

**SDICSI (Hong Kong) Open-ended Fund Company**

**國證國際(香港)開放式基金型公司**

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

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**PROSPECTUS**

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April 2025

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## IMPORTANT INFORMATION FOR INVESTORS

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**IMPORTANT - IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD SEEK INDEPENDENT PROFESSIONAL FINANCIAL ADVICE.**

This Prospectus amends and restates the Prospectus dated November 2024 in its entirety with effect from the date hereof, reflecting certain amendments made thereto.

This Prospectus comprises information relating to SDICSI (Hong Kong) Open-ended Fund Company 國證國際(香港)開放式基金型公司 (“**Company**”) and its sub-fund(s) (“**Sub-Fund(s)**”). As of the date of this Prospectus, SDICSI USD Money Market Fund 國證國際美元貨幣市場基金 is the Sub-Fund of the Company.

The Company is a Hong Kong public open-ended fund company with variable capital and limited liability regulated under the SFO. The Company is established with an umbrella structure and the Sub-Fund(s) of the Company have segregated liability. The Company was incorporated pursuant to an Instrument of Incorporation filed to the Companies Registry of Hong Kong on and effective as of 23 October 2024, with registration number 77222306.

The Directors accept full responsibility for the accuracy of the information contained in this Prospectus and the Product Key Facts Statement of each Sub-Fund, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus or the Product Key Facts Statement misleading. However, neither the delivery of this Prospectus and the Product Key Facts Statement nor the offer or issue of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus or the Product Key Facts Statement is correct as of any time subsequent to the date of publication. This Prospectus and the Product Key Facts Statement may from time to time be updated.

Distribution of this Prospectus must be accompanied by a copy of the Product Key Facts Statement of each Sub-Fund and the latest available audited annual financial report and any subsequent unaudited interim financial report of the Company and the Sub-Fund(s) (if any). Shares of the Sub-Fund(s) are offered on the basis only of the information contained in this Prospectus, the Product Key Facts Statement and (where applicable) the above mentioned audited annual financial report and unaudited interim financial report. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained in this Prospectus or the Product Key Facts Statement should be regarded as unauthorised and accordingly must not be relied upon.

**SFC REGISTRATION AND AUTHORISATION** – The Company has been registered with the SFC as an open-ended fund company under section 112D of the SFO. The Company and the Sub-Fund(s) have been authorised by the SFC under section 104 of the SFO. The SFC’s registration and authorisation do not represent a recommendation or endorsement of the Company or the Sub-Fund(s) nor do they guarantee the commercial merits of the Company or the Sub-Fund(s) or their performance. They do not mean the Company or the Sub-Fund(s) is suitable for all investors nor do they represent an endorsement of its suitability for any particular investor or class of investors.

**Important - whilst section 112S of the SFO provides for statutory segregated liability between the Sub-Fund(s), the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to section 112S of the SFO.**

## **Selling restrictions**

**General:** No action has been taken to permit an offering of Shares of the Sub-Fund(s) or the distribution of this Prospectus or the Product Key Facts Statement in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Prospectus or the Product Key Facts Statement may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised. Further, Shares of the Sub-Fund(s) may not be offered or sold, directly or indirectly, to any persons for reoffering or resale, in any jurisdiction where such action is not authorised. Receipt of this Prospectus or the Product Key Facts Statement does not constitute an offer of Shares of the Sub-Fund(s) in those jurisdictions in which it is illegal to make such an offer.

**United States:** In particular, potential investors should note the following:-

- (a) the Shares of the Sub-Fund(s) have not been registered under the United States Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under such Act); and
- (b) the Company and the Sub-Fund(s) have not been and will not be registered under the United States Investment Company Act of 1940 (as amended).

Potential applicants for Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares.

Some of the information in this Prospectus is a summary of corresponding provisions in the Instrument of Incorporation and the agreements with service providers appointed by the Company. Investors should refer to the Instrument of Incorporation and the relevant agreements for further details.

**Investment involves risk and investors should note that losses may be sustained on their investment. There is no assurance that the investment objective of the respective Sub-Fund(s) will be achieved. Investors should read this Prospectus, particularly the section headed “*Risk Factors*” below, and the section headed “*Additional Risk Factors*” in the relevant Appendix, before making their investment decisions.**

**Please note that this Prospectus must be read together with the relevant Appendix to this Prospectus which relates to a specific Sub-Fund of the Company. The Appendix sets out the details relating to the Sub-Fund (which may include, without limitation, specific information on the Sub-Fund and additional terms, conditions and restrictions applicable to the Sub-Fund). The provisions of an Appendix supplements this Prospectus.**

## **Information and enquiries**

To obtain further information about the Company and the Sub-Fund(s), or for any enquiries or complaints in relation to the Company and any Sub-Fund, investors may either:

- write to the registered address of the Company at Level 39, One Exchange Square, Central, Hong Kong; or
- call the Manager at telephone number at +852 2213 1532.

The Manager will handle or channel to the relevant party any enquiries or complaints from investors and revert to the investors accordingly.

**Further information**

Investors may access the website of the Manager at [https:// www.sdicsi.com.hk](https://www.sdicsi.com.hk) for further information on the Company and the Sub-Fund(s), including this Prospectus, the Product Key Facts Statement(s), annual and interim financial reports and latest Net Asset Values. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

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## DIRECTORY

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<b>Registered Office</b>	Level 39 One Exchange Square Central Hong Kong
<b>Directors of the Company</b>	PENG Denghua CHEN Ning LAI Ka Yan, Andrea
<b>Manager</b>	<b>SDICS International Asset Management (Hong Kong) Limited</b> Level 39 One Exchange Square Central Hong Kong
<b>Directors of the Manager</b>	PENG Denghua ZENG Desheng CHEN Ning LAI Ka Yan, Andrea
<b>Custodian</b>	<b>CMB Wing Lung (Trustee) Limited</b> 6/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
<b>Administrator</b>	<b>CMB Wing Lung (Trustee) Limited</b> 6/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
<b>Registrar</b>	<b>CMB Wing Lung (Trustee) Limited</b> 6/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
<b>Legal Advisors</b>	<b>Dentons Hong Kong LLP</b> Suite 3201, Jardine House 1 Connaught Place Central Hong Kong
<b>Auditors</b>	<b>KPMG</b> 8th Floor, Prince's Building 10 Chater Road, Central Hong Kong

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## DEFINITIONS

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

<b>“AEOI”</b>	Automatic Exchange of Financial Account Information (“ <b>AEOI</b> ”) refers to one or more of the following, as the context requires: <ul style="list-style-type: none"><li>(a) Sections 1471 – 1474 of the US Internal Revenue Code of 1986 (“<b>IRS Code</b>”), as amended from time to time (referred to as the Foreign Account Tax Compliance Act or “<b>FATCA</b>”);</li><li>(b) the Organisation for Economic Co-operation and Development (“<b>OECD</b>”) Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance;</li><li>(c) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Hong Kong government (or any government body in Hong Kong) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in (a) and (b) above; and</li><li>(d) any legislation, regulations or guidance in Hong Kong that give effect to the matters outlined in the preceding (a) to (c) above</li></ul>
<b>“Accounting Date”</b>	the 31 <sup>st</sup> day of December in each year or, in respect of any Sub-Fund, such other date or dates in each year as the Directors may from time to time select. The first Accounting Date of the Company is 31 December 2025
<b>“Accounting Period”</b>	a period commencing on the date of incorporation of the Company or establishment of the relevant Sub-Fund (as the case may be) or on the date next following an Accounting Date and ending on the next succeeding Accounting Date or the date when the Company completes its winding-up or the termination date of the relevant Sub-Fund (as the case may be)
<b>“Administrator”</b>	unless otherwise stated in the relevant Appendix for a particular Sub-Fund, CMB Wing Lung (Trustee) Limited or such other person, firm or corporation appointed to act and for the time being acting as administrator of the Company and/or one or more Sub-Fund(s)
<b>“Administration</b>	the agreement by which the Administrator is appointed to act as

<b>Agreement”</b>	administrator of the Company and the Sub-Fund(s), as amended from time to time
<b>“Amortisation Period”</b>	the first five Accounting Periods from the date of launch of the Company and/or a Sub-Fund (as applicable) or such other period as specified in the relevant Appendix over which the establishment costs of the Company and/or such Sub-Fund (as applicable) will be amortised
<b>“Appendix”</b>	the appendix containing specific information in relation to the Sub-Fund or a Class or Classes of Shares in relation thereto which is enclosed with this Prospectus and which forms part of this Prospectus
<b>“Application Form”</b>	the prescribed application form for the subscription of Shares, and for the avoidance of doubt, the Application Form does not form part of this Prospectus
<b>“Auditors”</b>	KPMG or the person appointed and acting as auditor of the Company for the time being
<b>“Authorised Distributor”</b>	any person appointed by the Company to distribute Shares of some or all of the Sub-Fund(s) to potential investors
<b>“Base Currency”</b>	in relation to a Sub-Fund, means the currency of account of the Sub-Fund as specified in the relevant Appendix
<b>“Business Day”</b>	unless otherwise stated in the relevant Appendix for a particular Sub-Fund, a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for normal banking business or such other day or days as the Manager and the Custodian may agree from time to time, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day will not be a Business Day unless the Manager and the Custodian determine otherwise
<b>“China”, “Mainland China” or “PRC”</b>	the People’s Republic of China excluding Hong Kong, Macau and Taiwan for purpose of this Prospectus
<b>“Class”</b>	any class of Shares in issue in relation to a Sub-Fund
<b>“Class Currency”</b>	in relation to a Class of Shares in a Sub-Fund, means the currency of denomination of such Class as specified in the relevant Appendix
<b>“Company”</b>	SDICSI (Hong Kong) Open-ended Fund Company  國證國際(香港)開放式基金型公司
<b>“Connected Person”</b>	in relation to a company, means:  (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)
<b>“Conversion Form”</b>	the prescribed conversion form for the conversion of Shares, and for the avoidance of doubt, the Conversion Form does not form part of this Prospectus
<b>“Custodian”</b>	unless otherwise stated in the relevant Appendix for a particular Sub-Fund, CMB Wing Lung (Trustee) Limited or such other person, firm or corporation appointed to act and for the time being acting as custodian of the Company and/or one or more Sub-Fund(s), or where the context requires, the Custodian(s) acting or taking responsibility collectively
<b>“Custody Agreement”</b>	the agreement by which the Custodian is appointed to act as custodian of the Company and the Sub-Fund(s), as amended from time to time
<b>“Dealing Day”</b>	in relation to a Sub-Fund, each Business Day or such other day or days as the Directors may from time to time determine, and as specified in the relevant Appendix
<b>“Dealing Deadline”</b>	in relation to a Dealing Day, such time by which a request for dealing in Shares of a Sub-Fund or a Class of Shares must be received either on such Dealing Day or on such other Business Day or day as the Directors may from time to time determine, and as specified in the relevant Appendix
<b>“Directors”</b>	the directors of the Company for the time being or the directors of the Company present at a meeting of directors at which a quorum is present and includes any committee of the Directors duly constituted for the purposes relevant in the context in which any reference to the Directors appears or the members of such committee present at a meeting of such committee at which a quorum is present, and <b>“Director”</b> shall be construed accordingly
<b>“entities within the same group”</b>	entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards
<b>“FDIs”</b>	financial derivative instruments
<b>“FMCC”</b>	the Fund Manager Code of Conduct issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC

<b>“government and other public securities”</b>	has the meaning as set out in the UT Code which as at the date of this Prospectus means any investment issued by, or the payment of principal and interest on which is guaranteed by, a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies
<b>“HK\$” or “HKD”</b>	Hong Kong Dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People's Republic of China
<b>“Ineligible Investor”</b>	any person, corporation, or other entity who is a US person and for this purpose, a <b>“US person”</b> is defined as (i) an individual who is a United States citizen, a US green card holder, or a resident of the United States for US federal income tax purposes, (ii) a corporation or partnership organised under the laws of the United States or any political subdivision thereof, or (iii) an estate or trust, the income of which is subject to US federal income taxation regardless of its source
<b>“Initial Offer Period”</b>	in relation to a Sub-Fund or a Class or Classes of Shares, such period as the Directors may determine for the purpose of making an initial offer of Shares of such Sub-Fund or such Class or Classes and as specified in the relevant Appendix (if applicable)
<b>“Initial Offer Price”</b>	the price per Share during the Initial Offer Period as determined by the Manager and as specified in the relevant Appendix (if applicable)
<b>“IFRS”</b>	the International Financial Reporting Standards issued by the International Accounting Standards Board
<b>“Instrument of Incorporation”</b>	the instrument of incorporation of the Company filed to the Companies Registry of Hong Kong on, and effective as of, 23 October 2024, including its Schedules, as amended from time to time
<b>“Interim Accounting Date”</b>	the 30 <sup>th</sup> day of June in each year or such other date or dates in each year as the Directors may from time to time determine. The first Interim Accounting Date of the Company is 30 June 2025
<b>“Investment Delegate”</b>	in relation to a Sub-Fund, an entity that has been delegated the investment management function of all or part of the assets of the Sub-Fund, the details of which are as specified in the relevant Appendix (if applicable)
<b>“Issue Price”</b>	the issue price of a Share of a particular Class after the expiry of the Initial Offer Period calculated in accordance with the Instrument of Incorporation and as described in section headed <b>“Subscription of Shares - Issue Price”</b> below
<b>“IOP Deadline”</b>	12:00 p.m. (Hong Kong time) on the last Business Day of the Initial Offer Period of a Sub-Fund or a particular Class of Shares or such other time on such Business Day or such other day as the Directors

	may from time to time determine and as specified in the relevant Appendix
<b>“Laws and Regulations”</b>	all applicable laws and regulations including the SFO, the OFC Rules, the OFC Code, the Products Handbook (including the UT Code) and the FMCC
<b>“Management Agreement”</b>	the agreement by which the Manager is appointed to act as manager of the Company and the Sub-Fund(s), as amended from time to time
<b>“Manager”</b>	SDICS International Asset Management (Hong Kong) Limited in its capacity as the investment manager of the Company and its Sub-Fund(s) or such other entity as may be appointed from time to time as the investment manager of the Company and its Sub-Fund(s)
<b>“Minimum Initial Subscription Amount”</b>	the minimum initial investment for Shares in a Sub-Fund or a Class of Shares and as specified in the relevant Appendix
<b>“Minimum Holding Amount”</b>	the minimum number or value of Shares of any Sub-Fund or Class of Shares which must be held by any Shareholder and as specified in the relevant Appendix
<b>“Minimum Redemption Amount”</b>	the minimum number or value of Shares of any Sub-Fund or Class of Shares to be redeemed by any Shareholder in respect of a partial redemption of Shares and as specified in the relevant Appendix
<b>“Minimum Subscription Level”</b>	in relation to a Sub-Fund or a Class of Shares, the total minimum subscription amount, if applicable, to be received on or prior to the close of the Initial Offer Period and as specified in the relevant Appendix
<b>“Minimum Subsequent Subscription Amount”</b>	the minimum additional subscriptions for Shares in a Sub-Fund or a Class of Shares and as specified in the relevant Appendix
<b>“Net Asset Value”</b>	in relation to a Sub-Fund means the net asset value of such Sub-Fund or, as the context may require, of a Class of Shares or a Share of such Sub-Fund or a Share of the Class or Classes relating to such Sub-Fund, calculated in accordance with the provisions of the Instrument of Incorporation and as summarised in the section headed “ <i>Valuation and suspension - Calculation of Net Asset Value</i> ” below
<b>“OFC Code”</b>	the Code on Open-ended Fund Companies issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC
<b>“OFC Rules”</b>	the Securities and Futures (Open-ended Fund Companies) Rules (Chapter 571AQ of the Laws of Hong Kong), as amended from time to time
<b>“Ordinary Resolution”</b>	a resolution of the Company in general meeting or of a Class meeting or a Sub-Fund meeting (as the case may be) passed by a simple majority of the votes validly cast for and against the resolution at such

meeting in accordance with Rule 88 of the OFC Rules

<b>“Payment Period”</b>	no later than the Dealing Deadline of the relevant Dealing Day on which a subscription is made and the relevant Shares are issued or such other period as the Manager with the approval of the Custodian may determine within which payment for Shares issued for cash after the Initial Offer Period for such Shares is due, as specified in the relevant Appendix
<b>“Products Handbook”</b>	the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC
<b>“Prospectus”</b>	this Prospectus including the Appendix or Appendices, as each may be amended, updated or supplemented from time to time
<b>“Transfer Agent”</b>	the entity responsible for processing the application, conversion and redemption requests of a Sub-Fund and unless otherwise notified by the Manager, shall mean the Administrator
<b>“Redemption Charge”</b>	the redemption charge (if any) payable upon redemption of Shares and as specified in the relevant Appendix
<b>“Redemption Form”</b>	the prescribed redemption form for the redemption of Shares, and for the avoidance of doubt, the Redemption Form does not form part of this Prospectus
<b>“Redemption Price”</b>	the price at which Shares will be redeemed as determined in accordance with the Instrument of Incorporation and as described in the section headed “ <b>Redemption of Shares - Redemption Price</b> ” below
<b>“Refund Period”</b>	14 Business Days from the relevant Dealing Day or close of the relevant Initial Offer Period (as the case may be) or such other period as specified in the relevant Appendix, within which subscription moneys in respect of an application which was rejected or a Sub-Fund or a Class of Shares which was not launched will be returned to the relevant applicant
<b>“Registrar”</b>	unless otherwise stated in the relevant Appendix for a particular Sub-Fund, CMB Wing Lung (Trustee) Limited in its capacity as the registrar of the Company and its Sub-Fund(s) or such other entity as may be appointed from time to time as registrar of the Company and its Sub-Fund(s)
<b>“Renminbi” or “RMB”</b>	the lawful currency of the People’s Republic of China
<b>“Reverse Repurchase Transactions”</b>	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

<b>“Sale and Repurchase Transactions”</b>	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
<b>“Scheme Property”</b>	the property of the Company
<b>“Securities Financing Transactions”</b>	collectively Securities Lending Transactions, Sale and Repurchase Transactions and Reverse Repurchase Transactions
<b>“Securities Lending Transactions”</b>	transactions whereby a Sub-Fund lends its securities to a security-borrowing counterparty for an agreed fee
<b>“Securities Market”</b>	any stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which such securities are regularly traded
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong
<b>“SFO”</b>	the Securities and Futures Ordinance, Laws of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended
<b>“Share”</b>	a voting, participating share in the Company
<b>“Shareholder”</b>	a person registered as a holder of a share in the capital of the Company
<b>“Special Resolution”</b>	a resolution of the Company in general meeting or of a Class meeting or Sub-Fund meeting (as the case may be) passed by a majority of at least 75 per cent. of the votes validly cast for and against the resolution at such meeting in accordance with Rule 89 of the OFC Rules
<b>“Sub-Fund”</b>	a separate part of the Scheme Property that is invested and administered separately
<b>“Subscription Charge”</b>	the subscription charge (if any) payable on the issue of Shares and as specified in the relevant Appendix
<b>“substantial financial institution”</b>	has the meaning as set out in the UT Code
<b>“Switching Fee”</b>	the switching fee (if any) payable on the conversion of Shares and as specified in the relevant Appendix
<b>“U.S.”</b>	the United States of America
<b>“US\$” or “USD”</b>	U.S. Dollars, the lawful currency of the U.S.
<b>“UT Code”</b>	Section I - the Overarching Principles Section and Section II - Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes

and Unlisted Structured Investment Products or any handbook, guideline and code issued by the SFC, as may be amended from time to time

**“Valuation Day”**

each Business Day on which the Net Asset Value of a Sub-Fund and/or the Net Asset Value of a Share or a Class of Shares falls to be calculated and in relation to each Dealing Day of any Class or Classes of Shares means either such Dealing Day or such other Business Day or day as the Directors may from time to time determine, either generally or in relation to a particular Sub-Fund, and as specified in the relevant Appendix

**“Valuation Point”**

unless otherwise stated in the relevant Appendix for a particular Sub-Fund, the close of business in the last relevant market to close on a relevant Valuation Day or such other time on that day or such other day as the Directors may determine from time to time either generally or in relation to a particular Sub-Fund, and as specified in the relevant Appendix.

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## THE COMPANY

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### **The Company**

The Company is a Hong Kong public open-ended fund company with variable capital and limited liability regulated under the SFO. The Company is established with an umbrella structure and the Sub-Fund(s) of the Company have segregated liability. The Company was incorporated pursuant to the Instrument of Incorporation. All Shareholders are entitled to the benefit of, are bound by and deemed to have undertaken to observe the provisions of the Instrument of Incorporation.

### **The Sub-Fund(s)**

The Company is organised as an umbrella fund and details of each of its current Sub-Fund(s) and/or their respective Class or Classes of Shares are set out in the relevant Appendix.

