client sells any Bullion it receives from the Sub-Fund, it will be relying on the credit of the counterparty to that Bullion sale transaction. If any counterparty fails to settle such trade, the Participating Dealer's obligation to pay the gross proceeds of sale received from the sale of such Bullion to its investor client may under the terms of its agreement with the redeeming investor client be reduced by the amount of the deficiency in payment received from the counterparty. The Sub-Fund has no liability for agreements to create or redeem between investors who are clients of Participating Dealers and the Participating Dealers.

- *Sub-Fund expenses risk*

  Each outstanding Unit represents a fractional, undivided interest in the Bullion and other assets held by the Sub-Fund. The Sub-Fund does not generate any income and as the Sub-Fund needs to sell Bullion and/or assets to pay for its ongoing expenses. Whenever Bullion is sold for that purpose the amount of Bullion represented by each Unit will gradually decline over time. This is also true with respect to Units that are issued in exchange for additional deposits of Bullion into the Sub-Fund, as the amount of Bullion required to create Units proportionately reflects the amount of Bullion represented by the Units outstanding at the time of creation. Assuming a constant LBMA Gold Price AM, the Net Asset Value per Unit is expected to continue to gradually decline relative to the price of Bullion as the amount of Bullion represented by the Units gradually declines. Investors should be aware that the gradual decline in the amount of Bullion represented by the Units will occur regardless of whether the trading price of the Units rises or falls in response to changes in the price of Bullion.

- *Gold derivatives*

  Risks associated with investment in gold derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Sub-Fund, causing the Sub-Fund to suffer significant losses.

- *Sale of the Sub-Fund's gold to pay expenses risk*

  The Manager may sell Bullion or other assets held by the Sub-Fund to pay the Sub-Fund's expenses on an as needed basis irrespective of then current gold prices. The Sub-Fund is not actively managed and no attempt will be made to buy or sell gold to protect against or to take advantage of fluctuations in the price of gold. Consequently, the Sub-Fund's gold may be sold at a time when the gold price is low, resulting in a negative effect on the value of the Units.

- *"Out-of-vault" redemption risk*

  In-gold redemption through direct physical delivery is an additional service arranged at the request of the relevant investor (which shall be arranged through the Participating Dealer (for the Listed Class Units) or the Authorised Distributor (for the Unlisted Class Units)), which shall in turn arrange through a delivery agent appointed by such Participating Dealer or Authorised Distributor (as the case may be)). While the Manager, the Trustee, the Gold Custodian and Sub-Gold Custodian(s) (in their respective capacities as service providers of the Sub-Fund) will facilitate such request, they do not

take up additional responsibilities in such capacities. Transportation of Bullion out-of-vault will be necessary, and while there is insurance coverage when gold is in-transit, there is still inherent risk of loss or theft, etc, which investors should understand before they voluntarily request in-gold redemption. It will also be subject to terms and conditions stipulated by the delivery agent as well as the venue provider for gold collection.

Redemption in-gold will be effected only at the relevant redeeming investor's own request. The redeeming investor is solely responsible for arranging for collection of gold from a Designated Vault at its own costs and risk. As soon as the relevant pieces of Bullion allocated to meet an investor's redemption request are collected from the Designated Vault, the ownership and risk of such Bullion will be transferred to the redeeming investor. Such pieces of Bullion will also cease to form part of the Sub-Fund's assets and are accordingly outside the scope of the Trustee or the Sub-Fund's responsibility. The Sub-Fund does not guarantee that there will be no disruption or other adverse events (such as severe weather conditions and act of Gods) during the delivery of Bullion.

- *Possible early termination risk*

  In addition to the circumstances specified in the risk factor "*Possible early termination of a Sub-Fund risk*" under the section headed "**RISK FACTORS**" in Part 1 of the Prospectus, the Sub-Fund may also be terminated early if the Gold Custodian ceases to be able to provide gold custody services in respect of the Sub-Fund and no replacement provider of a secure vault is found (within sixty Business Days of the date of cessation) which is acceptable to both the Manager and the Trustee.

- *Failure to achieve investment objective risk*

  There can be no assurance that the investment objective can be achieved. It is possible that an investor may lose a proportion or all of its investment in the Sub-Fund where the investment objective is not achieved and/or where the LBMA Gold Price AM declines. As a result, each investor should carefully consider the costs of investing in the Sub-Fund.

- *Termination timing risk*

  If the Sub-Fund is terminated under the provisions of the Trust Deed, for example where the Manager goes into liquidation, such termination could occur at a time which is disadvantageous to Unitholders, such as when gold prices are lower than the LBMA Gold Price AM at the time when Unitholders purchased their Units. In such a case, when the Sub-Fund's Bullion is sold as part of the Sub-Fund's liquidation, the resulting proceeds distributed to Unitholders will be less than if gold prices were higher at the time of sale.

- *Gold market risk*

  The Net Asset Value of the Sub-Fund is expected to change with changes in the market value of the Bullion it holds. The price of Units may go down as well as up. There can be no assurance that the Sub-Fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return of the Sub-Fund is based on the capital appreciation of the Bullion which it holds and the hedging return from the Sub-Fund's swaps, less expenses incurred. The Sub-Fund's return may fluctuate in response to changes in such capital appreciation (if any). Furthermore, the Sub-Fund will experience volatility and decline in a manner that

corresponds with the LBMA Gold Price AM. Investors in the Sub-Fund are exposed to, amongst others, similar risks that investors who invest directly in gold would face although the nature of the transactions and the rights of investors differ.

- *Business climate risk*

  In the current economic environment, global markets are experiencing very high level of volatility. Such volatility may have an adverse effect on the LBMA Gold Price AM's, and therefore the Sub-Fund's, performance. Investors may lose money by investing in the Sub-Fund.

- *Commodities risk*

  The investments of the Sub-Fund, i.e. Bullion, are subject to risks inherent in all commodities (including settlement and counterparty risks). The value of holdings of gold may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

- *Concentration risk*

  The Sub-Fund is concentrated in a particular commodity, i.e. gold. As such, the Sub-Fund may be adversely affected by the performance of industries, sectors, or events that are related to gold and to its production and sale. As such the Sub-Fund will be subject to price volatility. The Sub-Fund may also be more susceptible to the effects of any single economic, market, political or regulatory occurrence.

- *Counterparty risk*

  With regard to transactions with the Manager and/or the Trustee on account of the Sub-Fund in relation to the Sub-Fund's assets, the Sub-Fund is exposed to the risk that a counterparty may not settle a transaction in accordance with its agreement such as the Operating Guidelines (including, for example, where a Gold Dealer or a Participating Dealer fails to deliver or instruct a credit or allocation of Bullion due to a credit or liquidity problem of the Gold Dealer or a Participating Dealer, or due to the insolvency, fraud or regulatory sanction of the Gold Dealer or a Participating Dealer, as appropriate), thus causing the Sub-Fund to suffer a loss.

  Deposits of cash with a custodian or depository of gold with the Gold Custodian in an unallocated form will also carry counterparty risk as the custodian or depository or Gold Custodian may be unable to perform their respective obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the 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 Sub-Fund's Bullion. With regard to the Sub-Fund, under normal circumstances, no more than 430 ounces of Bullion are expected to be held in the Sub-Fund's unallocated account at the close of business on each Business Day. In exceptional circumstances, such as a supply shortage from the Gold Dealers, this threshold may be temporarily exceeded. The Manager will execute gold allocation processes as soon as practicable to reduce the quantity of unallocated gold holdings and restore it to a level below the above-mentioned limit. Unless the Manager fails to fulfil its obligations to so allocate, most of the Sub-Fund's Bullion should be allocated and so should be protected in the event of the insolvency of the Gold Custodian (although there may still be delays in obtaining delivery of the Sub-Fund's Bullion in these circumstances). However, in respect of the

Sub-Fund's unallocated accounts with the Gold Custodian, the Sub-Fund would, in the event of the insolvency of the Gold Custodian, rank as an unsecured creditor.

- *Different trading and opening hours of the SEHK and London gold market risk*

  The Trading hours of the SEHK, on which the Listed Class Units are to be listed, do not match the gold fixing hours of the London bullion market because Hong Kong is in a different time zone to the United Kingdom. The London bullion market is an OTC principal to principal market where trading can occur throughout the day. However twice daily during London trading hours there is a fix which provides reference gold prices for the day's trading. One of the fixes, in the morning (London time), is the LBMA Gold Price AM. The morning session of the fix starts at 10:30 am (London time) and the afternoon session of the fix starts at 3:00 p.m. (London time). The Sub-Fund will seek to track the LBMA Gold Price AM. This means that the reference price for Unitholders will be the price determined in London the previous Business Day and this price will not be updated during the trading hours of the SEHK. The lack of real time valuation of Bullion could mean that Listed Class Units may trade at a premium or discount to Net Asset Value or that the Net Asset Value per Listed Class Unit may not reflect movements in the OTC market price for Bullion.