Each Sub-Fund is established as a separate pool of assets under the Instrument of Incorporation. The assets of a Sub-Fund belong exclusively to the Sub-Fund and shall not be used to discharge liabilities of, or the claims against, any other person including the Company and any other Sub-Fund. Any liability incurred on behalf of, or attributable to, a Sub-Fund may only be discharged out of the assets of such Sub-Fund. Without prejudice to the foregoing, the Directors may allocate assets or liabilities that (i) the Company receives or incurs on behalf of the Sub-Fund(s) or in order to enable the operation of the Sub-Fund(s); and (ii) are not attributable to any particular Sub-Fund, between the Sub-Fund(s) in a manner that the Directors reasonably believe is fair to the Shareholders generally.

Subject to any applicable regulatory requirements and SFC approval (if required), the Directors may in their sole discretion create further Sub-Fund(s) or determine to issue additional Class(es) or multiple Classes in relation to each Sub-Fund in the future.

The Base Currency of a Sub-Fund will be set out in the relevant Appendix. Each Class of Shares within a Sub-Fund will be denominated in the Class Currency thereof, which may be the Base Currency of the Sub-Fund to which such Class relates or such other currency of account as specified in the relevant Appendix.

Currency Hedged Class of Shares (where "Hedged" is indicated in the name of the Class) may be offered for each Sub-Fund. The Manager may hedge the currency exposure of a Class denominated in a currency other than the Base Currency of a Sub-Fund against that Sub-Fund's Base Currency, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Class Currency and the Base Currency of that Sub-Fund. As this type of foreign exchange hedging may be utilised for the benefit of a particular Currency Hedged Class of Shares, its costs and resultant profit or loss on the hedging transaction shall be for the account of that Currency Hedged Class of Shares only. Investors should note that the additional costs associated with this form of hedging include transaction costs relating to the instruments and contracts used to implement the hedge. The costs and the resultant profit or loss on the hedged transaction will be reflected in the Net Asset Value per Share of the relevant Currency Hedged Class of Shares.

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## MANAGEMENT AND ADMINISTRATION OF THE COMPANY

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### Directors

The Directors of the Company are PENG Denghua, CHEN Ning (CE No.: AYF260) and LAI Ka Yan, Andrea (CE No.: AMA243). Please refer to their biographies set out in the section headed “- **Directors of the Manager**” below.

The remuneration (if any) payable to the Directors is set out in the section headed “**Fees and Expenses - Directors’ remuneration**” below. The Directors may fix the emoluments of Directors with respect to services to be rendered in any capacity to the Company.

Pursuant to the Instrument of Incorporation, the Company shall indemnify each Director or former Director against all costs, charges, losses, expenses and liabilities incurred by such Director in the execution and/or discharge of the Director or former Director’s duties and/or the exercise of the Director’s or former Director’s powers and/or otherwise in relation to or in connection with the Director’s or former Director’s duties, powers or office. No provision in the Instrument of Incorporation shall be construed as (i) providing any exemption of any liability of the Directors to the Company or the Shareholders under Hong Kong law or for breaches of trust through fraud or negligence, nor may the Directors be indemnified against such liability by the Company or the Shareholders or at the Company’s or the Shareholders’ expense; (ii) diminishing or exempting the Directors from any of their duties and liabilities under the applicable Laws and Regulations, and the letters of appointment of the Directors may not contain any provision to the effect of providing any of such exemption or indemnity.

The Company may also take out, and pay for, insurance policies for the benefit of the Directors against: (i) any liability to any person attaching to the Directors in connection with any negligence, default, breach of duty or breach of trust in relation to the Company; or (ii) any liability incurred by the Directors in defending any proceedings (whether civil or criminal) taken against the Directors for any negligence, default, breach of duty or breach of trust in relation to the Company.

The Directors are entitled to, and have delegated, the day-to-day operations of the Company to service providers including the Manager (and the Administrator as its delegate) and the Custodian. In performing their duties, the Directors are entitled to rely upon, and generally rely upon the work performed by, and information received from, such service providers.

The Directors should use reasonable care, skill and diligence to oversee the activities of the Manager and the Custodian as part of their overall duty to oversee the operations of the Company.

### Manager

The Manager of the Company is SDICS International Asset Management (Hong Kong) Limited (formerly known as Essence Asset Management (Hong Kong) Limited).

The Manager is a limited liability company incorporated in Hong Kong on 29 October 2009. The Manager is principally engaged in fund management, investment advisory and discretionary account management services.

The Manager is a wholly-owned subsidiary of SDIC Securities International Financial Holdings Limited (formerly known as Essence International Financial Holdings Limited) which is in turn indirectly owned

by SDIC Capital Co., Ltd. (600061.SH) (“**SDIC Capital**”). SDIC Capital is a financial holding platform that owns business licenses of securities, trust, fund, futures and insurance, etc.

The Manager is licensed by the SFC for Type 4 (advising on securities) and Type 9 (asset management) regulated activities with CE number AVI139. The Manager’s Type 4 and Type 9 licenses are not subject to conditions imposed by the SFC.

The Company has appointed the Manager to manage the assets of the Company (i.e. to carry out investment management functions) and to provide asset valuation, pricing, administrative and other functions in respect of the Company and the Sub-Fund(s), pursuant to the Management Agreement.

The Manager may appoint one or more Investment Delegates and delegate any of its investment management functions in relation to assets of specific Sub-Fund(s) to such Investment Delegate subject to prior SFC approval (if required). In the event that an Investment Delegate is appointed by the Manager in respect of an existing Sub-Fund, at least one month’s prior notice will be provided to Shareholders of such Sub-Fund and this Prospectus and/or the relevant Appendix will be updated to include such appointment.

Where the investment management functions in respect of a Sub-Fund are delegated to one or more Investment Delegates, the Manager will conduct on-going supervision and regular monitoring of the competence of such Investment Delegates to ensure that the Manager’s accountability to investors is not diminished, and although the investment management role of the Manager may be sub-contracted to third parties, the responsibilities and obligations of the Manager may not be delegated.

The Manager may appoint other investment advisers to provide investment advisory service to any of the Sub-Fund(s) from time to time and, unless otherwise stated in the relevant Appendix for a Sub-Fund, the remuneration of such investment advisers will be borne by the Manager from the management fee.

The Manager may delegate its asset valuation, pricing, administrative and other functions to others in accordance with the Management Agreement. Unless otherwise stated in an Appendix for a Sub-Fund, the asset valuation functions in respect of the Company and the Sub-Fund(s) have been delegated to the Administrator pursuant to the Administration Agreement.

Under the Management Agreement, the Manager and its directors, officers, servants, agents and delegates shall be entitled for the purpose of indemnity against all actions proceedings claims costs demands and expenses which may be brought against suffered or incurred by the Manager by reason of its performance or non-performance of its obligations or functions under the terms of the Management Agreement (other than due to fraud, bad faith, wilful default, negligence or misconduct on the part of the Manager or persons designated by it) including all legal professional and other expenses incurred by the Manager or persons designated by it in the performance of its obligations or functions and including indemnity obligations owed by the Manager to persons designated by it (except such as shall arise from fraud, bad faith, wilful default, negligence or misconduct on the part of the Manager in the performance or non-performance of such obligations or functions). For the purpose of indemnity for the Manager discharging its functions or performing its obligations relating to a Sub-Fund, the Manager shall not have recourse to the assets of any other Sub-Fund(s). Notwithstanding the foregoing, neither the Manager nor the person designated by it shall be indemnified against any liability to the Company or the Shareholders of the Company imposed under the laws of Hong Kong or breaches of trust through fraud or negligence on the part of the Manager or persons designated by it, by the Company or the Shareholders or at the Company or the Shareholders’ expense, and no provision in the Management Agreement or the Instrument of Incorporation shall be construed as diminishing or exempting the Manager from any of its duties and liabilities under the applicable Laws and Regulations, and the Management Agreement may not contain any provision to the effect of providing any of such exemption or indemnity.

The Manager may retire on one month's written notice pursuant to the Management Agreement. The Manager must retire when it ceases to be eligible to be a Manager, or is prohibited from being a Manager under the applicable Laws and Regulations, or when the SFC withdraws its approval of the Manager. The Manager is subject to removal by notice in writing from the Directors where:

- the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation), becomes bankrupt or has a receiver appointed over its assets or if some event having an equivalent effect occurs;
- for good and sufficient reason, the Directors state in writing that a change in the Manager is desirable in the interests of the Shareholders; or
- if the Manager shall commit any material breach of its obligations under the Management Agreement and (if such breach shall be capable of remedy) shall fail within 30 days of receipt of notice served by the Company requiring it so to do to make good such breach.

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

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

The Manager will be entitled to the fees set out in the section headed "**Fees and Expenses - Management fee**" below and in the relevant Appendix, and to be reimbursed for all costs and expenses in accordance with the provisions of the Management Agreement.

### **Directors of the Manager**

Details of the directors of the Manager are as follows:

#### ***PENG Denghua***

Mr. Peng is currently the Chief Executive Officer of SDIC Securities International Financial Holdings Limited (formerly known as Essence International Financial Holdings Limited). He holds a master degree and bachelor degree in Management from Southwestern University of Finance and Economics. He joined Debt Capital Markets Division in GF Securities Co., Ltd in 2010 then joined SDIC Securities Co., Ltd (formerly known as Essence Securities Co. Ltd) in 2016 and became the head of Debt Capital Markets and was one of the committee members of the Investment Banking Debt Financing Committee. He then became a General Manager of the Investment Banking Debit Capital Markets in Beijing. He joined SDIC Securities International Financial Holdings Limited in 2024 as a Director and acted as Chief Executive Officer. He has extensive experience in investment banking.

#### ***ZENG Desheng***

Mr. Zeng is currently the Deputy Chief Executive Officer of SDIC Securities International Financial Holdings Limited (formerly known as Essence International Financial Holdings Limited). He holds a master degree in Accounting from Xiamen University and a bachelor degree in Accounting from Jimei University. Over the course of his career for more than 15 years at SDIC Securities Co., Ltd (formerly known as Essence Securities Co. Ltd) since he joined in 2007, he has held various positions, including Board Affairs Manager and Shareholder Relations Manager in the Board Office. With extensive experience in financial management and corporate governance, he has developed strong expertise in

these areas.

### ***CHEN Ning***

Ms. Chen is currently the Assistant Chief Executive Officer of SDIC Securities International Financial Holdings Limited (formerly known as Essence International Financial Holdings Limited) and is one of the directors of the Manager and SDICS International Investment (Hong Kong) Limited (formerly known as Essence Securities Investment (Hong Kong) Limited). She holds a Fudan-MIT International Master of Business Administration from the Fudan University. Ms. Chen has over 25 years of extensive experience in the financial industry. Prior to joining SDIC Securities International Financial Holdings Limited, Ms. Chen started off as an equity analyst in China at Industrial Securities Co., Ltd. from September 1998 to August 2000. She subsequently joined BOCI Asia Limited as manager in September 2000 focusing on financial advisory, and later joined the International Business Division of Everbright Securities Company Limited in China as a Director from September 2002 to October 2006, mainly responsible for investment banking business. She joined SDIC Securities International Financial Holdings Limited in 2011 and was initially responsible for the institutional sales business and was later promoted to Assistant Chief Executive Officer in June 2015. Ms Chen was then appointed to responsible for the asset management business in September 2020.

### ***LAI Ka Yan, Andrea***

Ms. Lai obtained a Bachelor of Arts degree in Economics from the University of California, Los Angeles, and a Master of Laws degree in Compliance and Regulation from the University of Hong Kong. She is currently one of the directors of the Manager. Ms. Lai has over 20 years of experience in the fund management industry. She began her career as an analyst for a fixed-income portfolio management system at Wilshire Associates, an investment management company in the United States, before returning to Hong Kong. Prior to joining the Manager, she worked as a fund manager at Haitong International Securities Group Limited (海通國際證券集團有限公司). In particular she has previously managed the flagship "Haitong Hong Kong SAR Fund", which received the "Best Equity Hong Kong Mandatory Provident Fund over 5 years" award at the Lipper Fund Awards for 4 consecutive years from 2007 to 2010.

### **Custodian**

Unless otherwise stated in the relevant Appendix for a particular Sub-Fund, the Company has appointed CMB Wing Lung (Trustee) Limited to act as custodian of the Company and each Sub-Fund pursuant to the Custody Agreement.

The Custodian is incorporated with limited liability in Hong Kong in 1972 and is registered as a trust company under the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) and a licensed trust or company service provider (TCSP Licence No. TC004338). The Custodian is a wholly-owned subsidiary of CMB Wing Lung Bank Limited, a licensed bank (CE No. AAF294) under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Under the Custody Agreement, the Custodian is responsible for the safekeeping of the Scheme Property, subject to the provisions of the Instrument of Incorporation and all applicable laws and regulations including the SFO.

The Custodian may appoint a person or persons (including a connected person of the Custodian) to be agent, sub-contractor, nominee and/or sub-custodian to hold certain assets of the Sub-Fund and may empower its appointed sub-custodian to further appoint nominees, agents and/or delegates provided that such appointment is made (i) with the prior consent in writing of the Custodian; (ii) with the Custodian's agreement in writing; or (iii) with no objection in writing by the Custodian.

The Custodian shall be liable for the acts and omissions of nominees, agents and delegates in relation to assets forming part of the Scheme Property, provided that the Custodian shall have no responsibility for any act, omission, insolvency, liquidation or bankruptcy of any central securities depository or clearing system. The Custodian shall be liable for the acts and omissions of its nominees, agents and delegates which are connected persons of the Custodian as if the same were the acts or omissions of the Custodian. For the purpose of satisfying these obligations in respect of a nominee, agent or delegate that is not a connected person of the Custodian, the Custodian shall (i) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of its nominees, agents and delegates; and (ii) be satisfied that the nominees, agents and delegates retained remain suitably qualified and competent to provide the relevant service.

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

Under the Custody Agreement, the Company agrees to indemnify the Custodian and its officers, employees and delegates (as defined in the Custody Agreement) (each an "**Indemnified Person**") against all liabilities suffered or incurred by the Custodian and the Indemnified Person in connection with its duties or services under the Custody Agreement, including but not limited to liabilities incurred as a result of the acts or omissions of the Company, the Sub-Fund or any other person in connection with the Custody Agreement, provided that nothing in the Custody Agreement excludes or limits the liability to the Company which the Custodian may have under the applicable Laws and Regulations.

No provision in the Custody Agreement or the Instrument of Incorporation shall be construed as (i) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law or breaches of trust through fraud or negligence, nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders' expense, or (ii) diminishing or exempting the Custodian from any of its duties and liabilities under the applicable Laws and Regulations, and the Custody Agreement shall not contain any provision to the effect of providing any of such exemption or indemnity.

The Custodian must retire when it ceases to be eligible to be a Custodian, or is prohibited from being a Custodian under the applicable Laws and Regulations, or when the SFC withdraws its approval of the Custodian. The Custodian is subject to removal by notice in writing from the Directors where:

- the Custodian goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation), becomes bankrupt or has a receiver appointed over its assets or if some event having an equivalent effect occurs;
- for good and sufficient reason, the Directors state in writing that a change in the Custodian is desirable in the interests of the Shareholders;

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

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

If the Custodian ceases to be a custodian of the Company or the relevant Sub-Fund of the Company (other than by virtue of an order of the court made under section 213 of the SFO), the Company must give notice in writing to the SFC within 15 days after the cessation, as required under Rule 118(2) of the OFC Rules.

The Custodian will be entitled to the fees described in the section headed “**Fees and Expenses – Administrator’s and Custodian’s fee**” below and in the relevant Appendix, and to be reimbursed for all costs and expenses in accordance with the provisions of the Custody Agreement.

### **Administrator**

Unless otherwise stated in the relevant Appendix for a particular Sub-Fund, the Company has appointed CMB Wing Lung (Trustee) Limited to act as administrator of the Company and each Sub-Fund pursuant to the Administration Agreement.

Under the Administration Agreement, the Administrator shall carry out certain administrative functions and other services in relation to the Sub-Fund on its behalf and is responsible for, among other things: (i) calculating the Net Asset Value of the Sub-Fund and Net Asset Value per Share of any Class relating to the Sub-Fund, and (ii) the general administration of the Sub-Fund, which includes the proper book keeping of the Sub-Fund, and (iii) arranging the administration of the issue and redemption of Shares of the Sub-Fund.

The Administrator will be entitled to the fees described in the section headed “**Fees and Expenses – Administrator’s and Custodian’s fee**” below and in the relevant Appendix, and to be reimbursed for all costs and expenses in accordance with the provisions of the Administration Agreement.

### **Auditors**

The Manager has appointed KPMG to act as auditors of the Company and the Sub-Fund(s). The Auditors are independent of the Company, the Manager, the Investment Delegate(s) and the Custodian.

### **Authorised Distributors**

The Company may appoint one or more Authorised Distributor(s) to market, promote, sell and/or distribute Shares of one or more Sub-Fund(s), and to receive applications for subscription, redemption and/or conversion of Shares.

Where application for Shares is made by an applicant through an Authorised Distributor, Shares may be registered in the name of the Authorised Distributor or a nominee company of the Authorised Distributor. As a result of this arrangement, the applicant will be dependent on the person in whose name the applicant’s Shares are registered to take action on his/her behalf. As the Authorised Distributor (or its nominee) is the Shareholder of the relevant Sub-Fund, the Company shall not be responsible for any arrangements between the relevant applicant and the Authorised Distributor regarding the subscription, holding and redemption of Shares and any related matters, as well as any costs or losses that may arise therefrom. The Company will, however, take reasonable care in the selection and appointment of Authorised Distributor(s).

Investors who apply for subscription, redemption and/or conversion of Shares through Authorised Distributor(s) should note that such Authorised Distributor(s) may impose earlier dealing deadlines for receiving instructions for subscriptions, redemptions or conversions. Investors should pay attention to the arrangements of the Authorised Distributor(s) concerned.

The Company or the Manager may pay or share any of the fees received by them (including any

Subscription Charge, Redemption Charge, Switching Fee and management fees) with such Authorised Distributor(s). 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 Company or the Sub-Fund(s) will not be paid from the assets of the Company or the Sub-Fund(s).

**Other Service Providers**

The Company may appoint other service providers to provide services in respect of a Sub-Fund. Details of such other service providers (if any) are set out in the relevant Appendix..

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## INVESTMENT CONSIDERATIONS

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### Investment objective and policies

The investment objective and policies of each Sub-Fund and specific risks, as well as other important details, are set forth in the Appendix hereto relating to the Sub-Fund.

There may not be any fixed asset allocation by geographical locations for certain Sub-Fund(s). The expected asset allocations for a Sub-Fund (if any) are for indication only. In order to achieve the investment objectives, the actual asset allocations may in extreme market conditions (such as economic downturn or political turmoil in the markets in which a substantial portion of the assets of a Sub-Fund is invested or changes in legal or regulatory requirements or policies) vary significantly from the expected asset allocations.

Any changes in the investment objective and/or policy which are material changes will be subject to the prior approval of the SFC and notified to the affected Shareholders by at least one month's prior written notice (or such other notice period as agreed with the SFC). Set out below are the overriding principles and requirements that must be satisfied in order for any changes to be classified as immaterial changes:

- (a) the changes do not amount to a material change to the relevant Sub-Fund;
- (b) there will be no material change or increase in the overall risk profile of the relevant Sub-Fund following the changes; and
- (c) the changes do not have a material adverse impact on rights or interests of Shareholders of the relevant Sub-Fund (including changes that may limit ability of Shareholders of the relevant Sub-Fund in exercising their rights).

### Investment restrictions

The Instrument of Incorporation sets out the restrictions on the acquisition of certain investments by the Company. The Instrument of Incorporation provides among others that, unless an approval, permission or waiver has been obtained from the SFC, the following principal investment restrictions apply to each Sub-Fund under the Company authorised by the SFC:

- (A) the aggregate value of the Sub-Fund's investments in, or exposure to, any single entity through the following may not exceed 10 per cent. of its total Net Asset Value, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the UT Code:
  - (1) investments in securities issued by that entity;
  - (2) exposure to that entity through underlying assets of FDIs; and
  - (3) net counterparty exposure to that entity arising from transactions of over-the-counter FDIs,

for the avoidance of doubt, the restrictions and limitations on counterparty as set out in subparagraphs (A)(3) above and (B)(3) below and Chapter 7.28(c) of the UT Code will not apply to FDIs that are: (i) transacted on an exchange where the clearing house performs a central

counterparty role; and (ii) marked-to-market daily in the valuation of their FDI positions and subject to margining requirements at least on a daily basis;

- (B) subject to paragraph (A) above and Chapter 7.28(c) of the UT Code, the aggregate value of the Sub-Fund's investments in, or exposure to, entities within the same group through the following may not exceed 20 per cent. of its total Net Asset Value:
- (1) investments in securities issued by those entities;
  - (2) exposure to those entities through underlying assets of FDIs; and
  - (3) net counterparty exposure to those entities arising from transactions of over-the-counter FDIs;
- (C) the value of the Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20 per cent. of its total Net Asset Value, 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;
  - (2) the cash is proceeds from liquidation of investments prior to the merger or termination of the Sub-Fund, whereby the placing of cash deposits with various financial institutions would not be in the best interests 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 would be unduly burdensome and the cash deposits arrangement would not compromise investors' interests.

For the purpose of this paragraph, "**cash deposits**" generally refer to those that are repayable on demand or have the right to be withdrawn by the Sub-Fund and not referable to provision of property or services;

- (D) ordinary shares issued by a single entity held for the account of the Sub-Fund, when aggregated with other holdings of ordinary shares issued by the same entity held for the account of all other Sub-Fund(s) collectively, may not exceed 10 per cent. of the nominal amount of the ordinary shares issued by the entity;
- (E) not more than 15 per cent. of the total Net Asset Value of the Sub-Fund may be invested in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a Securities Market;
- (F) notwithstanding paragraphs (A), (B), (D) and (E) above, where direct investment by the Sub-Fund in a market is not in the best interests of investors, the Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:
- (1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the UT Code;

- (2) any increase in the overall fees and charges directly or indirectly borne by the Shareholders or the Sub-Fund as a result must be clearly disclosed in this Prospectus; and
  - (3) the Sub-Fund must produce reports as required under Chapter 5.10(b) of the UT Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund;
- (G) notwithstanding paragraphs (A), (B) and (D) above, not more than 30 per cent. of the total Net Asset Value of the Sub-Fund may be invested in government and other public securities of the same issue, except, for a Sub-Fund which has been authorised by the SFC as an index fund, such limit may be exceeded with the approval of the SFC;
- (H) subject to paragraph (G) above, the Sub-Fund may fully invest in government and other public securities in at least six different issues, and subject to the approval of the SFC, a Sub-Fund which has been authorised by the SFC as an index fund may invest in any number of different issues. For the avoidance of doubt, government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise;
- (I) where the Sub-Fund invests in shares or units in other collective investment schemes ("**underlying schemes**"),
- (1) the value of the Sub-Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC may not in aggregate exceed 10 per cent. of its total Net Asset Value;
  - (2) the Sub-Fund may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Sub-Fund's investment in units or shares in each such underlying scheme may not exceed 30 per cent. of its total Net Asset Value, unless the underlying scheme is authorised by the SFC, and its name and key investment information are disclosed in the relevant Appendix of the Sub-Fund,

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

- (a) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the UT Code,
- (b) where that underlying scheme's objective is to invest primarily in investment restricted by Chapter 7 of the UT Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the UT Code.

For the avoidance of doubt,

- (i) where the underlying schemes are managed by the Manager, or by other companies within the same group that the Manager belongs to, then paragraphs (A), (B), (D) and (E) above are also applicable to the investments of the underlying scheme;
- (ii) the Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the UT Code (except for hedge funds under Chapter 8.7 of

the UT Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined under the section headed “**Use of derivatives – Non-hedging (investment) purposes**”) does not exceed 100 per cent. of its total Net Asset Value, and Qualified Exchange Traded Funds in compliance with paragraph (1) and (2) above;

- (c) the objective of the underlying schemes may not be to invest primarily in other collective investment scheme(s);
- (3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its connected persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and
- (4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme;

For the avoidance of doubt, exchange traded funds that are:

- (1) authorised by the SFC under Chapter 8.6 or Chapter 8.10 of the UT Code; or
- (2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (a) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the UT Code; or (b) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the UT Code (“**Qualified Exchange Traded Funds**”),

may either be considered and treated as (i) listed securities for the purposes of and subject to the requirements in paragraphs (A), (B) and (D) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (I). However, the investments in exchange traded funds shall be subject to paragraph (E) above and the relevant investment limits in exchange traded funds by the Sub-Fund should be consistently applied and clearly disclosed in the relevant Appendix of the Sub-Fund;

- (J) the Sub-Fund may invest 90 per cent. or more of its total Net Assets Value in a single collective investment scheme and will be authorised as a feeder fund by the SFC. In this case:
  - (1) the underlying scheme (“**master fund**”) must be authorised by the SFC;
  - (2) this relevant Appendix of the Sub-Fund must state that:
    - (a) the Sub-Fund is a feeder fund into the master fund;
    - (b) for the purpose of complying with the investment restrictions, the Sub-Fund and its master fund will be deemed a single entity;
    - (c) the Sub-Fund's annual report must include the investment portfolio of the master fund as at the financial year-end date; and

- (d) the aggregate amount of all the fees and charges of the Sub-Fund and its master fund must be clearly disclosed;
- (3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, the Manager's annual fee, or any other costs and charges payable to the Manager or any of its connected persons borne by the Shareholders or by the Sub-Fund may result, if the master fund in which the Sub-Fund invests is managed by the same Manager or by its connected person; and
- (4) notwithstanding paragraph (1)(2)(c) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (1)(1) and (2) above;
- (K) if the name of the Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70 per cent. 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; and
- (L) if and for so long as a Sub-Fund is authorised pursuant to Section 104 of the SFO, any investment made for the account of the Sub-Fund in any collective investment scheme shall comply with the applicable restrictions under the UT Code.

#### ***Authorised money market funds***

In respect of any Sub-Fund to be authorised under Section 104 of the SFO and Chapter 8.2 of the UT Code which is known as a money market fund, the core requirements of Chapter 7 of the UT Code shall apply with the modifications, exemptions or additional requirements under Chapter 8.2 of the UT Code, including the following investment limitations or criteria (unless otherwise approved by the SFC):

- (A) subject to the provisions under this sub-section, the Sub-Fund may only invest in short-term deposits and high quality money market instruments, and up to 10 per cent. of its total Net Asset Value in other money market funds which are authorised by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;

For the purpose herein, "**money market instruments**" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account. Subject to the Paragraph (F) below, "money market instruments" may include asset-backed securities such as asset-backed commercial papers.

- (B) the Sub-Fund must maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of government and other public securities;

For the purposes herein:

- (1) "**weighted average maturity**" is a measure of the average length of time to maturity of all the securities in the Sub-Fund weighted to reflect the relative holdings in each

instrument; and is used to measure the sensitivity of the Sub-Fund to changing money market interest rates;

- (2) "**weighted average life**" is the weighted average of the remaining life of each security held in the Sub-Fund; and is used to measure the credit risk, as well as the liquidity risk; and
  - (3) periodic stress testing is expected to be carried out by the Manager in monitoring the Sub-Fund's liquidity, provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity;
- (C) notwithstanding the above, the aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity may not exceed 10 per cent. of the total Net Asset Value of the Sub-Fund except:
- (1) where the entity is a substantial financial institution and the total amount does not exceed 10 per cent. of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25 per cent.; or
  - (2) in the case of government and other public securities, up to 30 per cent. may be invested in the same issue; or
  - (3) in respect of any deposit of less than US\$1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size;
- (D) notwithstanding paragraphs (B) and (C) under the section headed "**- Investment restrictions**" above, the aggregate value of the Sub-Fund's investments in entities within the same group through instruments and deposits may not exceed 20 per cent. of its total Net Asset Value except:
- (1) in respect of any cash deposit of less than US\$1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size; or
  - (2) where the entity is a substantial financial institution and the total amount does not exceed 10 per cent. of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25 per cent.;
- (E) notwithstanding the borrowing limit as set out under the section headed "**- Borrowing restrictions**" below, the Sub-Fund may borrow up to 10 per cent. of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses;
- (F) the value of the Sub-Fund's holding of investments in the form of asset-backed securities may not exceed 15 per cent. of its total Net Asset Value;
- (G) subject to Chapter 7.32 to 7.38 of the UT Code, the Sub-Fund may engage in sale and repurchase, and reverse repurchase transactions in compliance with the following additional requirements:

- (1) the amount of cash received by the Sub-Fund under sale and repurchase transactions may not in aggregate exceed 10 per cent. of its total Net Asset Value;
  - (2) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15 per cent. of the Net Asset Value of the Sub-Fund;
  - (3) collateral received may only be cash, high quality money market instruments, and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and
  - (4) the holding of collateral, together with other investments of the Sub-Fund, must not contravene the investment limitations and requirements set out under this sub-section headed “- **Authorised money market funds**”;
- (H) the Sub-Fund may use FDIs for hedging purposes only;
  - (I) the currency risk of the Sub-Fund shall be appropriately managed and any material currency risk that arises from investments of the Sub-Fund that are not denominated in the base currency of the Sub-Fund shall be appropriately hedged.
  - (J) the Sub-Fund must hold at least 7.5 per cent. of its total Net Asset Value in daily liquid assets and at least 15 per cent. of its total Net Asset Value in weekly liquid assets;

For the purposes herein:

- (1) “**daily liquid assets**” refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and
- (2) “**weekly liquid assets**” refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities.

### **Investment prohibitions**

The Instrument of Incorporation sets out the prohibitions on the acquisition of certain investments by the Company. The Instrument of Incorporation provides among others that, unless an approval, permission or waiver has been obtained from the SFC, the following principal investment prohibitions apply to each Sub-Fund under the Company authorised by the SFC and each authorised Sub-Fund shall not:

- (A) invest in physical commodities 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;
- (B) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs)); and in the case of investments in such shares and REITs, they shall comply with the investment restrictions and limitations set out in paragraphs (A), (B), (D), (E) and (I) under the section headed “- **Investment restrictions**” above where applicable. For the avoidance of doubt, where investments are made in listed REITs, which are either companies

or collective investment schemes, then paragraphs (E) and (I) under the section headed “- **Investment restrictions**” above apply respectively;

- (C) make short sales if as a result the Sub-Fund would be required to deliver securities exceeding 10 per cent. of its total Net Asset Value provided that securities sold short must be actively traded on a market where short selling is permitted (and for this purpose no naked or uncovered short sale of securities must be carried out and the short selling must be carried out in accordance with the Laws and Regulations);
- (D) subject to paragraph (E) under the section headed “- **Investment restrictions**” above, lend or make a loan out of the assets of the Sub-Fund except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;
- (E) subject to Paragraph (E) under the section headed “- **Investment restrictions**” above, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the UT Code;
- (F) enter into any obligation on behalf of the Sub-Fund or acquire any asset or engage in any transaction for the account of the Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of holders of Shares of a Sub-Fund is limited to their investments in that Sub-Fund;
- (G) 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 per cent. 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 per cent. of those securities; or
- (H) invest in any security where a call is to be made for any sum unpaid on that security unless that call could be met in full out of cash or near cash from the Sub-Fund's Scheme Property whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in FDIs.

### **Borrowing restrictions**

The Instrument of Incorporation sets out the borrowing restrictions of the Company. The Instrument of Incorporation provides among others that, unless an approval, permission or waiver has been obtained from the SFC, no borrowing shall be made in respect of an authorised Sub-Fund which would result in the principal amount for the time being of all borrowings made for the account of the relevant Sub-Fund from time to time exceeding an amount equal to 10 per cent. of the total Net Asset Value of the relevant Sub-Fund (or such lower percentage prescribed by the UT Code and stated in the relevant Appendix of the Sub-Fund), provided always that back-to-back borrowings shall not be taken into account when determining whether or not these limits have been breached by the relevant Sub-Fund.

### **Breach of investment and borrowing restrictions**

If any of the investment and borrowing restrictions are breached, the Manager shall as a priority objective take all steps as are necessary within a reasonable period of time to remedy the situation, taking into account of the interests of the Shareholders of the relevant Sub-Fund.

### **Use of derivatives**

Subject to the UT Code and the provisions of the Instrument of Incorporation, the Manager shall have the power on behalf of each authorised Sub-Fund to agree and to enter into any FDI, provided that the exposure to the underlying assets of the FDIs, together with other investments of the relevant Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the UT Code.

### ***Hedging purposes***

An authorised Sub-Fund may acquire FDIs for hedging purpose. FDIs are generally considered as being acquired for hedging purpose if they meet all the following criteria:

- (A) they are not aimed at generating any investment return;
- (B) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss of risks arising from the investments being hedged;
- (C) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and
- (D) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

Hedging arrangement shall be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the relevant Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

### ***Non-hedging (investment) purposes***

An authorised Sub-Fund may acquire FDIs for non-hedging purposes ("**investment purposes**"), subject to the limit that the Sub-Fund's net exposure relating to these FDIs ("**net derivative exposure**") does not exceed 50 per cent. of its total Net Asset Value, except this limit may be exceeded for Sub-Fund(s) approved by the SFC under Chapter 8.8 (structured funds) or 8.9 (funds that invest extensively in financial derivative instruments) of the UT Code. For the avoidance of doubt:

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

### ***Restrictions applicable to FDIs***

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

- (A) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, government and other public securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. Where the Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in paragraphs (A), (B), (C) and (G) under the section headed “- **Investment restrictions**” above provided that the relevant index is in compliance with Chapter 8.6(e) of the UT Code;
- (B) the counterparties to transactions of over-the-counter FDIs or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;
- (C) subject to paragraphs (A) and (B) under the section headed “- **Investment restrictions**” above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10 per cent. of the Net Asset Value of the relevant Sub-Fund. The exposure of the Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and
- (D) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Custodian or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the Administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

### **Cover**

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

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

- (A) in the case of FDIs transactions which will, or may at the discretion of the Sub-Fund, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and
- (B) in the case of FDIs transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the

underlying assets at any time to meet the delivery obligation. In the case of holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

Where a financial instrument embeds a financial derivative, the requirements under this section headed “- **Use of derivatives**” shall also apply to the embedded financial derivative. For such purposes, an “**embedded financial derivative**” is a FDI that is embedded in another security, namely the host contract.

### **Securities Financing Transactions**

Unless otherwise disclosed in the Appendix of a Sub-Fund, the Company currently does not intend to enter into any Securities Financing Transactions in respect of any of the Sub-Fund(s).

Where it is disclosed in the relevant Appendix of the Sub-Fund, a Sub-Fund may engage in Securities Financing Transactions. A Sub-Fund may engage in Securities Financing Transactions provided that:

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

Information on a Sub-Fund's Securities Financing Transactions will be included in the annual report of the Sub-Fund. A summary of the policy of the Manager in relation to Securities Financing Transactions is set out in Schedule 1 to this Prospectus.

### **Liquidity risk management**

Liquidity risk exists when particular investments are difficult to purchase or sell at a fair price within a short time. Also, illiquid securities may become harder to value especially in changing markets. A Sub-Fund's investments in illiquid securities may reduce the returns of a Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Sub-Fund from taking advantage of other investment opportunities. Sub-Fund(s) with principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk (investors should refer to the section headed “**Risk Factors – Liquidity risk**” below).

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

The day-to-day liquidity risk management of the Sub-Fund is carried out by the Manager's liquidity risk management function which is functionally independent from the portfolio investment function. The oversight of the liquidity risk management function will be performed by a risk management committee consisting of responsible officers and senior staff such as the chief executive officer, head of risk, head of legal and compliance, head of investment and head of operations. The committee generally meets on a need basis. A liquidity report of each Sub-Fund will be generated by the Manager's risk

management team each month and will be submitted to the risk management committee. Exceptions on liquidity risk related issues will be escalated to the risk management committee.

The Manager would regularly assess the liquidity of each Sub-Fund's assets under the current and likely future market conditions. In particular, for high yield or unrated debt securities and emerging market assets, the Manager intends to maintain a more diversified investment portfolio with different levels of liquidity and avoid concentrating investment in any one investment, particularly investments which are less liquid. The Manager may also set an internal limit as to each individual investment that may be held by a Sub-Fund.

The Manager may also be in regular communication with distributors and substantial investors of the relevant Sub-Fund in order to receive updates on investor profile and their historical and expected redemption patterns. Through such communication, the Manager can make better assessment as to the expected redemptions (especially substantial redemptions) from the relevant Sub-Fund in the future.

The Manager may use a range of quantitative metrics and qualitative factors in assessing the liquidity of a Sub-Fund's assets including the following:

- the volume and turnover in the security;
- (where the price is determined by the market) the size of the issue and the portion of the issue that the Manager plans to invest in;
- the cost and timeframe to acquire or sell the securities;
- an independent analysis of historic bid and offer prices which may indicate the relative liquidity and marketability of the instrument; and
- the quality and number of intermediaries and market makers dealing in the security concerned.

The Manager will classify the assets of each Sub-Fund into different liquidity categories. For example, for a Sub-Fund which invests in bonds, the liquidity of the bonds will be categorised into 3 categories: (1) highly liquid bonds (e.g. government bonds); (2) liquid bonds (e.g. corporate bonds with 3 or more market makers); and (3) less liquid bonds (e.g. corporate bonds with 2 or less market makers).

The Manager will also perform liquidity stress testing on each Sub-Fund on an ongoing basis; normally on a monthly basis but in times of adverse market conditions or during the period where there are large redemption requests, the stress tests will be performed on a daily basis, if necessary. The results of such stress tests will be reviewed by the risk management committee.

The following tools may be employed by the Manager to manage liquidity risks:

- the Manager may after consultation with the Custodian limit the total number or total Net Asset Value of Shares of any Sub-Fund redeemed on any Dealing Day to 10% of the total Net Asset Value of the relevant Sub-Fund in issue (subject to the conditions under the section headed "**Redemption of Shares - Restrictions on redemption**" below). If such limitation is imposed, this would restrict the ability of a Shareholder to redeem in full the Shares he intends to redeem on a particular Dealing Day;
- subject to the restrictions set out in the section headed "**Borrowing restrictions**" above, the Manager may borrow in respect of a Sub-Fund to meet redemption requests;

- the Manager may suspend redemption under exceptional circumstances (after consultation with the Custodian) as set out in the section headed “**Valuation and suspension - Suspension**” below. During such period of suspension, Shareholders would not be able to redeem their investments in the relevant Sub-Fund;
- the Manager may, in calculation of the Issue Price and the Redemption Price, add bid-ask spread, and fiscal and purchase charges (please refer to the section headed “**Subscription of Shares – Issue Price**” below) or deduct bid-ask spread, and fiscal and sales charges (please refer to the section headed “**Redemption of Shares – Redemption Price**” below) to protect the interest of remaining Shareholders. Please refer to the section headed “**Valuation and suspension - Adjustment of prices**” below for details. As a result of such adjustment, the Issue Price or the Redemption Price (as the case may be), will be higher or lower than the Issue Price or the Redemption Price (as the case may be) which otherwise would be if such adjustment has not been made.

In practice, the Manager will consult the Custodian before the use of any liquidity risk management tools. Investors should note that there is a risk that the tools may be ineffective to manage liquidity and redemption risks.

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## RISK FACTORS

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

### **General risks**

#### ***Risk of not achieving investment objective***

There is no assurance that the investment objective of the respective Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to meet the investment objective and minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in a Sub-Fund. As a result, each investor should carefully consider whether he can afford to bear the risks of investing in the relevant Sub-Fund.

#### ***Investment risk***

Investments involve risks. Investors should be aware that investment in any Sub-Fund is subject to normal market fluctuations and other risks inherent in the underlying assets into which the Sub-Fund may invest. There can be no assurance that any appreciation in value of investments will occur. There is no guarantee of the repayment of principal. Investment in a Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. There is no assurance that the investment objectives of a Sub-Fund will actually be achieved, notwithstanding the efforts of the Manager since changes in political, financial, economic, social and/or legal conditions are not within the control of the Manager. A Sub-Fund's investment portfolio may fall in value due to any of the key risk factors set out in this Prospectus and the Appendix for the relevant Sub-Fund. The price of Shares of any Sub-Fund and the income from them may go down as well as up and therefore an investor may suffer losses on the investor's investment in the relevant Sub-Fund. Accordingly, there is a risk that investors may not recoup the original amount invested in a Sub-Fund or may lose a substantial part or all of their initial investment.

#### ***Market risk***

Market risk includes such factors as changes in economic environment, consumption pattern, lack of publicly available information of investments and their issuers and investors' expectations, which may have significant impact on the value of the investments. The Net Asset Value of a Sub-Fund will change with changes in the market value of the investments of such Sub-Fund. The value of such investments, and consequently the price of Shares of the relevant Sub-Fund, may go down as well as up.

There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The value of investments and the income derived from such investments may fall as well as rise and investors may not recoup the original amount invested in the Sub-Fund(s). In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies. In falling equity markets, there may be increased volatility. Market prices in such circumstances may defy rational analysis or expectation for prolonged periods of time, and can be influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons and as a result, may have adverse impact to the relevant Sub-Fund and its investors.

### ***Emerging market risk***

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

### ***Concentration risk***

A Sub-Fund may invest only in a specific country/region/sector/asset class. A Sub-Fund's portfolio may not be well diversified in terms of the number of holdings and the number of issuers of securities that the Sub-Fund may invest in. Such Sub-Fund may be adversely affected by or depend heavily on the performance of those securities. Investors should also be aware that such Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity or bond fund, as the Sub-Fund will be more susceptible to fluctuations in value resulting from the limited number of holdings or from adverse conditions, such as economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events, in the respective country/region/sector/asset class in which the Sub-Fund invests.