Other risks

- *Reliance on the same group risk*

  Although separate legal entities and operationally independent, each of the Trustee, the Registrar, the Manager, the Listing Agent, the Tokenisation Agent, the Gold Custodian are presently part of the same financial group, being subsidiaries of HSBC Holdings plc (i.e. the Group). One or more of the Sub-Gold Custodians, Gold Dealers, Token Custodians, Participating Dealers and/or Market Makers may also from time to time be members of the Group. Whilst each of these entities is regulated to engage in its activities and in the provision of services in respect of the Sub-Fund, in the event of a financial catastrophe or the insolvency of any member of the Group, there may be adverse implications for the business of the Group as a whole or other members of the Group which could affect the provision of services to the Sub-Fund. In such event the Net Asset Value of the Sub-Fund may be adversely affected and its operation disrupted.

  In addition, it should be noted that given that the Trustee, the Registrar, the Manager, the Listing Agent, the Tokenisation Agent, the Gold Custodian are all members of the Group, and one or more of the Sub-Gold Custodians, Gold Dealers, Token Custodians, Participating Dealers and/or Market Makers may from time to time be members of the Group, conflicts of interest in respect of the Sub-Fund may arise from time to time amongst any of them. In particular, for example the Manager and the Trustee may be in dispute with the Gold Custodian, the Gold Dealer or the Participating Dealer concerning the fineness of gold. The Manager will vigorously manage any such conflict in the best interest of investors. The attention of investors is drawn to the sub-section headed "Conflicts of Interest and Soft Dollars" under the section headed "MANAGEMENT OF THE TRUST" in Part 1 of the Prospectus.

- *Risks associated with tokenised Unlisted Class Units*

  Please refer to the "Risks associated with tokenised Units" and "Risks associated with differences in dealing and fee arrangements between tokenised Units and non-tokenised Units" under the section headed "RISK FACTORS" in Part 1 of the Prospectus for further details.

The offering and redemption of Listed Class Units

Initial Offer Period

During the Initial Offer Period,

(a) Participating Dealers (acting for themselves or for their clients) may apply for Listed Class Units (to be available for trading on the Listing Date) by means of cash Creation Application in USD (or other currency subject to the Manager's discretion) or an in-gold Creation Application on each Dealing Day for themselves and/or their clients by transferring cash in accordance with the Operating Guidelines; and

(b) the Manager may accept special creations of Listed Class Units by Eligible Investors by means of cash Special Creation Application in USD (or other currency subject to the Manager's discretion) or in-gold Special Creation Application on each Dealing Day.

The latest time for making a Creation Application or a Special Creation Application for Listed Class Units during the Initial Offer Period is 1:00 p.m. (Hong Kong time) 2 Business Days prior to the Listing Date or such other time as the Manager may from time to time determine.

The Issue Price which is the subject of a Creation Application or a Special Creation Application during the Initial Offer Period will be HKD 15, or such other amount from time to time determined by the Manager.

After listing

Dealings in the Listed Class Units on the SEHK are expected to commence on 29 January 2026 but may be postponed by the Manager to a date no later than 7 March 2026.

Creation through a Participating Dealer

Listed Class Units may be created through a Participating Dealer by way of creations made either in cash or in-gold.

Cash creation

The Manager shall instruct the Trustee to effect, for the account of the Sub-Fund, the creation of Listed Class Units in Application Unit size in consideration for the Application Amount (as well as Duties and Charges and Transaction Fees) in accordance with the Operating Guidelines and the Trust Deed. On a Dealing Day, Listed Class Units can be created by paying in cash in USD (or other currency subject to the Manager's discretion) (i) the Application Amount, (ii) Duties and Charges, and (iii) the Transaction Fee.

The Manager shall, acting in good faith, have the absolute right to reject or suspend a cash Creation Application including but not limited to if (i) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (ii) the Manager has suspended the rights of Participating Dealers to create or redeem Listed Class Units; or (iii) an insolvency event occurs in respect of the Participating Dealer.

In-gold creation

In respect of an in-gold creation, the Manager in consultation with Gold Custodian shall instruct the Trustee to effect, for the account of the Sub-Fund, the creation of Listed Class Units in Application Unit size in exchange for the Basket and, if applicable, a Cash Component (as well as Duties and Charges and Transaction Fees) in accordance with the Operating

Guidelines and the Trust Deed. The Cash Component may be positive or negative (and where it is negative the Participating Dealer will be paid the Cash Component by the Sub-Fund and where it is positive the Participating Dealer will pay the Cash Component to the Sub-Fund).

Participating Dealers must acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee in consultation with the Gold Custodian.

The Manager, in consultation with the Gold Custodian, shall have the absolute right to reject or suspend an in-gold Creation Application, including, but not limited to, if (i) the Manager reasonably believes that the acceptance of any Bullion may be unlawful; (ii) the acceptance of any Bullion would otherwise, in the opinion of the Manager, have an adverse effect on the Sub-Fund; (iii) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (iv) the Manager has suspended the rights of Participating Dealers to create or redeem Units; (v) an insolvency event occurs in respect of the Participating Dealer; or (vi) the Participating Dealer has failed to meet the Manager's requirements for customer due diligence (including on anti-money laundering, counter-terrorist financing sanctions, and other applicable requirements for financial crime checking).

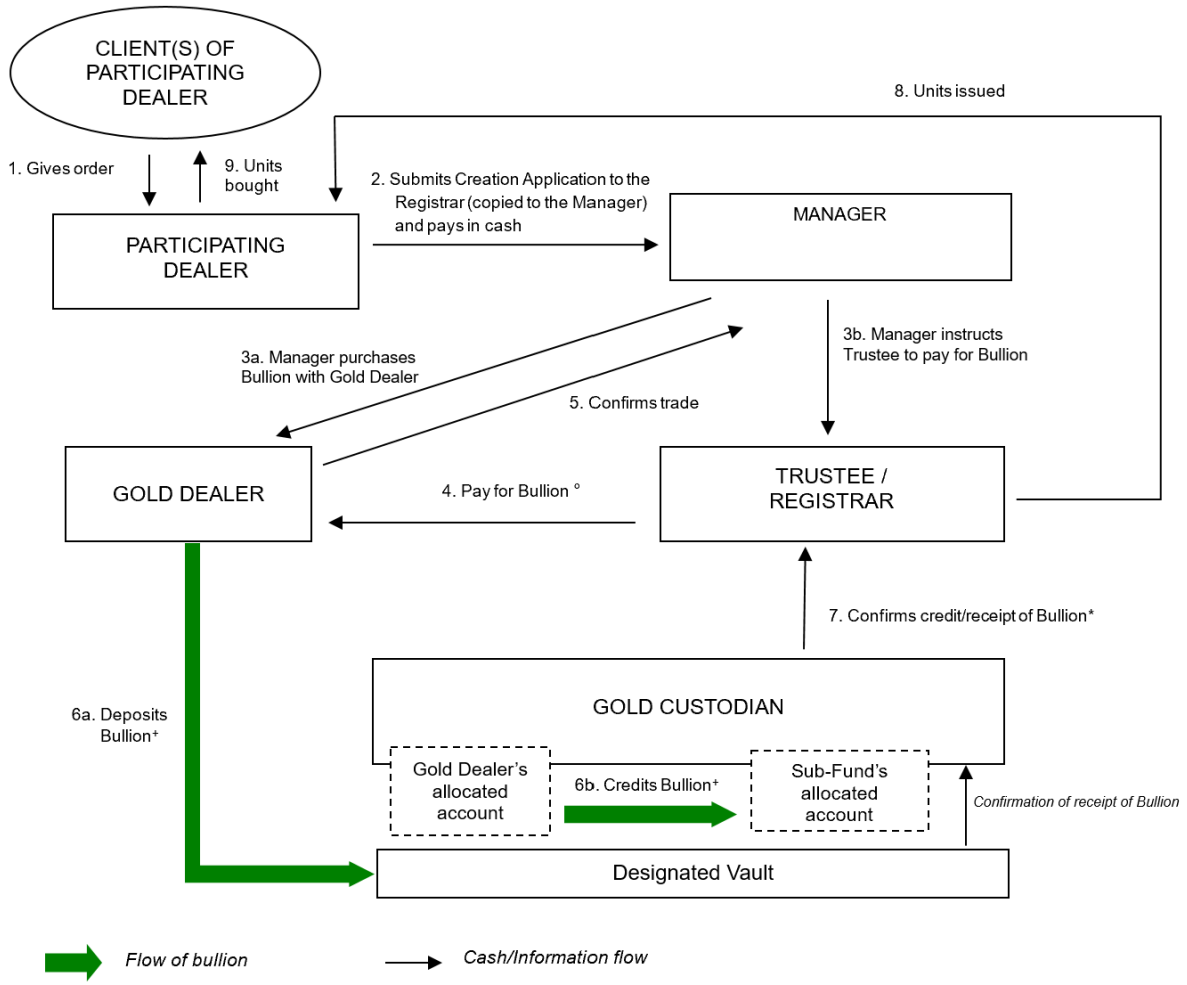
Once the Listed Class Units are created, the Manager shall instruct the Trustee to effect, for the account of the Sub-Fund, the issue of Listed Class Units to a Participating Dealer in accordance with the Operating Guidelines and the Trust Deed.