### ***Volatility risk***

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control policies, national and international political and economic events, and the inherent volatility and potential settlement difficulties of the market place. A Sub-Fund's value will be affected by such price movements and could be volatile, especially in the short-term.

### ***Settlement risk***

Settlement procedures in emerging countries are frequently less developed and less reliable and may involve the relevant Sub-Fund's delivery of securities, or transfer of title to securities, before receipt of payment for their sale. A Sub-Fund may be subject to a risk of substantial loss if a securities firm defaults in the performance of its responsibilities. A Sub-Fund may incur substantial losses if its counterparty fails to pay for securities such Sub-Fund has delivered, or for any reason fails to complete its contractual obligations owed to such Sub-Fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of securities. Such delays could result in substantial losses for a Sub-Fund if investment opportunities are missed or if a Sub-Fund is unable to acquire or dispose of a security as a result.

### ***Custodial risk***

Cash held with the Custodian or sub-custodians (where appointed) may not be segregated and may not be recoverable in case of liquidation, bankruptcy or insolvency of the Custodian and sub-custodians.

Further, where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by the Sub-Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

### ***Counterparty risk***

A Sub-Fund will be subject to the risk of the inability of any counterparty to perform with respect to any investments or contracts purchased by the Sub-Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Sub-Fund may experience significant delays in obtaining any recovery in bankruptcy or other reorganisation proceeding. Such Sub-Fund is likely to be an unsecured creditor in any such proceeding and may obtain only a limited recovery or may obtain no recovery in such circumstances.

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

### ***Liquidity risk***

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

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

### ***Borrowing risk***

The Company may borrow for the account of a Sub-Fund for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Sub-Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of the relevant 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 the Company will be able to borrow on favourable terms, or that the Company's indebtedness will be accessible or be able to be refinanced at any time.

### ***Currency and foreign exchange risk***

A Sub-Fund may also issue Classes denominated in a currency other than the Base Currency of that Sub-Fund or the currency of its underlying investments. A Sub-Fund may be invested in part in assets quoted in currencies other than its Base Currency or the relevant Class Currency. The performance of such Sub-Fund will therefore be affected by changes in exchange rate controls (if any) and movements in the exchange rate between the currencies in which the assets are held and the Base Currency of such Sub-Fund or the relevant Class Currency. Since the Manager aims to maximise returns for such Sub-Fund in terms of its Base Currency, investors in such Sub-Fund may be exposed to additional currency risk. These risks may have adverse impact on the relevant Sub-Fund and its investors.

A Sub-Fund may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. These risks may have adverse impact on the relevant Sub-Fund and its investors.

Any changes in exchange control regulations may cause difficulties in the repatriation of funds. Dealings in a Sub-Fund may be suspended if the relevant Sub-Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares. For further details on suspension of dealings in a Sub-Fund, please refer to the section headed “**Valuation and suspension - Suspension**” below.

#### ***Restricted markets risk***

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

#### ***Legal, tax and regulatory risk***

Legal, tax and regulatory changes could occur in the future. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in their regulation or taxation may adversely affect the value of derivative instruments. Changes to the current laws and regulations will lead to changes in the legal requirements to which the relevant Sub-Fund may be subject, and may adversely affect the relevant Sub-Fund and its investors.

Differences in laws between countries/regions or jurisdictions may make it difficult for the Custodian or the Manager to enforce legal agreements entered into in respect of a Sub-Fund. The Custodian and the Manager reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation, including altering investments of or restructuring the relevant Sub-Fund.

#### ***PRC tax risk***

Various tax reform policies have been implemented by the Mainland Chinese government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in Mainland China will be changed with retrospective effect in the future and any such change may have an adverse effect on the Net Asset Value of the relevant Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to

foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in Mainland China which a Sub-Fund invests in, thereby reducing the income from, and/or value of the Shares.

Subject to the current Mainland Chinese tax laws, regulations and practice in respect of the gains and income realised on a Sub-Fund's investments in Mainland China, any increased tax liabilities on the relevant Sub-Fund may adversely affect the relevant Sub-Fund's Net Asset Value.

The Manager may (but is not obliged to) make provisions in respect of the relevant Sub-Fund for the Mainland Chinese tax obligations. The provisions made by the Manager, if any, may be excessive or inadequate to meet the actual tax liabilities. Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, the actual tax liabilities may be lower than the tax provisions made and any sums withheld in excess of the tax liability incurred or is expected to be incurred by the relevant Sub-Fund shall be released and transferred to the relevant Sub-Fund's accounts forming part of that Sub-Fund's assets. In case of any shortfall between the provisions (if any) and actual tax liabilities, which will be debited from the relevant Sub-Fund's assets, that Sub-Fund's Net Asset Value will be adversely affected. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

#### ***Creation of Sub-Fund(s) or new Classes of Shares***

Additional Sub-Fund(s) or additional Classes of Shares which may have different terms of investment may be established in the future without the consent of, or notification to existing Shareholders. In particular, such additional Sub-Fund(s) or additional Classes may have different terms with regard to fees.

#### ***Cross Sub-Fund liability risk***

Multiple Sub-Fund(s) may be established under the Company. While there are statutory provisions for segregated liability between the Sub-Fund(s) (i.e. the assets of a Sub-Fund may not be used to satisfy the liabilities of another Sub-Fund), the concept of segregated liability is untested. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how or if those foreign courts will give effect to such statutory provisions.

#### ***Cross Class liability risk***

Multiple Classes of Shares may be issued in relation to a Sub-Fund, with particular assets and liabilities of that Sub-Fund attributable to particular Classes. Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes. Although for the purposes of internal accounting, a separate account will be established for each Class, in the event of an insolvency or termination of that Sub-Fund (i.e. when the assets of that Sub-Fund are insufficient to meet its liabilities), all assets will be used to meet that Sub-Fund's liabilities, not just the amount standing to the credit of any individual Class.

#### ***Valuation and accounting risk***

The annual and semi-annual financial reports of each Sub-Fund will be prepared in accordance with the IFRS. Investors should note that the valuation rules described in the section headed "***Valuation and suspension – Calculation of Net Asset Value***" below may not necessarily comply with IFRS. Under IFRS, investments should be valued at fair value, and bid and ask pricing is considered to be

representative of fair value for long and short listed investments respectively. However, under the valuation basis described in the section headed **Valuation and suspension – Calculation of Net Asset Value** below, listed investments are expected to be valued normally at the last traded price or closing price instead of bid and ask pricing as required under IFRS.

The cost of establishment of each Sub-Fund will be amortised over the Amortisation Period. Investors should note that this policy of amortisation is not in accordance with IFRS. However, the Manager has considered the impact of such non-compliance and does not expect this issue to materially affect the results and Net Asset Value of a Sub-Fund. Further, the Manager believes that this policy is fairer and more equitable to the initial investors.

To the extent that the valuation or accounting basis adopted by any Sub-Fund deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS.

### ***Pricing adjustments risk***

Subscriptions or redemptions may dilute a Sub-Fund's assets due to dealing and other costs associated with the trading of underlying securities. In order to counter this impact, adjustment of prices to reflect fiscal charges and bid-ask spread to protect the interests of Shareholders. Consequently, investors will subscribe (realise) at a higher Issue Price (lower Redemption Price). Investors should note that the occurrence of events which may trigger adjustment of prices is not predictable. It is not possible to accurately predict how frequent such adjustments of prices will need to be made. Adjustments may be greater than or less than the actual charges incurred. If the adjustments made are less than the actual charges incurred, the difference will be borne by the Sub-Fund. Investors should also be aware that adjustment of prices may not always, or fully, prevent the dilution of the Sub-Fund's assets.

### ***Difficulties in valuation of investments***

Securities acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. In cases where no clear indication of the value of a Sub-Fund's portfolio securities is available (for example, when the secondary markets on which a security is traded has become illiquid) the Manager may apply valuation methods to ascertain the fair value of such securities.

In addition, market volatility may result in a discrepancy between the latest available issue and redemption prices for the Sub-Fund and the fair value of the Sub-Fund's assets. To protect the interest of investors, the Manager may, after consultation with the Custodian of the relevant Sub-Fund, adjust the Net Asset Value of the Sub-Fund or the Shares, if in the circumstances it considers that such adjustment is required to reflect more accurately the fair value of the Sub-Fund's assets.

Valuation of a Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may be adversely affected.

### ***Risk associated with distribution out of/effectively out of a Sub-Fund's capital***

Where a Sub-Fund has Distribution Classes, distributions may be made in respect of the Distribution Classes. However, there is no guarantee that such distributions will be made nor will there be a target level of distributions payout. A high distribution yield does not imply a positive or high return.

Subject to the disclosure in the relevant Appendix, distributions may be paid out of the capital of a Sub-Fund or out of gross income while charging all or part of a Sub-Fund's fees and expenses to 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 distributions out of capital. The Manager may distribute out of the capital of a Sub-Fund if the net distributable income attributable to the relevant Distribution Class during the relevant period is insufficient to pay distributions as declared.

**Investors should note that the payment of distributions out of capital or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Distributions will result in an immediate decrease in the Net Asset Value of the relevant Shares.**

Where a Sub-Fund has Accumulation Classes, the Manager does not intend to pay distributions for such Accumulation Classes. Accordingly, an investment in the Accumulation Classes may not be suitable for investors seeking income returns for financial or tax planning purposes.

Where a Sub-Fund has classes of Shares hedged to a currency other than the Base Currency of the relevant Sub-Fund (each a "**Hedged Class**"), the distribution amount and Net Asset Value of the Hedged Classes may be adversely affected by differences in the interest rates of the Class Currency of the Hedged Classes and the relevant Sub-Fund's Base Currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged classes of Shares.

#### ***Effect of substantial redemptions***

Substantial redemptions by Shareholders within a short period of time could require a Sub-Fund to liquidate securities and other positions more rapidly than would otherwise be desirable, possibly reducing the value of its assets and/or disrupting its investment strategy. Further, it may be impossible to liquidate a sufficient amount of securities to meet redemptions because a significant part of the portfolio at any given time may be invested in securities for which the market is or has become illiquid. Reduction in the size of the relevant Sub-Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Sub-Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

#### ***Suspension risk***

Under the terms of the Instrument of Incorporation in certain circumstances, the Manager may (after consultation with the Custodian) suspend the determination of the Net Asset Value of Shares in a Sub-Fund as well as suspend subscriptions and redemptions for Shares in a Sub-Fund. Investors may not be able to subscribe or redeem when such a suspension is invoked. Investors may not be able to obtain a market value of their investment if the share price is suspended. For further details on suspension of dealings in a Sub-Fund, please refer to the section headed "**Valuation and suspension - Suspension**" below.

#### ***Early termination risk***

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

#### ***Reliance on the Manager risk***

Shareholders must rely on the Manager in formulating the investment strategies and the performance of each Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Company may not find successor managers with the requisite skills, qualifications quickly and the new appointment may not be on equivalent terms or of similar quality.

#### ***Conflicts of interest; other activities of the Manager***

Various potential and actual conflicts of interest may arise from the overall investment activities of the Manager and its Connected Persons for their own accounts and the accounts of others. The Manager and its Connected Persons may invest for their own accounts and for the accounts of clients in various instruments that have interests different from or adverse to the instruments that are owned by the relevant Sub-Fund. For more information, please refer to the section headed "**General information - Conflicts of interest**" below.

#### ***Indemnification of the Company's Directors, service providers etc.***

The Company's Directors, Manager, Administrator, Custodian, Auditors and its other service providers, and their respective affiliates, are entitled to be indemnified in certain circumstances. As a result, there is a risk that the Company's assets will be used to indemnify such persons, companies or their employees or to satisfy their liabilities as a result of their activities in relation to the Company.

#### ***Risk of investing in equity securities***

Sub-Fund(s) which invest directly or indirectly in equity securities are exposed to the risk that the market value of such equity securities may go down as well as up. Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on such Sub-Fund(s). When equity markets are extremely volatile, such Sub-Fund's Net Asset Value may fluctuate substantially. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, issuer-specific factors, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Sub-Fund to losses.

#### ***Risk of investing in fixed income instruments***

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

**Credit risk:** Investment in fixed income instruments is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the fixed income instruments held by a Sub-Fund, that Sub-Fund's Net Asset Value will be adversely affected and investors may suffer a substantial loss as a result. Fixed income instruments are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed

income instruments only after all secured claims have been satisfied in full. Each Sub-Fund holding such investments is therefore fully exposed to the credit risk of its counterparties as an unsecured creditor.

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

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

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

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

#### ***Risk associated with bank deposits***

Bank deposits are subject to the credit risks of the relevant financial institutions. A Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the relevant Sub-Fund. Therefore, if the relevant financial institution defaults, the relevant Sub-Fund may suffer losses as a result.

#### ***Risk of investing in IPO securities***

A Sub-Fund may invest in initial public offers ("IPOs") securities. The prices of securities involved in IPOs are often subject to greater and more unpredictable price changes than more established securities. There is the risk that there are inadequate trading opportunities generally or allocations for IPOs which the Manager wishes or is able to participate in. Furthermore, the liquidity and volatility risks associated with investments or potential investments in IPO securities may be difficult to assess, due to the lack of trading history of such IPO securities. These risks may have adverse impact on the relevant Sub-Fund and its investors.

#### ***Risks of investing in other funds***

A Sub-Fund may invest in underlying funds which are not regulated by the SFC and will be subject to the risks associated with the underlying funds. In addition to the expenses and charges charged by such Sub-Fund, investor should note that there are additional fees involved when investing into these

underlying funds, including fees and expenses charged by investment manager of these underlying funds as well as fees payable by the relevant Sub-Fund during its subscription to or redemption from these underlying funds. Furthermore, there can be no assurance that 1) the liquidity of the underlying funds will always be sufficient to meet redemption request as and when made; and 2) investment objective and strategy will be successfully achieved despite the due diligence procedures undertaken by the Manager and the selection and monitoring of the underlying funds. The relevant Sub-Fund has no control of the investments of the underlying funds. These factors may have adverse impact on the relevant Sub-Fund and its investors. If a Sub-Fund invests in an underlying fund managed by the Manager or connected person of the Manager, potential conflict of interest may arise. Please refer to the section headed “**General Information - Conflicts of Interest**” for details under the circumstances.

### ***Risk relating to small- and mid-capped companies***

A Sub-Fund may invest in the securities of small and/or mid-capped companies. Investing in these securities may expose such Sub-Fund to risks such as greater market price volatility, less publicly available information, lower liquidity and greater vulnerability to fluctuations in the economic cycle than those of larger capitalisation companies in general. Their prices are also more volatile to adverse economic developments than those of larger capitalisation companies in general.

### ***Derivative and structured product risk***

A Sub-Fund may invest in derivatives such as options, futures and convertible securities, and in depositary receipts, participation rights and potentially through other instruments which are linked to the performance of securities or indices such as participation notes, equity swaps and equity linked notes, which are sometimes referred to as “structured products”. Investment in these instruments can be illiquid, if there is no active market in these instruments. Such instruments are complex in nature. Therefore there are risks of mispricing or improper valuation and possibilities that these instruments do not always perfectly track the value of the securities, rates or indices they are designed to track. Improper valuations can result in increased payments to counterparties or a loss in the value of the relevant Sub-Fund.

These instruments will also be subject to insolvency or default risk of the issuers or counterparties and over-the-counter markets risk. In addition, investment through structured products may lead to a dilution of performance of such Sub-Fund(s) when compared to a fund investing directly in similar assets. Besides, many derivative and structured products involve an embedded leverage. This is because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, so a relatively small adverse market movement could expose the relevant Sub-Fund to the possibility of a loss exceeding the original amount invested. Therefore, exposure to financial derivative instruments may lead to high risk of significant loss by the relevant Sub-Fund.

### ***Risk of investing in FDIs***

Certain Sub-Fund(s) may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes a Sub-Fund to additional risks, including: (1) volatility risk (derivatives can be highly volatile and expose investors to a high risk of loss); (2) leverage risk (as the low initial margin deposits normally required to establish a position in derivatives permits a high degree of leverage, there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin); (3) liquidity risk (daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of derivatives and transactions in over-the-counter derivatives may involve additional risk as there is no exchange market on which to close out an open position); (4) correlation risk (when used for hedging purposes there may be an imperfect correlation between the derivatives and the investments or market sectors being hedged); (5) counterparty risk (the Sub-Fund is exposed to the risk of loss resulting from a counterparty’s failure to meet its financial obligations); (6) legal risks (the characterisation of a

transaction or a party's legal capacity to enter into it could render the derivative contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); and (7) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty). The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of a Sub-Fund which uses FDIs.

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

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

### ***Over-the-counter markets risk***

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

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

### ***Hedging risk***

The Manager is permitted, but not obliged, to use hedging techniques such as using futures, options and/or forward contracts to attempt to offset market and currency risks. There is no guarantee that hedging techniques will fully and effectively achieve their desired result. The success of hedging much depends on the Manager's expertise and hedging may become inefficient or ineffective. This may have adverse impact on the relevant Sub-Fund and its investors.

While a Sub-Fund may enter into such hedging transactions to seek to reduce risks, unanticipated changes in currency, interest rates and market circumstances may result in a poorer overall performance of a Sub-Fund. A Sub-Fund may not obtain a perfect correlation between hedging instruments and the

portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the relevant Sub-Fund to risk of loss.

Any expenses arising from such hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the relevant Sub-Fund in relation to which they have been incurred.

### ***Currency hedging risk***

Where a Sub-Fund has classes of Shares hedged to a currency other than the Base Currency of the relevant Sub-Fund (each a “**Currency Hedged Class**”), the relevant Sub-Fund is also subject to currency hedging risk. Please refer to the risk factor “- **Hedging risk**” above.

Where the Sub-Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged Class of Shares and therefore, an investor of such Currency Hedged Class of Shares 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, investors of the Currency Hedged Class of Shares may be exposed to currency exchange risk on an unhedged basis and may therefore suffer further losses.

While hedging strategies may protect investors in the Currency Hedged Class of Shares against a decrease in the value of the Sub-Fund’s base currency relative to the class currency of the Currency Hedged Class of Shares, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund’s Base Currency.

### ***Risks associated with Securities Financing Transactions***

A Sub-Fund which engages in Securities Financing Transactions will be subject to the following risks:

***Risk relating to Securities Lending Transactions:*** Securities Lending Transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner. 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.

***Risk relating to Sale and Repurchase Transactions:*** A Sub-Fund may enter into Sale and Repurchase Transactions with respect to securities. Sale and Repurchase Transactions involve credit risk to the extent that the 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 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.

***Risk relating to Reverse Repurchase Transactions:*** A Sub-Fund may enter into Reverse Repurchase Transactions. If the seller of securities to the 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 will seek to dispose of such securities, which action could involve costs or delay. 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 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. In addition, if a seller defaults on its obligation to repurchase securities under a Reverse Repurchase Transaction, 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.

***Risk associated with collateral management and re-investment of cash collateral***

Where a Sub-Fund enters into a Securities Financing Transaction or an OTC derivative transaction, collateral may be received from or provided to the relevant counterparty.

Notwithstanding that a Sub-Fund may only accept non-cash collateral which is highly liquid, the relevant Sub-Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The relevant Sub-Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

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 Financing Transaction may be reinvested in order to generate additional income. Similarly, cash collateral received by a Sub-Fund may also be reinvested in order to generate additional income. 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, the relevant 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 predetermined price if that pre-determined price is higher than the value of the securities at the time of repurchase. If the 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.

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## SUBSCRIPTION OF SHARES

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### Classes of Shares

Different Classes of Shares may be offered for each Sub-Fund. Although the assets attributable to a Sub-Fund will form one single pool, each Class of Shares may be denominated in a different Class Currency or may have a different charging structure or Class specific liabilities with the result that the Net Asset Value attributable to each Class of Shares of a Sub-Fund may differ. In addition, each Class of Shares may be subject to different Minimum Initial Subscription Amount, Minimum Subsequent Subscription Amount, Minimum Holding Amount and Minimum Redemption Amount. Investors should refer to the relevant Appendix for the available Classes of Shares and the applicable minimum amounts.

### Initial offer

Shares of a Sub-Fund or a Class in a Sub-Fund will be offered for the first time at the Initial Offer Price during the Initial Offer Period of such Sub-Fund or such Class, as specified in the relevant Appendix.

### Minimum subscription level

The offering of a Class of Shares or a Sub-Fund may be conditional upon the Minimum Subscription Level (if applicable) being received on or prior to the close of the Initial Offer Period in respect of such Class or Sub-Fund, as specified in the relevant Appendix.