The creation and issue of Listed Class Units by a Creation Application shall be effected on the Settlement Day after (i) in respect of in-gold creations, the requisite Bullion comprised in the Basket is credited to the Sub-Fund's allocated account with the Gold Custodian (in the case of credit of Bullion between a Participating Dealer's or a Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian)or delivered to the Designated Vault (in the case of direct deposit of Bullion into a Designated Vault), and, if applicable, the Cash Component (as well as any Duties and Charges and Transaction Fees) is credited to the Sub-Fund's account with the Trustee or (ii) in respect of a cash creation, the Application Amount (as well as any Duties and Charges and Transaction Fees) are received in the Sub-Fund's account with the Trustee, following the Creation Application having been received and accepted in accordance with the Operating Guidelines.

If (i) a Creation Application is received by the Transfer Agent (with a copy to the Manager) on a day which is not a Dealing Day or (ii) after a Dealing Deadline, that Creation Application may either be rejected by the Manager or may be treated as having been received at the opening of business on the next following Dealing Day, which shall then be the relevant Dealing Day for the purposes of that Creation Application.

No Listed Class Units shall be issued to any Participating Dealer unless (a) the Creation Application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines and (b) either (i) in respect of an in-gold creation the Gold Custodian has confirmed receipt of the requisite Bullion and its credit to the Sub-Fund's allocated account or delivered to a Designated Vault (as the case may be) provided that the Cash Component (if any) and fees (if any) in cleared funds are received in the Sub-Fund's account with the Trustee in accordance with the Operating Guidelines, or (ii) in respect of a cash creation, the requisite cash Application Amount and fees (if any) in cleared funds are received in the Sub-Fund's account with the Trustee in accordance with the Operating Guidelines.

The diagram below illustrates in simplified form the cash Creation Application process:



+ Transfer of Bullion from a Gold Dealer to the Sub-Fund may be by way of either: (i) direct deposit of Bullion into a Designated Vault (process 6a); or (ii) credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b).

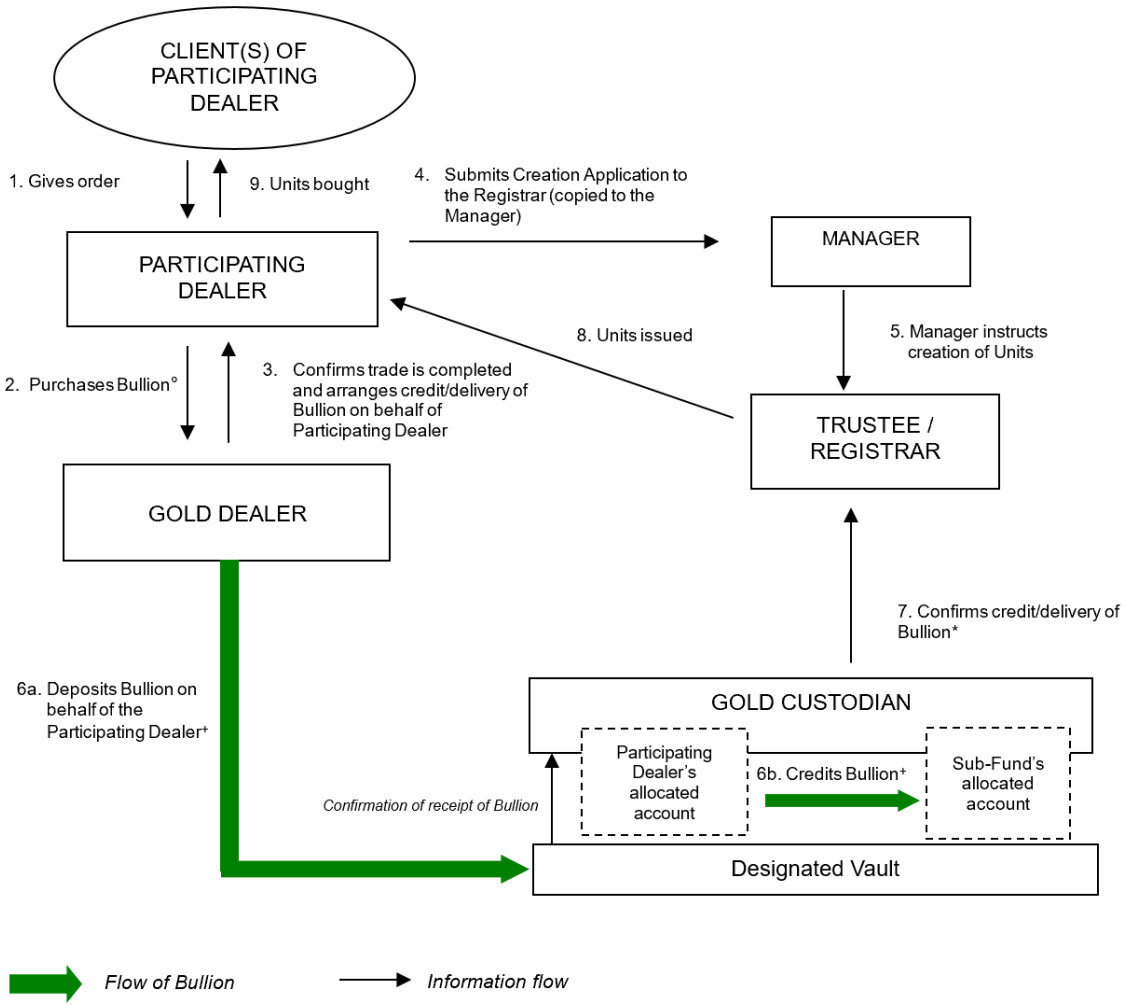
Direct deposit of Bullion into a Designated Vault (process 6a) will be at the risk of the Gold Dealer. The Gold Custodian shall be held responsible for the risk for Bullion as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The credit of Bullion between the Sub-Fund's allocated account and the Gold Dealer's allocated account (process 6b) (if applicable) and the transfer between the Sub-Fund's allocated account and unallocated account within the Gold Custodian (not shown) shall not change such responsibility.

For direct deposit of Bullion into a Designated Vault (process 6a), the Sub-Fund only acquires legal title and risk as soon as the relevant Bullion is delivered to the Designated Vault. For credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b), the Sub-Fund acquires legal title and risk when the relevant Bullion is credited into the Sub-Fund's allocated account with the Gold Custodian.

** The Gold Custodian shall send a credit/delivery confirmation to the Trustee to confirm the completion of process 6a or 6b.*

° The Sub-Fund must acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee, in consultation with Gold Custodian. Gold Dealers will sell Bullion to the Sub-Fund direct in US dollars.

The diagram below illustrates in simplified form the in-gold Creation Application process:



+ Transfer of Bullion from a Gold Dealer to the Sub-Fund may be by way of either: (i) direct deposit of Bullion into a Designated Vault (process 6a); or (ii) credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b).

Direct deposit of Bullion into a Designated Vault (process 6a) will be at the risk of the Participating Dealer. The Gold Custodian shall be held responsible for the risk for Bullion as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The credit of Bullion between the Sub-Fund's allocated account and a Participating Dealer's allocated account (process 6b) (if applicable) and the transfer between the Sub-Fund's allocated account and unallocated account within the Gold Custodian (not shown) shall not change such responsibility.

For direct deposit of Bullion into a Designated Vault (process 6a), the Sub-Fund only acquires legal title and risk as soon as the relevant Bullion is delivered to the Designated Vault. For credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 6b), the Sub-Fund acquires legal title and risk when the relevant Bullion is credited into the Sub-Fund's allocated account with the Gold Custodian.

** The Gold Custodian shall send a credit/delivery confirmation to the Trustee to confirm the completion of process 6a or 6b.*

° Participating Dealers must acquire Bullion for each Creation Application from a Gold Dealer, unless otherwise agreed by the Manager and Trustee, in consultation with Gold Custodian. Gold Dealers will sell Bullion to Participating Dealers direct in US dollars.

Redemption through a Participating Dealer

Listed Class Units may be redeemed through Participating Dealers by way of redemptions made either in cash or in-gold.

Cash redemption

The Manager shall, on receipt of an effective cash Redemption Application from a Participating Dealer, instruct the Trustee to effect the payment in cash of the redemption proceeds in accordance with the Operating Guidelines.

In-gold redemption

Whether or not a Participating Dealer will accept in-gold Redemption Applications from its clients is at the discretion of such Participating Dealer and subject to the terms of its agreement with its client. You should contact the relevant Participating Dealer for further details before submitting an application to such Participating Dealer for it to redeem Listed Class Units on your behalf.

The Manager shall, on receipt of an effective in-gold Redemption Application from a Participating Dealer, instruct the Trustee to effect the redemption of the relevant Listed Units and shall instruct the Gold Custodian as to the amount of Bullion to be applied from the Sub-Fund's allocated account with the Gold Custodian and included in the Basket and the relevant pieces of Bullion in a Designated Vault to be delivered to meet the Redemption Application.

Transfers of Bullion may be by way of either: (i) direct physical delivery of the relevant amount of Bullion (in multiples of whole bars) out of a Designated Vault to a Participating Dealer; or (ii) credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account with the Gold Custodian.

For direct physical delivery of Bullion out of a Designated Vault to a Participating Dealer, the Manager shall have the absolute discretion to instruct the Gold Custodian as to which pieces of Bullion shall be applied and included to meet the in-kind redemption request. Such instruction will specify the unique serial number and refiner's brand of each piece of Bullion to be included. For direct physical delivery of Bullion as instructed by a Participating Dealer, the relevant Participating Dealer shall appoint a delivery agent to arrange for collection of the relevant pieces of Bullion from a Designated Vault and delivery of the relevant Bullion to such venue and subject to separate terms and conditions as applicable, at the Participating Dealer's own risk and cost for the collection and delivery of Bullion (or at its client's risk and cost for the collection and delivery of Bullion by the Participating Dealer on his/her behalf, if so agreed between them) . Please note any gold redeemed from the Sub-Fund from direct physical delivery may not be deposited with the Sub-Fund again by way of submitting an application for creation of Units. Upon collection from the Designated Vault, the legal title and risk of the Bullion will be transferred to the Participating Dealer.

For credit of Bullion between a Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian, the transfer of Bullion's legal title and risk from the Sub-Fund to the Participating Dealer occurs when the relevant Bullion is credited from the Sub-Fund's allocated account into the Participating Dealer's allocated account within the Gold Custodian.

General

The Cash Component will be transferred in accordance with the Operating Guidelines and the Trust Deed. The Cash Component may be positive or negative (and where it is positive, the

Participating Dealer will receive the Cash Component from the Sub-Fund and where it is negative, the Participating Dealer will pay the Cash Component to the Sub-Fund).

Any accepted Redemption Application will, depending on whether it is in-gold or in cash, be effected by the transfer of Bullion and/or the payment of a cash amount (if any) in accordance with the Operating Guidelines and the Trust Deed, on the Settlement Day provided that (i) such documentation as may be required by the Trustee (or the Transfer Agent) has been received; (ii) where any bank account is specified by a Participating Dealer for the receipt of the cash amount (if any) in connection with the Redemption Application, it shall be subject to such verification as may be required by and to the satisfaction of the Trustee; and (iii) the full amount of any amount payable by the Participating Dealer including any Duties and Charges and the Transaction Fee have been either deducted or otherwise paid in full.

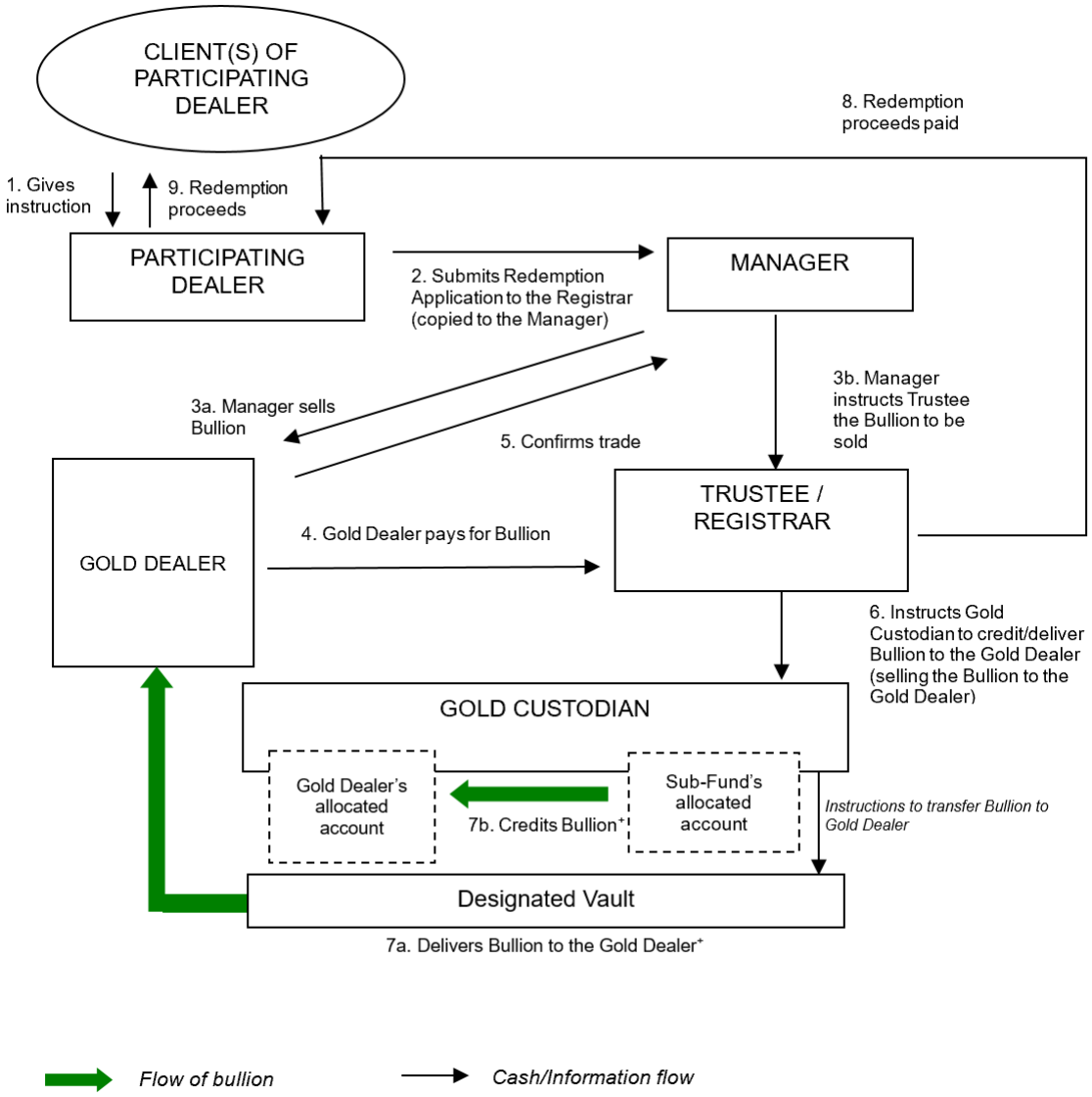
Transfers of Bullion in settlement of a cash Redemption Application will be by way of credit from the Sub-Fund's allocated account to the Gold Dealer's allocated account with the Gold Custodian. Transfers of Bullion in settlement of an in-gold Redemption Application will be by way of: (i) credit of Bullion between the Sub-Fund's allocated account and a Participating Dealer's or a Gold Dealer's allocated account within the Gold Custodian; and/or (ii) with the allocated Bullion (in multiples of whole bars) being transferred out of a Designated Vault to the Participating Dealer at the Participating Dealer's own risk and cost (or to the Participating Dealer's client at the client's risk and cost) for the collection and delivery of such Bullion. Each cash payment of redemption proceeds will be paid to the Participating Dealer's bank account.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds will normally within 5 Business Days (or such longer period as may be notified by the Manager due to circumstances such as severe weather conditions) after the relevant Dealing Day 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 is not suspended.

If (i) a Redemption Application is received by the Transfer Agent (with a copy to the Manager) on a day which is not a Dealing Day or (ii) after the relevant Dealing Deadline), that Redemption Application may either be rejected by the Manager or may be treated as having been received at the opening of business on the next following Dealing Day, which shall then be the relevant Dealing Day for the purposes of that Redemption Application.

Where a Participating Dealer cannot deliver enough Listed Class Units for a Redemption Application, the Manager may in its discretion extend the settlement period upon receipt of an extension settlement request on such terms and conditions (including as to the payment of an Extension Fee to the Trustee) as the Manager may in its discretion determine in accordance with the Operating Guidelines.