In the event that the Minimum Subscription Level of a Class of Shares or a Sub-Fund is not raised or the Directors are 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 Class of Shares or Sub-Fund, the Directors may in their discretion extend the Initial Offer Period for the relevant Class of Shares or Sub-Fund or determine that the relevant Class of Shares or the relevant Sub-Fund and the Class or Classes of Shares relating to it will not be launched. In such event, the relevant Class of Shares or the Sub-Fund and the Class or Classes of Shares relating to it shall be deemed not to have commenced and all subscription monies received during the Initial Offer Period will be returned (without interest) to the relevant applicant (or in the case of joint applicants, the first named) by such means as the Directors consider appropriate and at the risk and expense of the applicant.

Notwithstanding the aforesaid, the Directors reserve the discretion to proceed with the issue of the relevant Class of Shares or Sub-Fund even if the Minimum Subscription Level has not been achieved.

### Subsequent subscription

Shares are available for subscription on each Dealing Day after the expiry of the Initial Offer Period (if any), subject to any Minimum Initial Subscription Amount and/or Minimum Subsequent Subscription Amount that may apply to a Class or a Sub-Fund, as specified in the relevant Appendix.

### Issue Price

After the close of the Initial Offer Period, the Issue Price per Share for any Class of a Sub-Fund on a Dealing Day will be calculated by reference to the Net Asset Value per Share of that Class as at the Valuation Point on the Valuation Day in respect of that Dealing Day (for further details, please refer to the section headed “**Valuation and suspension - Calculation of Net Asset Value**” below).

In calculating the Issue Price, there may be imposed, under the circumstances disclosed in the section headed “**Valuation and suspension – Adjustment of prices**” below, such amount (if any) an appropriate allowance to reflect (i) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the relevant Sub-Fund and the latest available asked price of such investments and (ii) fiscal and purchase charges (including all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other fees of similar nature) which would be incurred for the account of the relevant Sub-Fund in investing an amount equal to that Net Asset Value per Share. For further details, please refer to the section headed “**Valuation and suspension – Adjustment of prices**” below.

The Issue Price shall be rounded to six decimal places (0.0000005 and above being rounded up, below 0.0000005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager (as delegated by the Directors). Any amount corresponding to such rounding will accrue to the relevant Sub-Fund.

The function of pricing of Shares (i.e. determination of the Issue Price and any pricing adjustment set out under the section headed “**Valuation and suspension – Adjustment of prices**” below) is delegated to the Manager.

### **Subscription Charge**

The Directors are entitled to charge a Subscription Charge on the issue of Shares of a percentage of either (i) the Initial Offer Price or the Issue Price, as the case may be, of such Share or (ii) the total subscription amount received in relation to an application, as the Directors may at their discretion determine. The maximum and current rates of Subscription 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 Subscription Charge may be imposed in relation to the issue of Shares of a Sub-Fund as compared to other Sub-Fund(s) and also in relation to different Classes of Shares of a Sub-Fund.

The Subscription Charge levied on the issue of any Share shall be payable in addition to the Initial Offer Price or the Issue Price in respect of such Share.

Subject to the applicable requirements of the UT Code, the Directors may at any time increase the rate of Subscription Charge payable up to or towards the maximum rate for a Sub-Fund or a Class of Shares by giving at least one month’s prior written notice to the Shareholders. The maximum rate of Subscription Charge of a Sub-Fund or a Class of Shares may be increased with the sanction of a special resolution of the Shareholders of the relevant Sub-Fund or Class of Shares (as the case may be) and subject to the SFC’s prior approval and one month’s prior written notice to the Shareholders.

The Subscription Charge will be paid to the Manager, or to the Company on behalf of the Manager, or to such other person as instructed by the Manager, for their own absolute use and benefit. The Directors may, either generally or in any particular case, differentiate between applicants or Classes of Shares as to the amount of the Subscription Charge and/or allow to persons a discount to the Subscription Charge on such basis or on such scale as the Directors may think fit (within the maximum rate of Subscription Charge), provided that (i) such discount shall not be paid out of the assets of the relevant Sub-Fund, (ii) the act of allowing such discount shall be in the best interest of the Shareholders at the fund level, and (iii) the Directors and the Managers shall ensure fair treatment of the Shareholders at the fund level.

### **Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount**

Details of any Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount applicable to a Class of Share or a Sub-Fund are set out in the relevant Appendix.

The Directors have the discretion to waive, change or accept an amount lower than the Minimum Initial Subscription Amount or Minimum Subsequent Subscription Amount from time to time, whether generally or in a particular case.

### **Application procedures**

Unless otherwise specified in the relevant Appendix, applications for subscription of Shares may be made to the Transfer Agent or the Authorised Distributor(s) by completing the Application Form and sending it by post or by facsimile to the Transfer Agent at the business address or facsimile number on the Application Form, or through such other means, including approved electronic transmission, as may be permitted by the Directors and agreed by the Administrator (where such means are in accordance with the SFC's requirements) and such applications should contain such information as may be specified from time to time by the Directors or their delegates, provided that, if so requested by the Administrator, the originals shall follow promptly, or may be given to Authorised Distributor(s) for onward transmission to the Transfer Agent. The Directors, the Manager, the Transfer Agent and/or the Authorised Distributor(s) may request further supporting documents and/or information to be provided together with the Application Form. The Application Form is available from the Transfer Agent and/or the Authorised Distributor(s).

Applicants should, for their own benefit, confirm with the Transfer Agent safe receipt of a subscription request. None of the Company, the Directors, the Manager, the Administrator, the Transfer Agent, the Custodian or other service providers, or their agents or delegates, will be responsible to an applicant for any loss howsoever arising as a result of the non-receipt, mis-delivery or illegibility of such transmission or any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the applicant. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

In respect of Application Forms and subscription moneys in cleared funds which are received on or before the IOP Deadline, Shares will be issued on the close of the Initial Offer Period. If Application Forms and/or application monies in cleared funds are received after the IOP Deadline, the relevant applications shall be carried forward to the next Dealing Day and shall be dealt with at the Issue Price at such Dealing Day.

Unless otherwise specified in the relevant Appendix, dealing of Shares will commence on the Dealing Day immediately following the close of the relevant Initial Offer Period. Monies received from applicants during the Initial Offer Period will not be invested until after the close of the Initial Offer Period. Interest earned, if any, on these monies will accrue for the benefit of the relevant Sub-Fund.

Following the close of the Initial Offer Period, an Application Form received by the Transfer Agent by the Dealing Deadline for a Dealing Day will be dealt with on that Dealing Day. If an application for Shares is received after the Dealing Deadline for a Dealing Day then the application will be held over until the next Dealing Day provided that the Directors may in the event of system failure which is beyond the reasonable control of the Company or events of natural disaster after taking into account the interests of other Shareholders of the relevant Sub-Fund exercise their discretion to accept a subscription request in respect of a Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to that Dealing Day.

The application procedures (including cut-off times) may vary depending upon the Authorised Distributor through whom an investor chooses to subscribe for Shares. Investors should consult the relevant Authorised Distributor before placing subscription orders in any Sub-Fund.

Where an applicant applies for Shares through an Authorised Distributor, the Manager and the Administrator will treat the Authorised Distributor (or its nominee) as the applicant. The Authorised

Distributor (or its nominee) will be registered as Shareholder of the relevant Shares. The Manager and the Administrator will treat the Authorised Distributor (or its nominee) as Shareholder and shall not be responsible for any arrangements between the relevant applicant and the Authorised Distributor regarding the subscription, holding and redemption of Shares and any related matters, as well as any costs or losses that may arise therefrom.

### **Payment procedures**

Payment for Shares subscribed for cash during the Initial Offer Period and the Subscription Charge (if any) is due in cleared funds by the IOP Deadline. Following the close of the Initial Offer Period, payment for Shares and the Subscription Charge (if any) is due at the expiry of the Payment Period.

If payment in full in cleared funds has not been received by the IOP Deadline or the relevant Payment Period (or such other period as the Directors may determine and disclose to the applicants), the Directors may (without prejudice to any claim in respect of the failure of the applicant to make payment when due) cancel any Shares which may have been issued in respect of such application for subscription and the Directors must cancel the issue of the relevant Shares if the Custodian so requires.

Upon such cancellation, the relevant Shares shall be deemed never to have been issued and the applicant shall have no right to claim in respect thereof against the Company, provided that: (i) no previous valuations of the Company, the relevant Sub-Fund or the relevant Class of Shares shall be reopened or invalidated as a result of the cancellation of such Shares; and (ii) the Company (for the account of the relevant Sub-Fund) may require the applicant to pay the Company (for the account of the relevant Sub-Fund in respect of each Share so cancelled) the amount (if any), by which the Issue Price of each such Share exceeds the Redemption Price of such Share on the day of cancellation (if such day is a Dealing Day for the relevant Class of Shares) or the immediately following the Dealing Day plus interest on such amount until receipt of such payment by the Company.

Payments for Shares should be made in the Base Currency of the relevant Sub-Fund or where one or more Classes are issued in respect of a Sub-Fund, payment for Shares of a Class should be made in the Class Currency of such Class. Subject to the agreement with the Company, payment in other freely convertible currencies may be accepted. Where amounts are received in a currency other than the relevant Base Currency or Class Currency (as the case may be), they will be converted into the relevant Base Currency or Class Currency (as the case may be) at the cost of the relevant applicant and the proceeds of conversion (after deducting the costs of such conversion) will be applied in the subscription of Shares in the relevant Sub-Fund or Class. Any conversion to the relevant Base Currency or Class Currency (as the case may be), will be at the prevailing market rate (whether official or otherwise) which the Manager deems appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange. Conversion of currency may be made at a premium or discount in exceptional circumstances such as where there is a huge fluctuation in the exchange rate. Currency conversion will be subject to availability of the currency concerned. Save for any liability imposed under the laws of Hong Kong or for breach of trust through fraud or negligence of the relevant party, none of the Company, the Manager, the Administrator, the Transfer Agent, the Custodian or their respective agents or delegates will be liable to any Shareholder or any person for any loss suffered by such Shareholder arising from such currency conversion.

Unless otherwise provided in the relevant Appendix, all payments should be made by direct transfer, telegraphic transfer (or other manner as may be agreed by the Company). Any costs of transfer of subscription moneys to a Sub-Fund will be payable by the applicant.

All subscription moneys must originate from an account held in the name of the applicant. No third party payments shall be accepted. The applicant should provide sufficient evidence as to the source of payment as the Company, the Manager, the Administrator, the Transfer Agent or the Custodian may

from time to time require.

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

### **Subscription in specie**

The Instrument of Incorporation also provides that instead of receiving payment in cash, the Directors may issue fully paid Shares in exchange for such other investments as the Manager may from time to time think fit (e.g. company shares, bonds or other financial instruments) upon request of the applicant(s). The issue of Shares in exchange for investments shall be conducted in accordance with the Instrument of Incorporation, summarized as follows:

- (a) Shares must not be issued until the relevant investments have been vested in the Custodian to the Custodian's satisfaction and the Custodian's prior consent has been obtained;
- (b) Shares must not be issued if as a result the Sub-Fund would cease to comply with the investment restrictions and the Laws and Regulations applicable to such Sub-Fund;
- (c) the number of Shares to be issued will be determined in accordance with the Instrument of Incorporation;
- (d) the relevant investments to be transferred to the relevant Sub-Fund must be independently valued on such basis as the Manager decides so long as such value is not more than the highest amount that would be obtained on the date of the exchange if the relevant investments were valued in accordance with the section headed "**Calculation of Net Asset Value**" below; and
- (e) the Manager and the Custodian must be satisfied that the terms of exchange are in the best interests of the relevant Sub-Fund as a whole and are not likely to result in any prejudice to the existing holders of Shares relating to the relevant Sub-Fund.

In practice, the Manager will consider various other factors in accepting investments for issue of Shares including that such investments to be accepted should be consistent with the liquidity profile of the relevant Sub-Fund so that the relevant Sub-Fund can meet its obligations to satisfy redemption requests.

Any valuation costs and transfer expenses associated with such subscription would be borne by the relevant applicant.

### **General**

The Directors, the Manager, the Administrator and the Transfer Agent have an absolute discretion to accept or reject in whole or in part any application for Shares, without giving any reason for such rejection and without being liable to the investors for any direct or indirect loss or consequence. Such action, if any, shall be taken in the best interest of the Shareholders. In such circumstances, the subscription monies paid, or the balance thereof, will normally be returned to the applicant by transfer to the applicant's designated account without interest, expenses or compensation.

If an application is rejected (either in whole or in part) or the Directors determine that the relevant Class of Shares or the relevant Sub-Fund and the Class or Classes of Shares related to it will not be launched, subscription moneys (or the balance thereof) will be returned within the Refund Period without interest and after deducting any of out-of-pocket fees and charges incurred by the Company, the Manager, the Administrator, the Transfer Agent or the Custodian 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

Company 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 relevant party, none of the Company, the Manager, the Administrator, the Transfer Agent, the Custodian 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.

Shares issued by the Company will be held for investors in registered form. Certificates will not be issued. Evidence of title of Shares will be the entry on the register of Shareholders in respect of such Sub-Fund. Shareholders should therefore be aware of the important of ensuring that the Registrar is informed of any change to the registered details.

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 Authorised Distributor promptly for rectification.

Fractions of a Share (rounded down to four decimal places) may be issued. Any amount corresponding to such rounding will accrue to the relevant Sub-Fund.

### **Restrictions on issue**

No Shares of a Sub-Fund or a Class will be issued where the determination of the Net Asset Value of that Sub-Fund or Class and/or the allotment or issuance of Shares of that Sub-Fund or Class is suspended (for further details, please refer to the section headed "**Valuation and suspension - Suspension**" below) or when the Directors determine that subscriptions for such Sub-Fund or Class of Shares are closed.

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## REDEMPTION OF SHARES

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### Redemption of Shares

Subject to the restrictions (if any) as specified in the relevant Appendix, any Shareholder may redeem his or her Shares on any Dealing Day in whole or in part. Save where there is a suspension of the determination of the Net Asset Value of the Company, the relevant Sub-Fund or Class and/or the redemption of Shares of the relevant Sub-Fund or Class (for further details, please refer to the section headed “**Valuation and suspension - Suspension**” below), a redemption request once given cannot be withdrawn without the consent of the Directors.

### Redemption Price

Shares redeemed on a Dealing Day will be redeemed at the Redemption Price calculated by reference to the Net Asset Value per Share of the relevant Class as at the Valuation Point on the Valuation Day in respect of that Dealing Day (for further details, please refer to the section headed “**Valuation and suspension - Calculation of Net Asset Value**” below).

In calculating the Redemption Price, there may be deducted, under the circumstances disclosed in the section headed “**Valuation and suspension – Adjustment of prices**” below, an appropriate allowance to reflect (i) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the relevant Sub-Fund and the latest available bid price of such investments and (ii) fiscal and sales charges (including all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other fees of similar nature) 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. For further details, please refer to the section headed “**Valuation and suspension – Adjustment of prices**” below.

The Redemption Price shall be rounded to six decimal places (0.0000005 and above being rounded up, below 0.0000005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager (as delegated by the Directors). Any amount corresponding to such rounding will accrue to the relevant Sub-Fund.

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

The function of pricing of Shares (i.e. determination of the Redemption Price and any pricing adjustment set out under the section headed “**Valuation and suspension – Adjustment of prices**” below) is delegated to the Manager.

### Redemption Charge

The Directors may charge a Redemption Charge on the redemption of Shares of a percentage of either (i) the Redemption Price per Share; or (ii) the total redemption amount in relation to a redemption request, as the Directors may at their discretion determine. The maximum and current rates 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 Shares of a Sub-Fund as compared to other Sub-Fund(s) and also in relation to different Classes of Shares of a Sub-Fund.

For the purpose of calculating the Redemption Charge payable on a partial redemption of a Shareholder's holding, Shares subscribed earlier in time are deemed to be redeemed prior to Shares subscribed later in time unless the Directors agree otherwise.

The Redemption Charge will be deducted from the amount payable to a Shareholder in respect of the redemption of Shares.

Subject to the applicable requirements of the UT Code, the Directors may at any time increase the rate of Redemption Charge payable up to or towards the maximum rate for a Sub-Fund or a Class of Shares by giving at least one month's prior written notice to the Shareholders. The maximum rate of Redemption Charge of a Sub-Fund or a Class of Shares may be increased with the sanction of a special resolution of the Shareholders of the relevant Sub-Fund or Class of Shares (as the case may be) and subject to the SFC's prior approval and one month's prior written notice to the Shareholders .

The Redemption Charge shall, as agreed between the Company and the Manager, either (i) be retained by the Company for the benefit of the relevant Sub-Fund (if so specified in the relevant Appendix), or (ii) be paid to the Manager, its agents or delegates for their own absolute use and benefit, or partly in one way and partly the other, as specified in the relevant Appendix. 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. The Directors may, either generally or in any particular case, differentiate between applicants or Classes of Shares as to the amount of the Redemption Charge and/or allow to persons a discount to the Redemption Charge on such basis or on such scale as the Directors may think fit (within the maximum rate of Redemption Charge), provided that (i) such discount shall not be paid out of the assets of the relevant Sub-Fund, (ii) the act of allowing such discount shall be in the best interest of the Shareholders at the fund level, and (iii) the Directors and the Managers shall ensure fair treatment of the Shareholders at the fund level.

### **Minimum Redemption Amount and Minimum Holding Amount**

Details of any Minimum Redemption Amount and Minimum Holding Amount applicable to a Class of Share or a Sub-Fund are set out in the relevant Appendix.

If a redemption request will result in a Shareholder holding Shares of a Sub-Fund or a Class less than the Minimum Holding Amount for that Sub-Fund or Class, the Directors may deem such request to have been made in respect of all the Shares of the relevant Sub-Fund or Class held by that Shareholder.

The Directors have the discretion to waive, change or accept an amount lower than the Minimum Redemption Amount or Minimum Holding Amount from time to time, whether generally or in a particular case.

### **Redemption procedures**

Unless otherwise specified in the relevant Appendix, applications for redemption of Shares may be made to the Transfer Agent or the Authorised Distributor(s) by completing the Redemption Form and sending it by facsimile to the Transfer Agent at the facsimile number on the Redemption Form, or through such other means, including by approved electronic transmission, as may be permitted by the Directors and agreed by the Administrator (where such means are in accordance with the SFC's requirements) and such applications should contain such information as may be specified from time to time by the Directors

or their delegates, provided that, if so requested by the Administrator, the originals shall follow promptly, or may be given to Authorised Distributor(s) for onward transmission to the Transfer Agent. The Redemption Form is available from the Transfer Agent and/or the Authorised Distributor(s).

Shareholders should, for their own benefit, confirm with the Transfer Agent safe receipt of a redemption request. None of the Company, the Directors, the Manager, the Administrator, the Transfer Agent, the Custodian or other service providers, or their agents or delegates, will be responsible to a Shareholder for any loss howsoever arising as a result of the non-receipt, mis-delivery or illegibility of such transmission or any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the Shareholder. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

A Redemption Form received by the Transfer Agent by the Dealing Deadline for a Dealing Day will be dealt with on that Dealing Day. If an application for redemption of Shares is received after the Dealing Deadline for a Dealing Day then the application will be held over until the next Dealing Day provided that the Directors may in the event of system failure which is beyond the reasonable control of the Company or events of natural disaster and after taking into account the interests of other Shareholders of the relevant Sub-Fund, exercise their discretion to accept a redemption request in respect of a Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to that Dealing Day.

The redemption procedures (including cut-off times) may vary depending upon the Authorised Distributor through whom an investor chooses to redeem Shares. Investors should consult the relevant Authorised Distributor before placing redemption orders in any Sub-Fund.

#### **Payment of redemption proceeds**

Redemption proceeds will normally be paid by direct transfer or telegraphic transfer in the Base Currency of the relevant Sub-Fund or the Class Currency of the relevant Class of Shares to the pre-designated bank account of the relevant Shareholder (at the Shareholder's risk and expense). No third party payments will be permitted. Any bank charges associated with the payment of such redemption proceeds will be borne by the redeeming Shareholder and deducted from the redemption proceeds.

Unless otherwise specified in the relevant Appendix relating to a Sub-Fund and subject to the approval of the Directors, and to applicable limits on foreign exchange, redemption proceeds can be paid in a currency other than the relevant Base Currency or Class Currency. Redemption proceeds may be paid in a currency other than the relevant Base Currency or Class Currency if so requested by the relevant redeeming Shareholders and agreed by the Directors. In addition, the Directors may, without the consent of the relevant redeeming Shareholder, pay redemption proceeds in a currency other than the relevant Class Currency if due to any foreign exchange control or restriction or regulatory requirement or policy, the relevant Class Currency is not available or not sufficient for payment of the redemption proceeds.