The diagram below illustrates in simplified form the cash Redemption Application process:

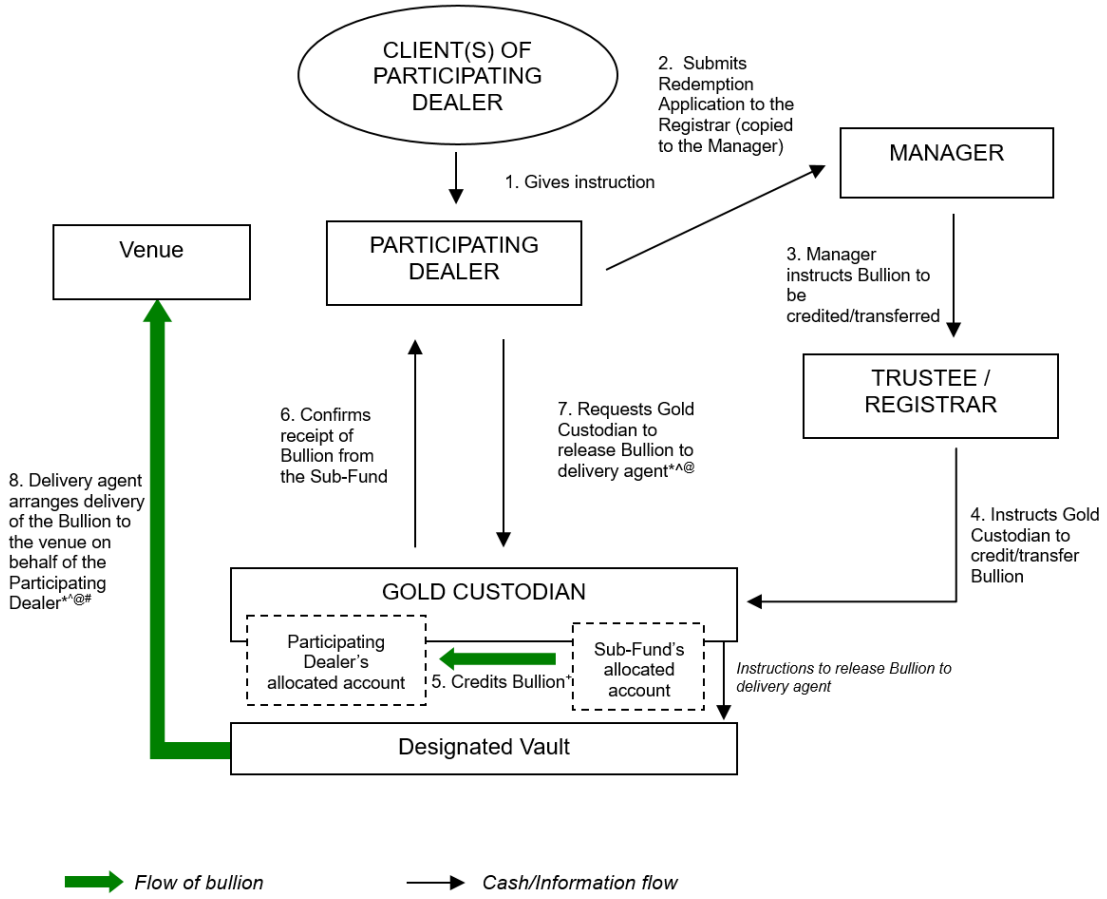


+ *Transfer of Bullion from the Sub-Fund to a Gold Dealer may be by way of either: (i) direct physical delivery of Bullion to the Gold Dealer (process 7a); or (ii) credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 7b).*

Direct delivery of Bullion to the Gold Dealer (process 7a) will be at the risk of the Gold Dealer. The Gold Custodian shall be held responsible for the risk for Bullion, prior to the transfer of Bullion's legal title from the Sub-Fund to the Gold Dealer, as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The credit of Bullion between the Sub-Fund's allocated account and the Gold Dealer's allocated account (process 7b) (if applicable) and the transfer from the Sub-Fund's unallocated account to the Sub-Fund's allocated account within the Gold Custodian (not shown) shall not change such responsibility.

For direct physical delivery of Bullion to the Gold Dealer (process 7a), the transfer of Bullion's legal title and risk from the Sub-Fund to the Gold Dealer occurs as soon as the relevant Bullion is collected from a Designated Vault. For credit of Bullion between the Gold Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 7b), the transfer of Bullion's legal title and risk from the Sub-Fund to the Gold Dealer occurs when the relevant Bullion is credited from the Sub-Fund's allocated account to the Gold Dealer's allocated account with the Gold Custodian. After process 7a or 7b (as the case may be), any interest in the Bullion is transferred from the Sub-Fund to the Gold Dealer.

The diagram below illustrates in simplified form the in-gold Redemption Application process for delivering Bullion:



Transfer of Bullion from the Sub-Fund to a Participating Dealer may be by way of either: (i) direct physical delivery of Bullion to the Participating Dealer (see ^); or (ii) credit of Bullion between the Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (as shown above) (see +). The Gold Custodian shall be held responsible for the risk for Bullion, prior to the transfer of Bullion's legal title from the Sub-Fund to the Participating Dealer and/or its client, as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties.

In-gold redemption through direct physical delivery is an additional service arranged at the request of a Participating Dealer's client (which shall be arranged through the relevant Participating Dealer), which shall in turn arrange through a delivery agent appointed by such Participating Dealer. While the Manager, the Trustee, the Gold Custodian and Sub-Gold Custodian(s) (in their respective capacities as service providers of the Sub-Fund) will facilitate such request, they do not take up additional responsibilities in such capacities. Transportation of Bullion out-of-vault will be necessary, and while there is insurance coverage when gold is in-transit, there is still inherent risk of loss or theft, etc., which investors should understand before they voluntarily request in-gold redemption.

+ For credit of Bullion between the Participating Dealer's allocated account and the Sub-Fund's allocated account within the Gold Custodian (process 5), the transfer of Bullion's legal title and risk from the Sub-Fund to the Participating Dealer occurs when the relevant Bullion is credited from the Sub-Fund's allocated account into the Participating Dealer's allocated account within the Gold Custodian.

^ For direct physical delivery of Bullion to the Participating Dealer (processes 7 and 8), they take place right after process 4, in which case the transfer of Bullion's legal title and risk from the Sub-Fund to the Participating Dealer occurs as soon as the relevant Bullion is collected from a Designated Vault.

@ The Participating Dealer shall appoint a delivery agent to arrange for collection of the relevant pieces of Bullion from the Designated Vault and delivery of the relevant Bullion to such venue and subject to separate terms and conditions as applicable, at the Participating Dealer's own risk and cost for the collection and delivery of Bullion (or at its client's risk and cost for the collection and delivery by the Participating Dealer on his/her behalf, if so agreed between them).

 # In process 8, as soon as the relevant pieces of Bullion allocated to meet the Participating Dealer's redemption request are collected from the Designated Vault, the legal title and risk is transferred from the Gold Custodian to the Participating Dealer and/or its client and such pieces of Bullion will also cease to form part of the Sub-Fund's assets and are accordingly outside the scope of the Trustee or the Sub-Fund's responsibility.

** Processes 7 and 8 assume that the Participating Dealer has agreed with its client to pay settlement proceeds by way of delivery of Bullion to the client. (Alternatively, the Participating Dealer may agree with its client to sell the Bullion and pay the settlement proceeds by cash.) The timing of process 8 onwards shall be dependent on the agreed delivery date between the Participating Dealer and its clients.*

For Eligible Investors, special creations and redemptions for Listed Class Units in the Sub-Fund are available.

The current Dealing Deadline for making a Creation Application, a Redemption Application, a Special Creation Application or a Special Redemption Application is 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, such other time as the Manager may determine on any day when the trading hours of the SEHK are reduced, or such other time prior to the calculation of Net Asset Value of the Sub-Fund on that Dealing Day as the Manager may determine and agree with the Trustee. Settlement for subscribing Listed Class Units is due at the time specified in the Operating Guidelines or the Special Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines or the Special Operating Guidelines (as the case may be).

The Issue Price or Redemption Value of each Listed Class Unit for any relevant Dealing Day will, subject to the qualification in respect of the swing pricing adjustments as set out in the sub-section headed "Issue Price and Redemption Value of Units" under the section headed "DETERMINATION OF NET ASSET VALUE" in Part 1 of the Prospectus be based on the Net Asset Value of the Listed Class Units of the Sub-Fund in USD at the Valuation Point divided by the number of Listed Class Units then in issue or deemed to be in issue, rounded to the nearest four decimal places with any amount of 0.00005 or above being rounded up (unless otherwise agreed by the Manager and the Trustee). Any amount corresponding to the rounding up or down shall accrue to the Sub-Fund.

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

The attention of investors is drawn to the section headed "THE OFFERING AND REDEMPTION OF LISTED CLASS UNITS" in Part 1 of the Prospectus.

Summary of timetable

The following table summarises all key events and the Manager's expected timetable:

Initial Offer Period commences • Participating Dealers may submit Creation Applications for themselves or for their clients in the Applications Unit size (or such other number of Units determined by the Manager, approved by the Trustee and notified by the Manager to the Participating Dealers) • Eligible Investors may submit Special Creation Applications	9:00 a.m. (Hong Kong time) on 23 January 2026 or such other date or time as the Manager may determine
The date that is 2 Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Listed Class	1:00 p.m. (Hong Kong time) on 27 January 2026 or such other date or time as the Manager may determine

Units to be available for trading on the Listing Date	
After Listing (period commences on the Listing Date) • All investors may start trading Listed Class Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in the Application Unit size continually	• Commence at 9:30 a.m. (Hong Kong time) on 29 January 2026, but may be postponed by the Manager to a date no later than 7 March 2026 • Until 4:00 p.m. (Hong Kong time) on each Dealing Day or such other time as the Manager may determine on any day when the trading hours of the SEHK is reduced

Trading of Listed Class Units

The Sub-Fund offers HKD trading counter on the SEHK to investors for secondary trading purposes. Listed Class Units are denominated in HKD.