Where redemption proceeds are paid in a currency other than the relevant Base Currency or Class Currency, they will be converted from the relevant Base Currency or Class Currency at the cost of the relevant redeeming Shareholders. Any conversion from the relevant Base Currency or Class Currency, will be at the prevailing market rate (whether official or otherwise) which the Manager deems appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange. The cost of currency conversion (including but not limited to any bank charges and charges for telegraphic transfer) will be deducted from the redemption proceeds. Conversion of currency may be made at a premium or discount in exceptional circumstances such as where there is a huge fluctuation in the exchange rate. Save for any liability imposed under the laws of Hong Kong or for breach of trust through fraud or negligence of the relevant party, none of the Company, the Manager, the Administrator, the Transfer Agent, the Custodian or their respective agents or delegates will be liable to any

Shareholder or any person for any loss suffered by such Shareholder arising from such currency conversion.

Redemption proceeds will be paid as soon as practicable but in any event not exceeding one calendar month after the later of (i) the relevant Dealing Day and (ii) the day on which the Transfer Agent receives the duly completed Redemption Form and such other documents and information as the Directors may reasonably require, unless the market(s) in which a substantial portion of investments of the relevant Sub-Fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of the redemption proceeds within the aforesaid time period not practicable. In such case, payment of redemption proceeds may be deferred, but the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s).

The Company may, in its absolute discretion, delay payment to the Shareholder until (a) the Redemption Form duly signed by the Shareholder has been received by or on behalf of the Company; (b) the signature of the Shareholder or (in the case of joint Shareholders) each joint Shareholder on the Redemption Form has been verified to the satisfaction of the Company or its duly authorised agents or delegates; and (c) the Shareholder has produced all documents or information reasonably required by the Company or its duly authorised agents or delegates for the purpose of verification of identity or that are necessary to ensure compliance with the Laws and Regulations, including anti-money laundering law or regulation.

The Company may refuse to make a redemption payment to a Shareholder if the Company suspects or is advised that (i) such payment may result in a breach or violation of any Laws or Regulations, including anti-money laundering law or regulation, by any person in any relevant jurisdiction; or (ii) such refusal is necessary or appropriate to ensure compliance by the Company, the Directors, the Manager, the Administrator, the Custodian or other service providers, or their agents or delegates, with any applicable laws or regulations, including anti-money laundering law or regulation, in any relevant jurisdiction.

The Company may also withhold such amounts as are required by the laws of any relevant jurisdiction. If the Company is required or entitled by any applicable laws, regulations, direction or guidance, or by any agreement with any tax or fiscal authority to make withholdings from any redemption proceeds payable to the Shareholder, the amount of such withholdings shall be deducted from the redemption proceeds otherwise payable to such person, provided that the Directors are acting in good faith and on reasonable grounds.

Save for any liability imposed under the laws of Hong Kong or for breach of trust through fraud or negligence of the Company, the Directors, the Manager, the Administrator, the Transfer Agent or the Custodian, neither the Company, the Directors, the Manager, the Administrator, the Transfer Agent or the Custodian, nor their agents or delegates shall be liable for any loss caused by any refusal or delay in making payment as a result of delay in receipt of proceeds of realisation of the investments of the relevant Sub-Fund and claims for payment of interest due to such delays will not be accepted.

### **Redemption in specie**

The Instrument of Incorporation also provides for payment of redemption proceeds in specie with the prior consent of the relevant Shareholder. However, the Company does not intend to exercise this discretion in respect of any Sub-Fund unless otherwise specified in the relevant Appendix. The redemption of Shares by payment in specie shall be conducted in accordance with the Instrument of Incorporation.

### **Restrictions on redemption**

No Shares of a Sub-Fund or a Class may be redeemed where the determination of the Net Asset Value

of that Sub-Fund or Class and/or the redemption of Shares of that Sub-Fund or Class is suspended (for further details, please refer to the section headed “**Valuation and suspension - Suspension**” below).

With a view to protecting the interests of all Shareholders of a Sub-Fund, the Manager may, after consultation with the Custodian, limit the total number of the Shares of such Sub-Fund redeemed on any Dealing Day to 10% of the total number of the Shares of such Sub-Fund in issue. In this event, the limitation will be applied pro rata to all Shareholders of the relevant Sub-Fund who have validly requested redemption to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all such Shareholders. Any Shares not redeemed (but which would otherwise have been redeemed) will be redeemed on the next succeeding Dealing Day for such Shares (subject to any further exercise of this power on any subsequent Dealing Day). Any part of a redemption request to which effect is not given by reason of the exercise of this power will be treated as if the request had been made with priority in respect of the next Dealing Day and all following Dealing Days (in relation to which the Manager shall have the same power) until the original request has been satisfied in full. If requests for redemption are so carried forward, the Company will give notice to the affected Shareholders that the relevant Shares have not been redeemed and that (subject to any further exercise of this power on any subsequent Dealing Day) such Shares shall be redeemed on the next succeeding Dealing Day for the relevant Sub-Fund.

### **Compulsory redemption of Shares**

If the Directors and the Manager reasonably suspect that Shares of any Class are owned directly, indirectly or beneficially by any person:

- (a) who is an Ineligible Investor;
- (b) in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors or the Manager to be relevant) which in their opinion might result in the Sub-Fund in relation to such Class of Shares, the Company, the Directors, any Service Provider and/or other Shareholders (or any person connected with any of them) breaching any laws or requirements of any country, any governmental authority or any stock exchange on which such Shares are listed or incurring any liability to taxation or requiring registration with any regulatory authority or suffering any other pecuniary disadvantage or would subject the Sub-Fund, the Company, the Directors, the Manager, the Administrator, the Custodian or other service providers and/or other Shareholders (or any person connected with any of them) to any additional regulation which the Sub-Fund, the Company, the Directors, the Manager, the Administrator, the Custodian or other service providers and/or other Shareholders (or any person connected with any of them) might not otherwise have incurred or suffered or been subject to;
- (c) in breach of any applicable laws or applicable requirements of any country, any governmental authority or any stock exchange on which the relevant Shares are listed; or
- (d) in breach of any eligibility requirements for the relevant Class set out in the relevant Appendix,

the Directors or the Manager may, acting in good faith and in compliance with any applicable laws and regulations:

- (i) give notice requiring the relevant Shareholder to transfer the Shares to a person who would not be in contravention of the above restrictions within 30 days of the date of the notice; or
- (ii) take such other actions as they reasonably believe are required by applicable laws and

regulations.

Where the Directors or the Manager have given such notice and the Shareholder has failed to either (i) transfer the relevant Shares within 30 days of the date of the notice, or (ii) establish to the reasonable satisfaction of the Directors or the Manager (whose judgment is final and binding) that the relevant Shares are not held in contravention of any of the restrictions set out above, the Shareholder is deemed to have given a redemption request in respect of the relevant Shares on the expiry of the notice. The exercise by the Directors or the Manager of such powers shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of ownership of Shares by any person or that the true ownership of any Shares was otherwise than appeared to the Directors or the Manager at the relevant date, provided that the Directors or the Manager have exercised their powers in good faith.

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## CONVERSION

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### Conversion of Shares

Unless otherwise specified in the relevant Appendix, Shareholders shall be entitled (subject to such limitations as the Directors may impose) to convert all or part of their holding of Shares of any Class of a Sub-Fund (the “**Existing Class**”) into Shares of any other Class of the same Sub-Fund or of another Sub-Fund (the “**New Class**”) available for subscription or conversion provided that no Shares may be converted if to do so would result in a Shareholder holding less than the Minimum Holding Amount of the Existing Class or the New Class.

Unless the Directors otherwise agree, Shares of a Class can only be converted into Shares of a Class with substantially the same features as the Class from which the Shareholder wishes to convert. In addition, specific limitations or restrictions may apply when a Shareholder intends to convert his or her Shares into another Class or Sub-Fund. The relevant limitations or restrictions (if any) will be set out in the Appendix for the relevant Sub-Fund.

### Switching Fee

A Switching Fee may be charged by the Directors in respect of each Share of the New Class to be issued upon such conversion, calculated as a percentage of:

- (a) the Issue Price per Share of the New Class as at the Valuation Point on the Valuation Day at which the Issue Price of such Shares is ascertained; or
- (b) the total amount being converted into,

as the Directors may at their discretion determine.

The maximum and current rates of Switching Fee (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 Switching Fee may be imposed in relation to the conversion of Shares of a Sub-Fund as compared to other Sub-Fund(s) and also in relation to different Classes of Shares of a Sub-Fund.

The Switching Fee shall be deducted from the amount reinvested into the Sub-Fund relating to Shares of the New Class.

Subject to the applicable requirements of the UT Code, the Directors may at any time increase the rate of Switching Fee payable up to or towards the maximum rate for a Sub-Fund or a Class of Shares by giving at least one month’s prior written notice to the Shareholders. The maximum rate of Switching Fee of a Sub-Fund or a Class of Shares may be increased with the sanction of a special resolution of the Shareholders of the relevant Sub-Fund or Class of Shares (as the case may be) and subject to the SFC’s prior approval and one month’s prior written notice to the Shareholders .

The Switching Fee shall, as agreed between the Company and the Manager, either (i) be retained by the Company for the benefit of the Sub-Fund relating to the Existing Class (if so specified in the relevant Appendix), or (ii) be paid to the Manager, its agents or delegates for their own absolute use and benefit, or partly in one way and partly the other, as specified in the relevant Appendix. The Directors may, either generally or in any particular case, differentiate between applicants or Classes of Shares as to the amount of the Switching Fee to be levied in respect of different Classes of Shares and/or allow to

persons a discount to the Switching Fee on such basis or on such scale as the Directors may think fit, provided that (i) such discount shall not be paid out of the assets of the relevant Sub-Fund, (ii) the act of allowing such discount shall be in the best interest of the Shareholders at the fund level, and (iii) the Directors and the Managers shall ensure fair treatment of the Shareholders at the fund level.

Where the Switching Fee is levied pursuant to paragraph (a) above, Shares of the Existing Class will be converted into Shares of the New Class in accordance (or as nearly as may be in accordance) with the following formula:

$$N = \frac{(E \times R \times F)}{SP + SF}$$

Where the Switching Fee is levied pursuant to paragraph (b) above, Shares of the Existing Class will be converted into Shares of the New Class in accordance (or as nearly as may be in accordance) with the following formula:

$$N = \frac{(E \times R \times F) - SF}{SP}$$

Where in either case:

“**N**” is the number of Shares of the New Class to be issued, provided that amounts lower than the smallest fraction of a Share of the New Class shall be ignored and shall be retained by the Sub-Fund relating to the New Class;

“**E**” is the number of Shares of the Existing Class to be converted;

“**R**” is the Redemption Price (less Redemption Charge if applicable) per Share of the Existing Class on the relevant Dealing Day on which the conversion is to take effect;

“**F**” is the currency conversion factor determined by the Directors (as delegated to the Manager) for the relevant Dealing Day of the New Class as representing the effective rate of exchange between the Class Currency of Shares of the Existing Class and the Class Currency of Shares of the New Class;

“**SP**” is the Issue Price per Share of the New Class for the Dealing Day on which the issue of the Shares of the New Class is to be effected, provided that where the issue of Shares of the New Class is subject to the satisfaction of any conditions precedent to such issue then “**SP**” shall be the Issue Price per Share of the New Class applicable on the first Dealing Day for the New Class falling on or after the satisfaction of such conditions; and

“**SF**” is a Switching Fee (if any).

If there is, at any time during the period from the time as at which the Redemption Price per Share of the Existing Class is calculated up to the time at which any necessary transfer of funds from the Sub-Fund to which the Existing Class relates (“**Original Sub-Fund**”) to the Sub-Fund to which the New Class relates takes place, a devaluation or depreciation of any currency in which any investment of the Original Sub-Fund is denominated or normally traded, the Redemption Price may be reduced as the Manager consider appropriate to take account of the effect of that devaluation or depreciation and in such event the number of Shares of the New Class to be allotted to any relevant Shareholder shall be recalculated in accordance with the relevant formula set out above as if that reduced Redemption Price had been the Redemption Price ruling for redemptions of Shares of the Existing Class on the relevant Dealing Day.

## Conversion Procedures

Unless otherwise specified in the relevant Appendix, applications for conversion of Shares may be made to the Transfer Agent or the Authorised Distributor(s) by completing the Conversion Form and sending it by facsimile to the Transfer Agent at the facsimile number on the Conversion Form, or through such other means, including by approved electronic transmission, as may be permitted by the Directors and agreed by the Administrator (where such means are in accordance with the SFC's requirements) and such applications should contain such information as may be specified from time to time by the Directors or their delegates, provided that, if so requested by the Administrator, the originals shall follow promptly, or may be given to Authorised Distributor(s) for onward transmission to the Transfer Agent. The Conversion Form is available from the Transfer Agent and/or the Authorised Distributor(s).

Shareholders should, for their own benefit, confirm with the Transfer Agent safe receipt of a conversion request. None of the Company, the Directors, the Manager, the Administrator, the Transfer Agent, the Custodian or other service providers, or their agents or delegates, will be responsible to a Shareholder for any loss howsoever arising as a result of the non-receipt, mis-delivery or illegibility of such transmission or any loss caused in respect of any action taken as a consequence of instructions believed in good faith to have originated from the Shareholder. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent.

Conversion Forms which are received by the Transfer Agent by the Dealing Deadline applicable to the Existing Class or such later time as the Directors may think fit on a Dealing Day (but prior to the Valuation Point relating to the relevant Dealing Day) in relation to such Existing Class will be dealt with on that Dealing Day and Conversion Forms received after such time will be dealt with on the following Dealing Day in relation to such Existing Class. Conversion Forms may not be withdrawn without the consent of the Directors.

Depending on the Valuation Point of the relevant Sub-Fund and the time required to remit the conversion money, the day on which investments are converted into the New Class may be later than the day on which investments in the Existing Class are converted out or the day on which the instruction to convert is given.

## Restrictions on Conversion

Shares shall not be converted 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 "**Valuation and suspension - Suspension**" below) or when the Directors determine, that subscriptions for Shares of the New Class or redemptions of Shares of the Existing Class are closed.

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## VALUATION AND SUSPENSION

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### Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund, the Net Asset Value of each Class of Shares and the Net Asset Value per Share of each Class will be calculated in accordance with the Instrument of Incorporation as at the Valuation Point on each Valuation Day.

The Net Asset Value of a Sub-Fund shall be calculated by valuing the assets of such Sub-Fund in accordance with the provisions of the Instrument of Incorporation and deducting the liabilities attributable to such Sub-Fund in accordance with the provisions of the Instrument of Incorporation. The Instrument of Incorporation provides among others that:

(a) Listed Investments

The value of any investment (including units, shares or other interests in a collective investment scheme quoted, listed, traded or normally dealt in on a Securities Market but excluding units, shares or other interests in an unlisted collective investment scheme or a commodity) quoted, listed, traded or normally dealt in on a Securities Market shall at the discretion of the Manager be calculated by reference to the last traded price or closing price as calculated and published by the Securities Market (which, in the opinion of the Manager, provides the principal Securities Market for such investment) or (if no last traded price or closing price is available) midway between the latest available market dealing offer price and the latest available market dealing bid price on which the investment is quoted, listed, traded or normally dealt in for such amount of such investment at or immediately preceding the Valuation Point, as the Manager may consider in the circumstances to provide a fair criterion, provided that:

- (i) If the Manager in its discretion considers that the prices ruling on a Securities Market other than the principal Securities Market provide in all the circumstances a fairer criterion of value in relation to any such investment, the Manager may, after consultation with the Custodian of the relevant Sub-Fund, adopt such prices.
- (ii) If an investment is quoted, listed or normally dealt in on more than one Securities Market, the Manager shall adopt the price or, as the case may be, middle quotation on the Securities Market which, in its opinion and after consultation with the Custodian of the relevant Sub-Fund, provides the principal market for such investment.
- (iii) For an investment where only a single external pricing source is available, the price shall be obtained independently for that source as the Manager may, after consultation with the Custodian of the relevant Sub-Fund, deem appropriate.
- (iv) In the case of any investment which is quoted, listed or normally dealt in on a Securities Market but in respect of which, for any reason, prices on that Securities Market may not be available at any relevant time, the value thereof shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager after consultation with the Custodian of the relevant Sub-Fund.
- (v) Where there is no Securities Market, all calculations based on the value of investments quoted by any person, firm or institution making a market in that investment (and if there

shall be more than one such market maker then such particular market maker as the Manager, in consultation with the Custodian of the relevant Sub-Fund, may determine) shall be made by reference to the mean of the latest bid and asked price quoted thereby.

- (vi) There shall be taken into account interest accrued on interest-bearing investments up to (and including) the date as at which the valuation is made, unless such interest is included in the quoted or listed price.

(b) Unquoted Investments

The value of any investment (other than an interest in an unlisted collective investment scheme or a commodity) which is not quoted, listed or normally dealt in on a Securities Market shall be the initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other acquisition expenses) provided that the value of any such unquoted investment shall be determined on a regular basis by a professional person approved by the Custodian of the relevant Sub-Fund as qualified to value such unquoted investment. Such professional person may, with the approval of the Custodian of the relevant Sub-Fund, be the Manager.

(c) Cash, Deposits etc.

Cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager after consultation with the Custodian of the relevant Sub-Fund, any adjustment should be made to reflect the value thereof.

(d) Collective Investment Schemes

The value of each unit, share or other interest in any collective investment scheme (other than units, shares or other interests in a collective investment scheme quoted, listed, traded or normally dealt in on a Securities Market) shall be the net asset value per unit, share or other interest as at the same day the Net Asset Value of the relevant Sub-Fund is calculated, or if such collective investment scheme is not valued as at the same day, the last published net asset value per unit, share or other interest in such collective investment scheme (where available) or (if the same is not available) the latest available bid price for such a unit, share or other interest at or immediately preceding the Valuation Point.

If no net asset value, bid and offer prices or price quotations are available as provided in the preceding paragraph, the value of each unit, share or other interest shall be determined from time to time in such manner as the Manager, in consultation with the Custodian of the relevant Sub-Fund, shall determine.

(e) Other Valuation Methods

Notwithstanding paragraphs (a) to (d) above, the Manager may, after consultation with the Custodian of the relevant Sub-Fund, adjust the value of any investment or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations the Manager deems relevant, it considers, after consultation with the Custodian of the relevant Sub-Fund, that such adjustment or use of such other method is required to reflect the fair value thereof.

For instance, where the market value of an investment is unavailable or where the Manager reasonably believes that no reliable price exists or the most recent price available does not reflect a price the relevant Sub-Fund would expect to receive upon the current sale of the

investment, the Manager may value the investment at a price which the Manager believes reflects a fair and reasonable price for that investment in the prevailing circumstances.

(f) Conversion to Base Currency

Any value (whether of a borrowing or other liability or an investment or cash) otherwise than in the Base Currency of a Sub-Fund and any borrowing in a currency other than such Base Currency shall be converted into such Base Currency at the prevailing market rate (whether official or otherwise) which the Manager shall, after consultation with the Custodian of the relevant Sub-Fund, deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange. Conversion of currency may be made at a premium or discount in exceptional circumstances such as where there is a huge fluctuation in the exchange rate.

(g) Reliance on Price Data and Information provided through Electronic Price Feeds etc

Subject as provided below, when calculating the Net Asset Value of a Sub-Fund, the Manager shall be entitled, without verification, further enquiry or liability, to rely on price data and other information in relation to the value of any investment or the cost price or sale price thereof provided through electronic price feeds, mechanised or electronic systems of price or valuation, or valuation or pricing information which is provided to it by any valuer, third party valuation agent, intermediary or other third party appointed or authorised by the Manager to provide valuations or pricing information of the investments or the assets of the Sub-Fund notwithstanding that the prices so used are not the last traded prices or closing prices.

(h) Appointment of a Third Party for Valuation

Where a third party is engaged in the valuation of the assets of a Sub-Fund, the Manager shall exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of such third party in ensuring such entity possesses the appropriate level of knowledge, experience and resources that is commensurate with the valuation policies and procedures for such Sub-Fund. The valuation activities of such third party shall be subject to ongoing supervision and periodic review by the Manager.

Investors should note that, under IFRS, investments should be valued at fair value and also that, under IFRS, bid and offer pricing is considered to be representative of the fair value of investments. However, the valuation basis described above may deviate from the IFRS which may lead to a different valuation had the valuation been performed in accordance with IFRS. The Manager has considered the impact of such discrepancy and do not expect this issue to affect the results and Net Asset Value of a Sub-Fund materially. To the extent that the valuation basis adopted by the relevant Sub-Fund deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements for the financial statements to be in compliance with IFRS.

### **Net Asset Value per Share**

In order to determine the Net Asset Value of a Share of a Class of a Sub-Fund, the Net Asset Value attributable to such Class shall be divided by the number of Shares of that Class in issue immediately prior to the relevant Dealing Day for such Class of Shares.