The HKD counter and traded Listed Class Units have a SEHK stock code 03170 and a short name "HS GOLD ETF". The ISIN for HKD counter and traded Listed Class Units is HK0001232583.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the HKD Counter.

Exchange listing and trading (secondary market) for Listed Class Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class Units traded in 29 January 2026.

Dealings in the Listed Class Units on the SEHK is expected to commence at 9:30 a.m. (Hong Kong time) on 29 January 2026, but may be postponed by the Manager to a date no later than 7 March 2026. Listed Class Units will trade on the SEHK in board lots of 50 Units.

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

Listed Class Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Listed Class Units on one or more other stock exchanges. Investors' attention is drawn to the section headed "EXCHANGE LISTING AND TRADING (SECONDARY MARKET)" in Part 1 of the Prospectus for further information.

The subscription and redemption of Unlisted Class Units

Unlisted Classes of Units

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

- Class A USD – Accumulation Units
- Class A HKD – Accumulation Units
- Class A RMB (hedged) – Accumulation Units
- Class D HKD – Accumulation Units
- Class G USD – Accumulation Units
- Class I USD – Accumulation Units
- Class T USD – Accumulation Units
- Class Z USD – Accumulation Units

Class T Units are tokenised and are available for subscription by investors through Eligible Distributor(s) designated by the Manager. No fractions of Units may be issued for the Class T.

Class Z Units are only available for subscription by investors selected by the Manager.

The Manager has an absolute discretion to determine from time to time the availability of the Units to any investors.

Subscription and redemption procedures

Generally, only cash subscriptions will be accepted. For Unitholders who wish to make in-gold subscriptions for Unlisted Class Units, please contact the Manager for further details.

The following apply to Unlisted Class Units:

- Dealing Deadline: 4:00 p.m. (Hong Kong time) on each Dealing Day
- Subscription payment deadline: payment for Unlisted Class Units being applied for, together with any Preliminary Charge, is due in the class currency of the relevant class within 2 Business Days of the Dealing Day on which the subscription application is made, unless the Manager agrees to accept late payment

You should check with the Manager or the relevant Authorised Distributor the initial issue date of each Unlisted Class.

Cash subscription and redemption

The Issue Price or Redemption Value of each Unlisted Class Unit for any relevant Dealing Day will be based on the Net Asset Value of the Unlisted Class Units of the Sub-Fund at the Valuation Point divided by the number of Unlisted Class Units then in issue or deemed to be in issue. Unless otherwise agreed by the Manager and the Trustee, the Issue Price or Redemption Value of a Unit is rounded to the nearest four decimal places with any amount of 0.00005 or above being rounded up. Any amount corresponding to the rounding up or down shall accrue to the Sub-Fund. Please refer to the section headed "THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS" in Part 1 of the Prospectus for further details on the subscription, redemption and payment procedures in respect of Unlisted Class Units.

To supplement the heading "*Payment procedures*" under the sub-section headed "**Subscription of Unlisted Class Units**" under the section headed "**THE OFFERING, REDEMPTION AND SWITCHING OF UNLISTED CLASS UNITS**" in Part 1 of the Prospectus, payment for Unlisted Class Units shall be due in the class currency of the relevant class within 2 Business Days of the Dealing Day on which the subscription application is made.

In-gold redemption

Whether or not an Authorised Distributor will accept in-gold redemption requests is at the discretion of such Authorised Distributor and subject to the terms of it may impose. You should contact the relevant Authorised Distributor for further details before submitting an application to such Authorised Distributor to redeem Unlisted Class Units.

Currently, in-gold redemptions are possible for Unlisted Class G Units only. For Unitholders of other Units of other Unlisted Class, you should switch your holding into Unlisted Class G Units first before you may request in-gold redemption of Units. For further details on switching, please refer to the sub-section headed "Switching" in this Appendix below.

Redemptions in-gold by a Unitholder may only be made in the minimum of 16,000 Units (or multiples thereof or such other multiple as may from time to time be determined by the Manager upon regular review, approved by the Trustee and announced to the Unitholders through the Manager's website).[5]

The Manager shall, on receipt of a valid in-gold redemption request from a Unitholder (via the relevant Authorised Distributor(s)), instruct the Trustee to effect the redemption of the relevant Unlisted Class G Units and shall have the absolute discretion to instruct the Gold Custodian as to which pieces of Bullion shall be applied and included to meet the redemption request. Such instruction will specify the unique serial number and refiner's brand of each piece of Bullion to be included. The relevant Authorised Distributor shall appoint a delivery agent to arrange for collection of the relevant pieces of Bullion from a Designated Vault and delivery of the relevant Bullion to such venue and subject to separate terms and conditions as applicable, at the Authorised Distributor's risk and cost for collection and delivery of Bullion (or at the relevant Unitholder's own risk and cost for collection and delivery Bullion by the Authorised Distributor on his/her behalf, if so agreed between them[6]). Please note any gold redeemed from the Sub-Fund from physical delivery may not be deposited with the Sub-Fund again by way of submitting an application for creation of Units.

Upon collection from the Designated Vault, the legal title and risk of the Bullion will be transferred to the Authorised Distributor.

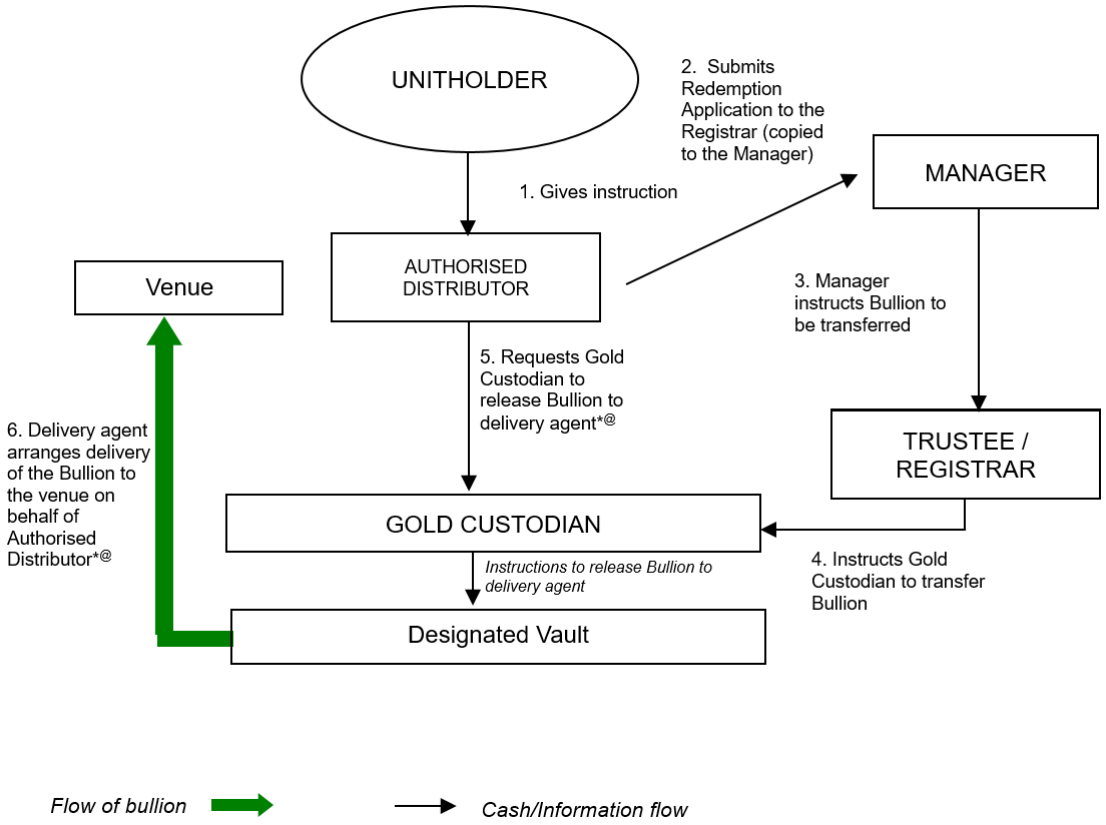
A cash amount will be paid out in accordance with the Operating Guidelines and the Trust Deed. The cash amount is the difference between the aggregate redemption proceeds of the Unlisted Class Units comprising the redemption amount and the value of the Bullion included to be delivered. The cash amount may be positive or negative, and where it is positive, the relevant Unitholder will receive the cash amount from the Trust and where it is negative the Trust will receive the cash amount from the relevant Unitholder, rounded to the nearest cent.

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[5] Each Authorised Distributor may impose an amount which is equal to or higher than this minimum redemption amount. For details, please check with your Authorised Distributor(s).

[6] Thereafter, the relevant Unitholder should contact the Authorised Distributor for details on collection arrangement.