### **Revaluation of Net Asset Value per Share**

The Manager may, after consultation with the Custodian, arrange for a revaluation of the Net Asset Value of a Share of any Class if the Manager considers that the Net Asset Value per Share of the

relevant Class calculated in relation to any Dealing Day does not accurately reflect the true value of such Share. Any revaluation will be made on a fair and equitable basis.

### **Delegation of valuation and pricing functions**

The Instrument of Incorporation provides that the Directors shall delegate all functions in respect of valuation and pricing of the Scheme Property and Shares of the Company to the Manager.

### **Adjustment of prices**

In order to counter the effects of dilution on a Sub-Fund's Net Asset Value brought about by large purchases or redemptions of the Sub-Fund's Shares, the Manager may (i) make fiscal charges adjustment to the Issue Price and Redemption Price or (ii) implement swing pricing to adjust the Net Asset Value of a Sub-Fund, as detailed below. For the avoidance of doubt, the Manager may either adjust the Net Asset Value of a Sub-Fund, or adjust the Issue Price or Redemption Price of the Sub-Fund, but not both, on a particular Dealing Day.

Dilution involves a reduction in the Net Asset Value brought about by investors purchasing, selling and/or exchanging in and out of a Sub-Fund at a price that does not reflect the dealing costs associated with the Sub-Fund's trade activity undertaken to accommodate the corresponding cash inflows or outflows. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Sub-Fund deviates from the valuation of these assets in the Sub-Fund due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a Sub-Fund and therefore impact Shareholders.

The Manager will consult the Custodian of the relevant Sub-Fund prior to (i) any adjustment in the Issue Price or Redemption Price and (ii) swing pricing adjustment, and such adjustment would only be made where the Custodian of the relevant Sub-Fund has no objection to it. Should the Manager increase the adjustment limits as specified below, it will apply with the SFC (if required) and provide notice to fund investors regarding such change.

#### *Fiscal charges adjustment*

In calculating the Issue Price, the Manager may make adjustments including adding bid-ask spread, and fiscal and purchase charges (as described under the section headed "**Subscription of Shares – Issue Price**" above) and in calculating the Redemption Price, the Manager may make adjustments including deducting bid-ask spread, and fiscal and sale charges (as described under the section headed "**Redemption of Shares – Redemption Price**" above).

The Manager will only make such adjustments to the Issue Price and Redemption Price with a view to protecting the interests of Shareholders under exceptional circumstances as determined by the Manager from time to time. Exceptional circumstances for adjusting the Issue Price or Redemption Price may include (a) the aggregate net transactions (either net subscriptions or net redemptions) in Shares having exceeded a pre-determined threshold set by the Manager from time to time; and/or (b) extreme market conditions which may have an unfavourable impact on the interests of existing Shareholders. In such circumstances the Issue Price or Redemption Price (as the case may be) of the relevant Class may be adjusted by an amount (not exceeding 3% of the Net Asset Value per Share of the relevant Class) which reflects the fiscal and dealing charges that may be incurred by the relevant Sub-Fund and the estimated difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the relevant Sub-Fund and the latest available bid or asked price of such investments.

For the avoidance of doubt,

- (a) the Issue Price and Redemption Price, prior to any adjustment, will be determined with reference to the same Net Asset Value per Share of the relevant Class; and
- (b) it is not the intention of the Manager to adjust the Issue Price upwards and the Redemption Price downwards on the same Dealing Day; and
- (c) any adjustment in the Issue Price or Redemption Price must be made on a fair and equitable basis and in the best interest of Shareholders.

#### *Swing pricing adjustment*

Under the Manager's swing pricing policy, if on any Valuation Day, the aggregate net investor inflows or outflows in Shares of a Sub-Fund exceed a pre-determined threshold, as determined from time to time by the Manager, the Net Asset Value of the Sub-Fund may be adjusted upwards or downwards to reflect the costs attributable to such net inflows or net outflows. The threshold is set by the Manager taking into account factors such as the prevailing market conditions, the estimated dilution costs and the size of a Sub-Fund. The level of swing pricing adjustment will be reviewed and may be adjusted on a periodic basis to reflect an approximation of dealing costs as determined by the Manager. The application of swing pricing will be triggered automatically on a daily basis upon crossing the relevant threshold. The swing pricing adjustment will be applicable to all Shares of a Sub-Fund (and all transactions) on that Valuation Day. The swing pricing adjustment may vary by Sub-Fund and is dependent upon the particular assets in which a Sub-Fund is invested. Please note that an adjustment of the Net Asset Value upward results in investors paying more for each Share subscribed whilst an adjustment of the Net Asset Value downward results in investors receiving less for each Share realised. The swing pricing adjustment will generally not exceed 3% of the original Net Asset Value of a Sub-Fund. Until the threshold is exceeded, no swing pricing adjustment will be made and the transaction costs will be borne by the Sub-Fund. Fees other than the Subscription Charge, Redemption Charge and Switching Fee will continue to be calculated on the basis of the unadjusted Net Asset Value.

Investors are advised that the application of swing pricing may result in increased volatility in a Sub-Fund's valuation and performance, and a Sub-Fund's Net Asset Value may deviate from the underlying investments' performance on a particular Valuation Day as a result of the application of swing pricing. Typically, such adjustment will increase the Net Asset Value per Share on a given Valuation Day when there are net inflows into a Sub-Fund and decrease the Net Asset Value per Share when there are net outflows. As swing pricing adjustment can only be made in one direction on any given day, certain subscribing investors will benefit if the Net Asset Value of a Sub-Fund is adjusted downward and vice versa. Any swing pricing adjustment must be made on a fair and equitable basis and in the best interest of Shareholders.

#### **Suspension**

The Manager may, after consultation with the Custodian of the relevant Sub-Fund, and having regard to the best interests of Shareholders, declare a suspension of the determination of the Net Asset Value of the Company or of any Sub-Fund or of any Class of Shares and/or the allotment, issuance, conversion or redemption of Shares and/or the payment of the redemption proceeds for the whole or any part of any period:

- (a) during which there is a closure (other than customary weekend and holiday closing) of or the restriction or suspension of trading on any commodities market or Securities Market on which a substantial part of the investments of the Company or the relevant Sub-Fund is normally traded or a breakdown in any of the means normally employed in ascertaining the prices of investments or the Net Asset Value of a Sub-Fund or the Issue Price or Redemption Price per Share; or

- (b) during which for any other reason the prices of investments held or contracted for by the Company or the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly or fairly be ascertained; or
- (c) when circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable for the Company to realise a substantial part of the investments held or contracted for the account of the Company or the relevant Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Class; or
- (d) during which the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, a substantial part of the investments of the Company or the relevant Sub-Fund or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange; or
- (e) when a breakdown in the systems and/or means of communication usually employed in ascertaining the value of any of the investments or the Net Asset Value or the Issue Price or Redemption Price per Share of any Class takes place or when for any other reason the value of any of the investments or the Net Asset Value of the Company or the relevant Sub-Fund or the Issue Price or Redemption Price per Share of any Class cannot, in the opinion of the Manager, reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner; or
- (f) when, in the opinion of the Manager, such suspension, delay or extension is required by law or applicable legal process or the issue, redemption or transfer of Shares would result in the violation of any applicable law; or
- (g) where the Company or the relevant Sub-Fund is invested in one or more collective investment schemes and the realisation of interests in any relevant collective investment scheme(s) (representing a substantial portion of the assets of the Company or that Sub-Fund) is suspended or restricted; or
- (h) during which the business operations of the Manager, the Administrator, the Custodian or their delegates in respect of the Company are substantially interrupted or closed as a result of or arising from sabotage, storm, tempest, typhoon, earthquake, accident, fire, flood, explosion, toxicity, radioactivity, acts of God, act of any government or other competent authority, hostilities (whether war be declared or not), act of terrorism, riot, civil commotion, strikes or industrial action of any kind, insurrection, rebellion or other cause, whether similar or not, which is beyond the reasonable control of the relevant party; or
- (i) where the Shareholders or the Directors or the Manager have resolved or given notice to terminate the Company or the relevant Sub-Fund or to carry out a scheme of amalgamation involving that Sub-Fund; or
- (j) in such other circumstance or where such other situations exist as set out in the Appendix of the relevant Sub-Fund.

If a suspension is declared, during such a period of suspension:

- (a) where the suspension is in respect of the determination of the Net Asset Value, there shall be no determination of the Net Asset Value of the Company or the relevant Sub-Fund or the relevant Class (as applicable) (although an estimated Net Asset Value may be calculated and published) and any application for issue or request for conversion or redemption of Shares shall be similarly suspended. If a request for subscription, redemption or conversion of Shares is

received by the Company during a period of suspension and not withdrawn, such request shall be treated as if it were received in time to be dealt with on the Dealing Day next following the end of the said suspension and dealt with accordingly;

- (b) where the suspension is in respect of the allotment or issue, conversion and/or the redemption of Shares of a Class, there shall be no allotment, issue, conversion and/or redemption of Shares of that Class. For the avoidance of doubt, the allotment, issue, conversion or redemption of Shares of a Class may be suspended without suspending the determination of the Net Asset Value.

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

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

Whenever the Manager declares such a suspension, the Manager (i) shall immediately after any such declaration notify the SFC of such suspension and (ii) shall, immediately after any such declaration and at least once a month during the period of such suspension, cause a notice to be published on the Manager's website or in any other appropriate manner stating that such declaration has been made.

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## DISTRIBUTION POLICY

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The distribution policy adopted by a Sub-Fund or a Class thereof is set out in the relevant Appendix of such Sub-Fund. A Sub-Fund may offer Classes of Shares that accumulate income (“**Accumulation Classes**”) or pay regular distributions out of net distributable income or capital or gross income of such Sub-Fund (“**Distribution Classes**”).

### **Accumulation Classes**

No distribution is intended to be made in respect of Accumulation Classes. Therefore, any net income and net realised capital gains attributable to Shares of the Accumulation Classes will be reflected in their respective Net Asset Value.

### **Distribution Classes**

For Distribution Classes, the Manager will determine the dividend policy including the distribution amount, dividend payment date and frequency at which dividend may be paid as it considers appropriate. However, unless otherwise specified in the relevant Appendix, there is neither a guarantee that such distributions will be made nor will there be a target level of distribution payment.

The Manager will also have the discretion to determine if and to what extent distributions will be paid out of net income and/or capital attributable to the relevant Distribution Class. The Manager may also, in its absolute discretion, distribute gross income and charge all or part of the Sub-Fund’s fees and expenses attributable to the relevant Distribution Class to the capital attributable to the relevant Distribution Class as the Manager considers appropriate, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund in respect of the relevant Distribution Class and therefore, the Sub-Fund may effectively pay dividends out of capital.

**In the event that the net distributable income attributable to the relevant Distribution Class during the relevant period is insufficient to pay distributions as declared, the Manager may in its discretion determine such dividends be paid from capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of a Sub-Fund’s capital or payment of dividends effectively out of a Sub-Fund’s capital may result in an immediate reduction of the Net Asset Value per Share of the relevant Distribution Class. Please refer to the section headed “*Risk Factors - Risk associated with distribution out of/effectively out of a Sub-Fund’s capital*” above for further details.**

The composition of the distributions (i.e. the relative amounts/percentages paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Company on request and also on the Manager’s website. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

Distributions of a Distribution Class declared, if any, shall be distributed among the Shareholders of the relevant Distribution Class rateably in accordance with the number of Shares held by them on the record date as determined by the Manager in respect of the corresponding distribution. For the avoidance of doubt, only Shareholders whose names are entered on the register of Shareholders on such record date shall be entitled to the distribution declared in respect of the corresponding distribution.

Distributions, if declared, will be paid in cash. The cash distribution (if any) will normally be paid by direct transfer or telegraphic transfer in the Base Currency of the relevant Sub-Fund or the Class Currency of the relevant Class of Shares to the pre-designated bank account of the relevant Shareholder (at the Shareholder's risk and expense). No third party payments will be permitted. Any bank charges associated with the payment of such distributions will be borne by the relevant Shareholder and deducted from the distribution amount.

The Manager may amend the dividend policy for any Sub-Fund. Where required by the SFC or the UT Code, the Manager will obtain the SFC's prior approval and/or give not less than one month's prior notice to the relevant Shareholders of any such amendment.

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## FEES AND EXPENSES

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

### **Fees payable by Shareholders**

The following fees and expenses are payable by Shareholders:

#### ***Subscription Charge***

Unless otherwise stated in the relevant Appendix, the Manager is entitled to receive and retain the Subscription Charge on the issue of any Shares, at the rates as specified in the relevant Appendix.

The Subscription Charge will be payable in addition to the Initial Offer Price or the Issue Price in respect of a Share. The Manager reserves the right to waive or rebate any Subscription Charge to which it is entitled, whether in part or in full and whether in respect of a particular investor or generally. The Manager may share any fees it receives with any person(s) as it deems appropriate. For further details, please refer to the section headed “***Subscription of Shares – Subscription Charge***” above.

#### ***Redemption Charge***

Unless otherwise stated in the relevant Appendix, the Manager is entitled to receive and retain the Redemption Charge on the redemption of any Shares, at the rates as specified in the relevant Appendix.

The Redemption Charge will be deducted from the amount payable to a Shareholder in respect of the redemption of Shares. The Manager reserves the right to waive or rebate any Redemption Charge to which it is entitled, whether in part or in full and whether in respect of a particular investor or generally. The Manager may share any fees it receives with any person(s) as it deems appropriate. For further details, please refer to the section headed “***Redemption of Shares – Redemption Charge***” above.

#### ***Switching Fee***

Unless otherwise stated in the relevant Appendix, the Manager is entitled to receive and retain the Switching Fee on the conversion of any Shares, at the rates as specified in the relevant Appendix.

The Switching Fee shall be deducted from the amount reinvested into the Sub-Fund relating to Shares of the New Class. The Manager reserves the right to waive or rebate any Switching Fee to which it is entitled, whether in part or in full and whether in respect of a particular investor or generally. The Manager may share any fees it receives with any person(s) as it deems appropriate. For further details, please refer to the section headed “***Conversion – Switching Fee***” above.

### **Fees and expenses payable by the Sub-Fund**

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

#### ***Directors’ remuneration***

Under the Instrument of Incorporation, the Directors shall be entitled to remuneration for their services

as directors of the Company and, where payable, such remuneration shall be allocated fairly as between Sub-Fund(s) by reference to their respective Net Asset Values. As at the date of this Prospectus, each of the Directors has waived his/her entitlement to receive a Director's fee (including any expenses incurred by the Directors in the conduct of the Company's business).

### ***Management fee***

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

The Manager may share any fees, charges or amounts it receives in its capacity as manager of any Sub-Fund (or any Class thereof) with any persons who distribute or otherwise procure subscriptions to that Sub-Fund (or any Class thereof). An Authorised Distributor may further re-allocate an amount of such fees, charges or amounts to its sub-distributor(s).

### ***Performance fee***

The Manager may charge a performance fee in respect of a Sub-Fund (or any Class thereof), payable out of the assets of the relevant Sub-Fund (or the relevant Class). If a performance fee is charged, further details will be disclosed in the Appendix for the relevant Sub-Fund, including the current rate of the performance fee payable and the basis of calculation of such fee.

### ***Administrator's and Custodian's fees***

The Administrator and Custodian are entitled to receive fees which are charged as a percentage of the Net Asset Value of the relevant Sub-Fund as at each Valuation Day, at the rates as specified in the relevant Appendix subject to a minimum monthly fee (if any) as specified in the relevant Appendix. The Administrator's and Custodian's fees are calculated and accrued as at the Valuation Point on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund. The fees payable to the Administrator and Custodian are subject to a maximum rate (if any) as specified in the Appendix.

The Administrator and Custodian are also entitled to receive various transaction, valuation and processing fees and other applicable fees as agreed with the Company from time to time and to be reimbursed by the relevant Sub-Fund for all out-of-pocket expenses (including sub-custody fees and expenses) properly incurred by them in the performance of their duties.

### ***Notice for fee increase***

Shareholders shall be given not less than one month's prior notice should there be any increase of the management fee, the performance fee, the Administrator's fee or the Custodian's fee. Any increase in the maximum level of the management fee, the performance fee, the Administrator's fee or the Custodian's fee of a Sub-Fund (or any Class thereof) shall be subject to the SFC's prior approval and the sanction of special resolution of the Shareholders of such Sub-Fund (or such Class).

### ***Establishment costs***

The establishment costs of the Company and the initial Sub-Fund, being SDICSI USD Money Market Fund, are of such amount as set out in the Appendix of the initial Sub-Fund and will be borne by the initial Sub-Fund. The establishment costs will be amortised up to the Amortisation Period. Where

subsequent Sub-Fund(s) under the Company are established in the future, the Directors may determine that the unamortised establishment costs of the Company (if any) or a part thereof may be re-allocated to such subsequent Sub-Fund(s).

The establishment costs and payments incurred in the establishment of subsequent Sub-Fund(s) are to be borne by the relevant Sub-Fund(s) to which such costs and payments relate and amortised over the Amortisation Period, as set out in the relevant Appendix.

Investors should also note that under IFRS, establishment costs should be expensed as incurred and that amortisation of the expenses of establishing Sub-Fund(s) is not in accordance with IFRS. However, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of the Sub-Fund(s). To the extent that the accounting basis adopted by a Sub-Fund deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements for the financial statements to be in compliance with IFRS.

### ***General expenses***

Each Sub-Fund will bear the costs of the Company (including those set out below) which are directly attributable to it. Where such costs are not directly attributable to a Sub-Fund, the Directors have absolute discretion to determine how such costs are to be allocated.

Such costs include but are not limited to the costs of investing and realising the investments of the Company, interest on borrowings and fees incurred in respect of such borrowings, the fees and expenses of the Company, the Directors, the Manager, the Investment Delegate, the Custodian, the Administrator, the Auditors and other service providers to the Company, company secretarial fees, valuation costs, legal fees, the expenses incurred in establishing the Company and Sub-Fund(s) and costs in connection with the initial issue of Shares or a Class of Shares, the costs incurred in connection with the preparation of any amendments to the Instrument of Incorporation or any of the agreements with service providers to the Company, the costs of obtaining and maintaining any listing or regulatory approval, rating agency fees, the costs of holding meetings of Shareholders and of giving notices to Shareholders, the costs incurred in the termination or withdrawal of authorisation of the Company, any Sub-Fund or any Class of Shares, all costs incurred in publishing the Net Asset Value of a Sub-Fund, Net Asset Value per Share, Net Asset Value of a Class of Shares, Net Asset Value per Share of a Class, Issue Price and Redemption Price of Shares, all fees and expenses incurred in connection with the retirement or removal of any service provider to the Company or the appointment of any new service provider, all costs of preparing, printing and distributing all statements, financial reports, the expenses of preparing and printing any offering document and any notices to Shareholders, and any other expenses, deemed by the Directors, after consulting the Auditors, to have been incurred in compliance with or connection with any change in or introduction of any law or regulation or directive (whether or not having the force of law) of any governmental or other regulatory authority or with any code or guideline applicable to the Company the cost of any liability insurance taken out by the Company in respect of the Directors, any amount payable under the indemnity provisions of the Instrument of Incorporation or any agreement with the service providers to the Company and all other liabilities of the Company of whatsoever kind and nature including an appropriate provision for taxes and contingent liabilities as determined from time to time by the Directors.

For so long as the Company and such Sub-Fund(s) are authorised by the SFC, no commissions payable to sales agents or advertising or promotional expenses shall be charged to the Company or such Sub-Fund(s).

### **Transactions with Connected Persons, cash rebates and soft dollars**

All transactions carried out by or on behalf of the Company must be executed at arm's length and in the

best interests of the Shareholders of the relevant Sub-Fund. In particular, any transactions between the Company, the Directors, the Manager, an Investment Delegate or any of their Connected Persons as principal may only be made with the prior written consent of the Custodian. All such transactions will be disclosed in the annual financial report of the Company.

In transacting with brokers or dealers connected to the Directors, the Manager, an Investment Delegate, the Custodian or any of their Connected Persons, the Manager must ensure that:

- (a) such transactions are on arm's length terms;
- (b) it uses due care in the selection of such brokers or dealers and ensures 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) it monitors such transactions to ensure compliance with its obligations; and
- (f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual financial report of the Company.

None of the Manager, Investment Delegate nor any of their Connected Persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for the Company to such brokers or dealers, save that goods and services (soft dollars) as described in the paragraph below may be retained. Any such cash commission or rebates received from any such brokers or dealers shall be for the account of the relevant Sub-Fund. Details of any such commissions and the Manager's soft dollar practices, including a description of the goods and services received by the Manager will be disclosed in the annual and semi-annual financial reports of the Company.