Payment of redemption proceeds in Bullion is performed as follows:



In-gold redemption through direct physical delivery is an additional service arranged at the request of a Unitholder (which shall be arranged through the relevant Authorised Distributor) which shall in turn arrange through a delivery agent appointed by such Authorised Distributor. While the Manager, the Trustee, the Gold Custodian and Sub-Gold Custodian(s) (in their respective capacities as service providers of the Sub-Fund) will facilitate such request, they do not take up additional responsibilities in such capacities. Transportation of Bullion out-of-vault will be necessary, and while there is insurance coverage when gold is in-transit, there is still inherent risk of loss or theft, etc., which investors should understand before they voluntarily request in-gold redemption. The Gold Custodian shall be held responsible for the risk for Bullion as a direct result of any negligence, fraud or willful default on the Gold Custodian's part in the performance of its duties. The transfer of Bullion's legal title and risk from the Sub-Fund to the Authorised Distributor occurs as soon as the relevant Bullion is collected from a Designated Vault.

** Processes 5 and 6 assume that the Authorised Distributor has agreed with the Unitholder to pay settlement proceeds by way of delivery of Bullion. (Alternatively, the Unitholder may elect to receive settlement proceeds by cash.) The timing of process 6 onwards shall be dependent on the agreed delivery date between the Authorised Distributor and the Unitholder.*

@ The Authorised Distributor shall appoint a delivery agent to arrange for collection of the relevant pieces of Bullion from the Designated Vault and delivery of the relevant Bullion to such venue and subject to separate terms and conditions as applicable, at the Authorised Distributor's risk and cost for collection and delivery of Bullion (or at the relevant Unitholder's own risk and cost for collection and delivery by the Authorised Distributor on his/her behalf, if so agreed between them). Please note any gold redeemed from the Sub-Fund from physical delivery may not be deposited with the Sub-Fund again by way of submitting an application for subscription of Units.

Switching

Switching between Unlisted Class Units and Listed Class Units, by a Participating Dealer or otherwise, is not available.

Switching in or out of tokenised Units of an Unlisted Class (i.e. Class T) is not permitted.

Unless otherwise agreed by the Manager, Unlisted Class Units of the Sub-Fund may only be switched into the same Unlisted Class Units of any collective investment scheme managed by the Manager. Similarly, unless otherwise agreed by the Manager, the Unlisted Class Units of any collective investment scheme managed by the Manager may only be switched into Units of the same Unlisted Class of the Sub-Fund. Where the switching is between Units denominated in different currencies, currency conversion is involved and the relevant Unitholders are subject to exchange rate risk.

Distribution policy

Accumulation Units are Units that accumulate the income arising in respect of those Units.

No distributions will be made currently. Any income received by the Units (whether in the form of cash or otherwise) will be accumulated and reflected in the Unit price.

Fees and expenses relating to the Sub-Fund

Fees and expenses payable by the Sub-Fund

Management fee

The Manager is entitled to receive a management fee of up to 1% per year of the Net Asset Value of the relevant Unlisted Class.

The current management fee is as follows:

- Listed Class Units: up to 0.25% per year of the Net Asset Value
- Unlisted Class A and Unlisted Class D Units: up to 1% per year of the Net Asset Value
- Unlisted Class G Units: up to 1% per year of the Net Asset Value
- Unlisted Class I Units: up to 0.5% per year of the Net Asset Value
- Unlisted Class T Units: up to 1% per year of the Net Asset Value
- Unlisted Class Z Units: 0% per year of the Net Asset Value

The management fee is accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

This fee is payable out of the Trust Fund. The current management rate may be increased up to the permitted maximum rate (as set out in the Trust Deed) by giving one month's prior notice to Unitholders.

Trustee's fee

Under the Trust Deed, the Trustee is entitled to receive a trustee fee of up to 1.00% per year of the Net Asset Value of the Sub-Fund.

Currently, the Trustee receives out of the assets of the Sub-Fund a monthly trustee's fee,

payable in arrears, accrued daily and calculated as at each Dealing Day at 0.095% per year of the Net Asset Value of the Sub-Fund (subject to a minimum of USD4,800 per month). The current trustee rate may be increased up to the permitted maximum rate (as set out in the Trust Deed) by giving one month's prior notice to Unitholders.

Gold Custodian's fee

The Gold Custodian is entitled to receive a gold custody fee from the Sub-Fund, currently at the rate of up to 0.13% per year of the Net Asset Value of the Sub-Fund, which is calculated and accrued as at the Valuation Point on each Dealing Day and payable monthly in arrears. This fee is payable out of assets of the Sub-Fund.

The Sub-Gold Custodian's fee is included in the Gold Custodian's fee.

Tokenisation fee and blockchain fee

For Class T Units, the Tokenisation Agent is entitled to receive a tokenisation fee, currently at the rate of up to 0.05% of the Net Asset Value of the Class T Units at the Valuation Point on each Dealing Day, and is calculated and accrued as at the Valuation Point on each Dealing Day and payable monthly in arrears out of the assets of the Sub-Fund. A blockchain fee of USD5,000 per blockchain used is also payable by Class T Units.

Other expenses

In addition to the other expenses set out under the sub-section headed "Other Expenses" under the section headed "FEES AND EXPENSES" in Part 1 of the Prospectus, the Sub-Fund will also bear LBMA consultancy or other fees (including licensing fees in respect of the LBMA Gold Price AM, if any) for the use of LBMA Gold Price AM.

Fees and expenses payable by Participating Dealers and investors of Listed Class Units only

(a)	**Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class Units (applicable both during the Initial Offer Period and After Listing)**	**Amount**
	Transaction Fee and Service Agent's Fee	USD 500 per Application and HKD 1,000 per book-entry deposit and withdrawal transaction[7]
	Extension Fee	USD 1,200[8] per extension
	Stamp duty	Nil

[7] The Transaction Fee of USD 500 is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee of HKD 1,000 is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction.

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

	All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable
(b)	**Fees and expenses payable by investors**	**Amount**
	(i) Fees payable by clients of the Participating Dealers in respect of cash or in-gold applications for creation and redemption (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)	
	Fees and charges imposed by the Participating Dealer[9]	Such amounts as determined by the relevant Participating Dealer
	(ii) Fees payable by all investors in respect of dealings in Listed Class Units on SEHK (applicable After Listing)	
	Brokerage	Market rates
	SFC transaction levy	0.0027%[10]
	AFRC transaction levy	0.00015%[11]
	SEHK trading fee	0.00565%[12]
	Stamp duty	Nil

Fees and expenses payable by investors of Unlisted Class Units only[13]

Preliminary Charge	Up to 5% of the Issue Price of Unlisted Class Units
Redemption Charge	Nil[14]
Switching Fee	Up to 4% of the Issue Price of Unlisted Class Units (not applicable to Class T Units as switching in or out of such Units is not permitted)

Investment and borrowing restrictions applicable to the Sub-Fund

Investment restrictions

The SFC has approved the investment of Bullion by the Sub-Fund pursuant to Chapter 7.10 of the Code and as provided in sub-paragraph 2(a) of Schedule 1 to this Prospectus, subject to the below additional investment restrictions applicable to the Sub-Fund:

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9 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.

10 The SFC transaction levy of 0.0027% of the trading price of the Listed Class Units is payable by each of the buyer and the seller.

11 The AFRC transaction levy of 0.00015% of the trading price of the Listed Class Units is payable by each of the buyer and the seller.

12 The SEHK trading fee of 0.00565% of the trading price of the Listed Class Units is payable by each of the buyer and the seller.

13 Please contact the Authorised Distributor(s) of the Sub-Fund for details.

14 While no Redemption Charge will be levied on the Unlisted Class Units at the Sub-Fund level, each Authorised Distributor may impose a charge for a redemption request. For details, please check with your Authorised Distributor(s).

(a) subject to (b) and (c) below, the Sub-Fund may only invest in Bullion;

(b) the Sub-Fund may invest up to 10% of its Net Asset Value in (i) FDIs (such as gold futures) and/or (ii) cash and cash equivalents (including money market funds which are authorised under Chapter 8.2 of the Code), paper gold schemes authorised by the SFC, and other physical ETFs authorised by the SFC and listed on the SEHK (whose primary investment objective is to track the performance of a gold benchmark) for the purposes of (i) maximising portfolio management efficiency and minimising transaction costs, (ii) cash management and/or (iii) hedging. FDIs may also be used for currency hedging purposes in respect of hedged Unlisted Class(es); and

(c) the Sub-Fund may only hold Bullion (i.e., gold in the form of bars or ingots from approved refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold of minimum fineness of 99.5% gold).

In addition, the Sub-Fund is subject to the following additional restrictions. The Manager shall not for the account of the Sub-Fund:

(a) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, shares in real estate companies and interests in real estate investment trusts (REITs));

(b) make short sales;

(c) grant or write or create in favour of any person any option;

(d) acquire any asset or engage in any transaction which involves the assumption of any liability which is unlimited;

(e) invest in any type of debt or loan securities (but which shall not prohibit the holding or investment of uninvested cash in any of the ways or instruments permitted under the Trust Deed);

(f) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;

(g) lend or make a loan out of its Bullion in any event;

(h) make any borrowing for investment purpose; and

(i) engage in securities financing transactions.

Borrowing restriction

The Manager may borrow up to 10% of the Net Asset Value of the Sub-Fund to meet redemptions and other expenses of the Sub-Fund.

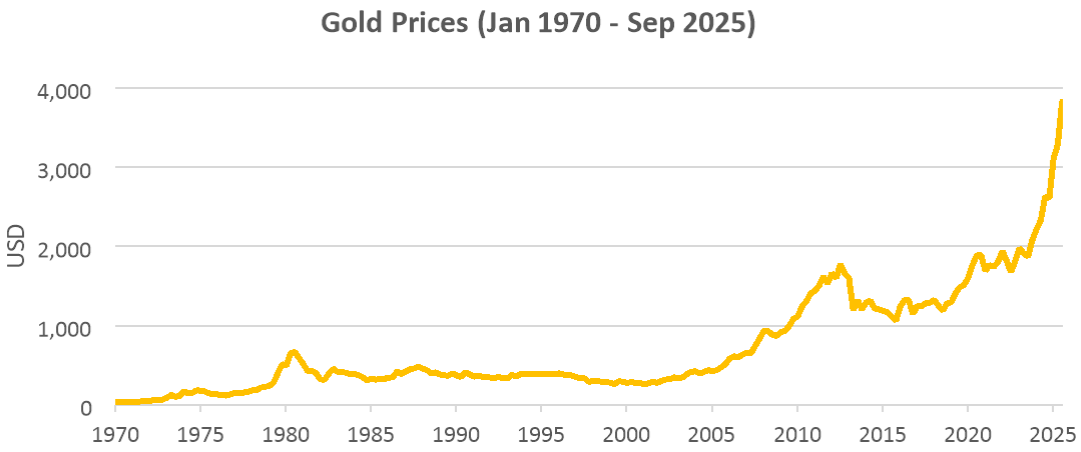
Overview of the Gold Market

What is gold?

Gold is a rare metallic element that is found in natural settings, mostly in veins of quartz and in certain alluvial deposits. As a precious metal, gold has been valued and held in high esteem since ancient times and is still one of the most highly prized metals that have, throughout the ages, been used to symbolise wealth and power. Besides its widespread monetary and symbolic functions, gold has many practical uses in dentistry, electronics, and other fields. Its high malleability, ductility, resistance to corrosion and most other chemical reactions, and conductivity of electricity have led to many uses of gold, such as electric wiring and coloured-glass production.

Historical gold price movement (1971 to 2025)

Since the end of the Bretton Woods system in 1971, the price of gold has moved through five distinct phases: The first was a bull market in the 1970s, followed by approximately 20 years of mediocre performance. The 21st century marked the beginning of a new bull run that lasted about a decade, from 2001to 2011. Following this peak, which saw prices reach over USD1,900 per troy ounce in August 2011, the gold price entered another phase of consolidation that continued till 2020. The period from 2020 onwards has been characterised by significant volatility and an unprecedented acceleration in price. The following chart illustrates the movements in the price of gold in US dollars per ounce over the period from 1 January 1970 to 30 September 2025.



(Source: Bloomberg, as of 30 September 2025. Gold Prices refer to the LBMA Gold Price PM.)

In early 2020s, the COVID-19 pandemic triggered significant market volatility, driving investors toward gold as a safe-haven asset. This pushed prices into a range of USD 1,600 to USD 2,000, with high inflation and political instability providing continued support even after the initial shock. Gold prices surged from around USD 1,800 to new record highs, reaching over USD 3,800 at the end of September 2025. This rapid ascent was fuelled by a combination of factors, including heightened geopolitical uncertainty from conflicts in the Europe and the Middle East, and persistent economic concerns such as stock market volatility and a weaker US dollar.

Looking ahead, the demand for gold is expected to remain strong amid geopolitical tensions, with central banks increasing gold reserves. Additionally, the surging investment demand for gold, with ETFs attracting continuous inflows under rate-cut expectations and the de-dollarisation trend, will also provide support for the price of gold. It is important to recognize that historical performance or ongoing strong performance expectations do not guarantee

future results.

(Source: World Gold Council, as of 7 Oct 2025.)

Gold supply and demand

Like any other freely-traded good or service, the price of gold is determined by the meeting of demand and supply.

On the supply side, the annual supply of gold mainly comes from a combination of newly mined gold and the recycling of above-ground stocks. In 2024, around 74% of the gold supply came from newly mined production, approximately 3,645 tonnes. The remaining portion came from the recycling of fabricated products, principally jewellery. Mine production has increased from around 2,754 tonnes in 2010 and stabilised at above 3,600 tonnes per year level for the recent three years, driven by factors such as fluctuating gold prices, geopolitical tensions, and central bank momentary policies.

Meanwhile, on the demand side, demand from jewellery, industrial use, central bank reserves, and investment sources has made up the other side of the market. Central bank reserves accounted for an average of 23% of demand over the three years, compared to the average of 11% from 2010 to 2021. In 2024, the primary source of demand still came from jewellery, at approximately 2,027 tonnes per year, which accounted for 44% of the total demand.

(Source: World Gold Council, as of 30 Jun 2025.)

Gold as investment tool

Demand for gold has also grown among investors. Many are beginning to see commodities, particularly gold, as an investment class into which money should be allocated. Investors can gain access to the gold market in the most traditional way, by buying physical gold. The most common form includes gold bullion bars and gold bullion coins. Nowadays, investors can also gain exposure to movements in the gold price via investment vehicles such as gold certificates, gold accounts, gold derivatives (including gold forwards, futures and options traded in OTC market, and gold ETFs).

Gold also has a role to play as a strategic asset, thanks to the diversification benefits it can bring to a portfolio, as well as its effectiveness as a store of value against inflation and dollar depreciation. These attributes make gold a valuable investment option in times of financial or geopolitical duress, as well as during periods of economic prosperity.

Gold ETFs

Gold ETFs have grown in popularity in recent years. Global physically backed gold ETFs recorded their largest monthly inflow in September 2025, resulting in the strongest quarter on record with USD 26bn. By the end of Q3 2025, global gold ETFs' total assets under management (AUM) had reached USD 472bn, reaching another record high.

The introduction of exchange-traded gold securities is intended to lower many of the barriers, such as access, custody, and transaction costs, which have prevented some investors from investing in gold.

Gold ETFs offer investors a relatively cost-efficient and secure way to access the gold market. Some of the gold ETFs have focused primarily on ownership of gold bullion. Such gold ETFs are backed by allocated gold held in a vault on behalf of investors. They are intended to offer investors a means of participating in the gold bullion market without the necessity of taking

physical delivery of gold, and to buy and sell that interest through the trading of a security on a regulated stock exchange.

Unlike traditional funds, gold ETFs can be traded like shares during exchange trading hours. Liquidity, convenience, and transparency provided via exchange trading become distinctive advantages to investors. Gold ETFs are a valuable tool for investors, including retail investors and speculators, and have been widely used by institutional investors for tactical trading, hedging, arbitrage, or asset allocation. Nonetheless, gold ETFs carry certain risks, including those related to the custody of gold and market trading. Please refer to the section headed "RISK FACTORS" in Part 1 of the Prospectus and the section headed "Risk factors relating to the Sub-Fund" in this Appendix for details.

(Source: World Gold Council, as of 30 Sept 2025.)

The gold market in Hong Kong

As a super connector and an international financial centre, Hong Kong is set to develop into an international gold trading centre by, among others, expanding physical gold storage and gold trading, as announced in the Policy Address in 2024 and 2025. The key government initiatives include:

- **Expansion of gold storage**: To establish Hong Kong's gold storage facilities, with a target gold storing capacity of over 2,000 tonnes in three years, propelling Hong Kong into a regional gold reserve hub.

- **Implementation of a centralised gold clearing platform**: This initiative includes establishing a central clearing system for gold transactions that will align with international standards.

- **Development of a comprehensive ecosystem:** The government is focused on building a holistic ecosystem on gold. The process involves secure storage of gold bullion, with linked services like insurance, testing, and logistics, facilitating gold trading, clearing, and delivery. The government is also working on regulatory frameworks, clearing systems, and promoting derivatives trading to create a comprehensive gold ecosystem.

Hong Kong's competitive edge in gold trading

Hong Kong benefits from a robust financial infrastructure with strong international connectivity, making it an attractive hub for global investors. Its legal framework is familiar and accessible to international investors, further enhancing its appeal. Additionally, Hong Kong is home to numerous leading financial institutions, solidifying its position as a key player in the gold market.

The expansion of Hong Kong's gold market aligns strategically with mainland China's ambition to enhance its influence in global commodity markets. In the 2025 policy address, the Shanghai Gold Exchange ("SGE") was invited to facilitate mutual market access between Hong Kong and mainland China's gold markets. Notably, the SGE, a leading global gold trading exchange, inaugurated its first offshore gold delivery vault in Hong Kong in June 2025. This initiative marks a pivotal advancement towards integrating mainland China's gold market with international trading systems, leveraging Hong Kong's strategic position.