The Manager, the Investment Delegate and/or any of their Connected Persons reserves the right to effect transactions by or through a broker or dealer with whom the Manager, the Investment Delegate and/or any of their Connected Persons has an arrangement under which that broker or dealer will from time to time provide to or procure for the Manager, the Investment Delegate and/or any of their Connected Persons goods or services for which no direct payment is made but instead the Manager, the Investment Delegate and/or any of their Connected Persons undertakes to place business with that broker or dealer. The Manager and the Investment Delegate (if any) shall procure that no such arrangements are entered into unless:

- (a) the goods and services to be provided pursuant thereto are of demonstrable benefit to the Shareholders (taken as a body and in their capacity as such) whether by assisting the Manager and/or the Investment Delegate in their ability to manage the relevant Sub-Fund or otherwise;
- (b) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates; (
- (c) periodic disclosure is made in the annual financial report of the Company or the relevant Sub-Fund in the form of a statement describing the soft dollar policies and practices of the Manager or the Investment Delegate, including a description of goods and services received by them; and

- (d) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Such goods and services may include 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 publications. 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.

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## TAXATION

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Each prospective Shareholder should inform himself or herself of, and where appropriate take independent professional advice on, the taxes applicable to the acquisition, holding and redemption of Shares by him or her under the laws of the places of his or her citizenship, residence and domicile.

The following summary of Hong Kong taxation is of a general nature, is for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of Shareholders. Each prospective Shareholder should consult his or her own professional advisers as to the implications of his or her subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of Hong Kong and the laws and practice of his or her jurisdiction, including the tax consequences and any exchange control requirements.

The information below is based on the law and practice in force in Hong Kong at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. 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**

#### ***Taxation of the Company / Sub-Fund(s)***

##### *Profits Tax*

As the Company and the Sub-Fund(s) have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Company and the Sub-Fund(s) are exempt from Hong Kong Profits Tax under Section 26A(1A) of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong).

##### *Stamp Duty*

Hong Kong stamp duty is ordinarily payable on the sale or purchase of Hong Kong stock. "Hong Kong stock" is defined under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) as "stock" the transfer of which is required to be registered in Hong Kong.

Pursuant to the remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty payable on the transfer of Hong Kong stock to the Company and/or the Sub-Fund(s) as consideration for an allotment of Shares or transfer of Hong Kong stocks by the Company and/or the Sub-Fund(s) upon redemption of Shares is remitted.

#### ***Taxation of the Shareholders***

##### *Profits Tax*

Hong Kong profits tax (which is currently charged at the rate of 16.5% for corporations, and 15% for unincorporated businesses with the first HK\$2 million of assessable profits charged at 8.25% for

corporations and 7.5% for unincorporated businesses, subject to certain conditions being met) will arise on any gains or profits sourced in Hong Kong made on the sale, redemption or other disposal of the Shares where such transactions form part of a trade, profession or business carried on by a Shareholder in Hong Kong and such Shares are not capital assets of the Shareholders. Ascertaining the classification of a gain as revenue or capital will depend on the particular facts and circumstances of the Shareholders.

On 1 January 2023, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 came into effect. This legislation has introduced a new “foreign-sourced income exemption” (FSIE) regime in Hong Kong. Before the new FSIE regime, the following four types of income had been non-taxable for Hong Kong Profits Tax purposes if sourced offshore. Under the new FSIE regime, with certain exceptions, such income is no longer exempt when received by an entity that carries out a trade, profession or business in Hong Kong, if that entity is within a multinational group:

- Interest;
- dividend;
- disposal gain from the sale of equity interests in an entity; disposal gain of all assets (effective from 1 January 2024); and
- intellectual property income (e.g. licence fee).

Dividends received by Shareholders from their Shares in the Company or a Sub-Fund should generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise).

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

Shareholders should seek advice from their own professional advisers as to their particular tax positions.

#### *Stamp Duty*

No Hong Kong stamp duty is generally payable by a Shareholder in relation to an allotment of Shares or on the redemption of Shares. Also, no Hong Kong stamp duty is payable where a sale or transfer of Shares is effected by extinguishing the Shares or the sale or transfer is to the Manager who subsequently re-sells the Shares within two months thereof.

Unless otherwise exempted, other types of sales or purchases or transfers of the Shares by the Shareholders should be liable to Hong Kong stamp duty of, 0.1% on the higher of the stated consideration or market value of the Hong Kong stock bought and sold (normally borne by each of the buyer and the seller). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Shares.

Shareholders should independently consult their own professional advisers on the possible taxation consequences of their subscribing for, buying, holding, transferring, selling, redeeming or otherwise disposing of the Shares, in the context of their particular situations.

#### **Other jurisdiction(s)**

Please refer to the section headed “**Risk Factors -PRC tax risk**” above and/or the relevant Appendix on taxation requirements in other jurisdiction(s) that may be applicable to a Sub-Fund.

#### **Automatic Exchange of Financial Account Information**

The Inland Revenue (Amendment) (No.3) Ordinance (the “**Ordinance**”) (as amended from time to time) came into force on 30 June 2016. The Ordinance establishes the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (also referred to as the Common Reporting Standard (“**CRS**”)) in Hong Kong. The CRS requires financial institutions (“**FI**”) in Hong Kong (such as the Company and the Sub-Fund(s)) to collect information relating to tax residents of reporting jurisdictions holding financial accounts with FIs, and report such information to the Inland Revenue Department (“**IRD**”). The information will be further exchanged with jurisdiction(s) in which the account holder is a tax resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has activated exchange relationships under AEOI on the basis of bilateral competent authority agreements or a multilateral competent authority agreement under the Convention on Mutual Administrative Assistance in Tax Matters. However, the Company, the Sub-Fund(s) and/or its agents may further collect information relating to residents of other jurisdictions that are not resident in a Reportable Jurisdiction (as defined below).

The Company and each Sub-Fund are required to comply with the requirements of CRS as implemented by Hong Kong, which means that the Company, each Sub-Fund and/or its agents shall collect the relevant tax information relating to Shareholders and prospective investors and provide such information to the IRD.

The AEOI rules as implemented by Hong Kong require the Company and each Sub-Fund to, amongst other things: (i) register the Company’s status as a “Reporting Financial Institution” with the IRD; (ii) conduct due diligence on its accounts (i.e., equity interest held by Shareholders) to identify whether any such accounts are considered “Reportable Accounts” for CRS purposes; and (iii) report certain information of such Reportable Accounts to the IRD. The IRD will then transmit such information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has activated exchange relationships under AEOI (i.e. the “**Reportable Jurisdictions**”). Broadly, CRS contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in the Reportable Jurisdictions; and (ii) certain entities controlled by individuals who are tax residents in the Reportable Jurisdictions (collectively, “**Reportable Persons**”). Under the Ordinance, details of the Reportable Persons, including but not limited to their name, date of birth, address, tax residence, taxpayer identification number (“**TIN**”), account details, account balance/value, and certain income or sale or redemption proceeds, will be reported to the IRD, which will be subsequently exchanged with government authorities in the relevant Reportable Jurisdictions. By investing in the Company and the relevant Sub-Fund and/or continuing to invest in the Company and the relevant Sub-Fund, Shareholders acknowledge that they may be required to provide additional information to the Company, the relevant Sub-Fund, the Manager and/or the Company’s agents in order for the Company and the relevant Sub-Fund to comply with CRS. The Shareholder’s information (and/or information pertaining to Controlling Person(s) of a Shareholder, as defined in the Ordinance), may be exchanged by the IRD with government authorities in the Reportable Jurisdictions.

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

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## GENERAL INFORMATION

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### Financial reports

The Company's and each Sub-Fund's financial year end is on the Accounting Date in each year.

Audited annual financial reports and unaudited interim financial reports will be prepared for each financial year. The Company will notify Shareholders where the audited annual financial report in English only can be obtained in printed and electronic form within four months after the Accounting Date, and where the unaudited interim financial report in English only can be obtained in printed and electronic form within two months after the Interim Accounting Date in each year.

Once issued, soft copies of the reports will be available on the Manager's website at <https://www.sdicsi.com.hk> (investors should note that the aforesaid website has not been reviewed or authorised by the SFC) and hardcopies of the reports will be available upon request of Shareholders free of charge and for inspection at any time during normal business hours on any Business Day at the office of the Manager. Hard copies of the accounts and reports may be sent to a Shareholder on request (at such Shareholder's expense).

The Manager intends to adopt IFRS in drawing up the annual financial reports of the Company and Sub-Fund(s) and the interim financial reports will apply the same accounting policies and method of computation as are applied in the annual financial reports of the Company and the Sub-Fund(s). It should however be noted that in amortising the establishment costs of the Company and the Sub-Fund(s) in accordance with the section headed "**Fees and expenses - Establishment costs**" above, possible deviation from such accounting standards may occur but the Manager does not expect this issue to be material under normal circumstances. The Manager may make necessary adjustments in the annual financial reports in order to comply with IFRS and to include a reconciliation note in the Company's audited annual financial reports.

### Publication of prices

The Net Asset Value per Share of each Class of a Sub-Fund will be published on each Dealing Day of that Sub-Fund on the Manager's website at <https://www.sdicsi.com.hk>. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

### Instrument of Incorporation

The Company was incorporated in Hong Kong under the SFO on 23 October 2024. Its constitution is set out in the Instrument of Incorporation filed to the Companies Registry of Hong Kong on and effective as of 23 October 2024 (as may be further amended, modified or supplemented from time to time). All Shareholders are entitled to the benefit of, are bound by and deemed to have undertaken to observe the provisions of the Instrument of Incorporation.

### Share capital

The Company may from time to time issue more than one Class of shares with no par value including management shares of USD 1 each and participating shares. The paid-up capital of the Company is equal to its Net Asset Value in the Base Currency.

The management shares may only be issued to the Manager and/or one or more Connected Persons of the Manager, and are issued to enable all the participating shares to be redeemed without liquidating the Company. All management shares are currently held by the Manager. Except where there are no participating shares in issue, the management shares do not carry a right to vote.

### **Removal and retirement of Directors**

A Director ceases to hold office if he/she:

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

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

### **Meetings and voting rights**

The Directors have general powers to convene meetings of Shareholders. Further, meetings of Shareholders shall be convened by the Directors if Shareholders representing at least 10% of the total voting rights of all the Shareholders having a right to vote at general meetings request that a meeting be convened. The Directors shall call a meeting within 21 days of receiving such request, in default of which the Shareholders who requested the meeting, or any of them representing more than half of the total voting rights of all of them, may themselves call a meeting.

Shareholders will be given not less than 21 days' notice of any meeting at which a Special Resolution is to be proposed and not less than 14 days' notice of any meeting at which an Ordinary Resolution is to be proposed.

The quorum for passing an Ordinary Resolution is Shareholders present in person or by proxy representing 10% of the Shares (other than management shares) relevant to the resolution in question and a minimum of two Shareholders. The quorum for passing a Special Resolution shall be Shareholders present in person or by proxy representing 25% or more of the Shares (other than management shares) relevant to the resolution in question and a minimum of two Shareholders.

The Directors, the Manager, each Investment Delegate, each Custodian and any of their Connected Persons shall not be counted in the quorum for a meeting at which they have a material interest in the business to be contracted, save that the Manager and its Connected Persons are entitled to be counted for the purpose of passing resolution(s) at the meeting with regards to the appointment or dismissal of the Manager.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting should be adjourned for not less than 15 days. In the case of an adjourned meeting, such Shareholders as are present in person or by proxy will form a quorum. On a vote on a resolution on a poll taken at a general meeting, votes should be proportionate to the number of Shares held (one vote for each Share held by any Shareholder present in person or by proxy) or to the value of Shares held where there are accumulation Shares. In the case of joint Shareholders, only the vote of the most senior Shareholder who votes (in person or by proxy) will be counted. For this purpose, seniority is determined by the order in which the names appear on the register of Shareholders.

### **Variation of Class rights**

Subject to applicable Laws and Regulations, the rights attached to a Class of Shares or Shares of a Sub-Fund shall not be varied except with the sanction of a Special Resolution passed at a Class or Sub-Fund meeting of the Shareholders concerned.

### **Transfer of Shares**

Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of both the transferor and the transferee. The transferor remains the Shareholder of a Share until the transferee's name is entered in the Register of Shareholders as Shareholder of it. A reasonable fee may be charged by the Company for registering any instrument of transfer or other document relating to or affecting the title to any Share.

The Directors may refuse to enter or cause to be entered the name of a transferee in the register of Shareholders or to recognise a transfer of any Shares upon such grounds set out in the Instrument of Incorporation, including among others if the transfer will result in (i) either the transferor or the transferee holding Shares of less than the Minimum Holding Amount, or (ii) a contravention of any applicable Laws or Regulations or the Instrument of Incorporation, or would produce a result inconsistent with the provisions of this Prospectus or the relevant Appendix. In such case, the transferor or transferee may request a statement of the reasons for the refusal and the instrument of transfer must be returned to the transferor or transferee who lodged it unless the Directors suspect that the proposed transfer may be fraudulent.

### **Termination (otherwise than by winding up) of the Company, a Sub-Fund or a Class**

The Instrument of Incorporation provides that the Directors may terminate the Company, a Sub-Fund or any Class of Shares in the following circumstances.

Any Sub-Fund or a Class of Shares may be terminated, subject to and in accordance with the Laws and Regulations, by the Directors in their absolute discretion if:

- (a) at any date the Net Asset Value of (i) the relevant Sub-Fund is less than USD20,000,000 (or its equivalent in the Base Currency of the Sub-Fund) or (ii) the relevant Class is less than USD20,000,000 (or its equivalent in the Class Currency of the relevant Class);
- (b) any law shall be passed which renders it illegal or in the reasonable opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund or the relevant Class;

- (c) in the opinion of the Directors, it is impracticable or inadvisable to continue the relevant Sub-Fund or the relevant Class (including without limitation, a situation where it is no longer economically viable to operate the relevant Sub-Fund or the relevant Class); or
- (d) in such other circumstances as set out in the Appendix for the relevant Sub-Fund or relevant Class.

The Company may be terminated, subject to and in accordance with the Laws and Regulations, by the Directors in their absolute discretion if:

- (a) at any date the Net Asset Value of the Company is less than USD20,000,000 or its equivalent in the Base Currency of the Company;
- (b) any law shall be passed which renders it illegal or in the reasonable opinion of the Directors impracticable or inadvisable to continue the Company;
- (c) in the opinion of the Directors, it is impracticable or inadvisable to continue the Company (including without limitation, a situation where it is no longer economically viable to operate the Company); or
- (d) the Manager has retired, or has expressed an intention to retire, or is removed or liable to be removed from office and, within a period of 30 days thereafter, in the Directors' reasonable opinion no other qualified corporation may be appointed as successor, provided that applicable regulatory requirements have been complied with.

Where the Company, a Sub-Fund or a Class is terminated by the Directors, no less than one month's notice of termination (as approved by the SFC) will be given to affected Shareholders unless otherwise agreed by the SFC.

The Company, a Sub-Fund or a Class of Shares may be terminated by a Special Resolution of the Shareholders, or the Shareholders of the relevant Sub-Fund or the Shareholders of the relevant Class (as the case may be) on such date as the Special Resolution may provide. At least 21 days' notice shall be given to the Shareholders in respect of a meeting of Shareholders where such Special Resolution will be tabled.

The Company or a Sub-Fund may also be terminated pursuant to applicable Laws and Regulations.

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

- (a) no Shares of the relevant Class or Classes may be issued or sold by the Company;
- (b) the Manager shall on the instructions of the Directors realise all the assets then comprised in the Company, the relevant Sub-Fund or the relevant Class (as the case may be); and
- (c) final distributions shall be made to the Shareholders in proportion to their respective interests in the Company, the relevant Sub-Fund or the relevant Class (as the case may be) of all net cash proceeds derived from the realisation of such assets and available for the purpose of such distribution, provided that the Company shall be entitled to retain out of any such monies full provision for all costs, charges, expenses, claims and demands reasonably incurred by or on behalf of the Company, the Directors, the Manager, the Custodian or other service providers in connection with or arising out of the termination of the Company, the relevant Sub-Fund or the relevant Class (as the case may be).

Any unclaimed proceeds or other cash upon termination of the Company, a Sub-Fund or a Class of Shares, as the case may be, may at the expiration of 12 months from the date upon which the same were payable, at the absolute discretion of the Directors be paid in such manner as is set out in the Instrument of Incorporation, which includes:

- (a) where the unclaimed proceeds or other cash relates to the termination of a Class of Shares, be allocated to any other remaining Classes of Shares relating to the same Sub-Fund as the terminated Class of Shares, pro rata to the Net Asset Values of the other remaining Classes of Shares or in such other manner as the Directors reasonably determine;
- (b) where the unclaimed proceeds or other cash relates to the termination of a Sub-Fund, be allocated to any other remaining Sub-Fund(s), pro rata to the Net Asset Values of the other remaining Sub-Fund(s) or in such other manner as the Directors reasonably determine;
- (c) be paid into court subject to the right to deduct therefrom any expenses in making such payment;  
or
- (d) be paid to one or more charities selected by the Directors for this purpose.

#### **Winding up of the Company or a Sub-Fund**

The Company or a Sub-Fund may be wound up pursuant to the applicable provisions of the OFC Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The rights of the holders of Shares to participate in the property comprised in the Company or a Sub-Fund on a winding up shall be proportionate to the respective interests in the Company or Sub-Fund represented by the Shares which they hold.

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

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

#### **Modification of Instrument of Incorporation**

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

No alteration to the Instrument of Incorporation may be made unless:

- (a) the alteration has been approved by Shareholders by a Special Resolution; or
- (b) the Custodian certifies in writing that in its opinion the proposed alteration:
  - (i) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements;

- (ii) does not materially prejudice Shareholders' interests, does not to any material extent release the Directors, the Manager, the Custodian or any other person from any liability to Shareholders and does not increase the costs and charges payable from the Scheme Property (other than the costs and charges incurred in connection with altering the Instrument of Incorporation); or
- (iii) is necessary to correct a manifest error.

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

### **Anti-Money laundering regulations**

As part of the Company's responsibility for the prevention of money laundering, the Company or its agents may require a detailed verification of an investor's identity and the source of payment of subscription moneys. Depending on the circumstances of each application, a detailed verification might not be required where:

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

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by Hong Kong as having sufficient anti-money laundering regulations. The Company, the Manager, the Custodian and their agents nevertheless reserve the right to request such information as is necessary to verify the identity of an applicant and the source of payment.

In the event of delay or failure by the applicant to produce any documents or information required for verification of identity or legitimacy of the subscription moneys, the Company may refuse to accept the application and the subscription moneys relating thereto. Further, the Company may delay paying any redemption proceeds if an applicant for Shares delays in producing or fails to produce any documents or information required for the purposes of verification of identity or that are necessary to ensure compliance with applicable Laws and Regulations. The Company may refuse to make payment to the Shareholder if the Company suspects or is advised that (i) such payment may result in a breach or violation of any laws or regulations, including any anti-money laundering law or regulation by any person in any relevant jurisdiction; or (ii) such refusal is necessary or appropriate to ensure compliance by the Company, the Manager, the Custodian, the Administrator, the Transfer Agent or other service providers with any such laws or regulations in any relevant jurisdiction.

### **Conflicts of Interest**

The Manager, the Investment Delegate(s) (if any), the Administrator and the Custodian may from time to time act as investment manager, investment delegate, investment adviser, administrator, custodian, registrar, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients including those which have similar investment objectives to those of any Sub-Fund or contract with or enter into financial, banking or other transactions with one another or with any investor of the Sub-Fund(s), or any company or body any of whose shares or securities form part of any Sub-Fund or may be interested in any such contract or transaction. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company and the Sub-Fund(s). Each will, at all times, have regard in such event to its

obligations to the Company and the Sub-Fund(s) and will endeavour to ensure that such conflicts are managed and minimised so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly, taking into account the interests of Shareholders of the relevant Sub-Fund as a whole.

The Manager may also act as investment manager or investment advisor of other funds whose investment objectives, investment policies and investment restrictions are similar to those of a Sub-Fund. The Manager or any of its Connected Persons may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in, assets which may also be purchased or sold by the Company. Compliance procedures and measures such as segregation of duties and responsibilities together with different reporting lines and “Chinese walls” have been put in place by the Manager to minimise potential conflicts of interest. Neither the Manager nor any of its Connected Persons is under any obligation to offer investment opportunities of which any of them become aware to the Company or to account to the Company in respect of (or share with the Company or to inform the Company of) any such transactions or any benefit received by any of them from any such transaction, but will allocate such opportunities fairly between the Company and other clients. Where the Manager invests a Sub-Fund in shares or units of a collective investment scheme managed by the Manager or any of its Connected Persons, the manager of the scheme in which the investment is being made by such Sub-Fund must waive any preliminary or initial charge and redemption charge which it is entitled to charge for its own account in relation to such investment by the relevant Sub-Fund.

The Manager reserves the right for itself and its Connected Persons to co-invest on its own or for other funds and/or other clients with the Company, although any such co-investment must be made on terms no better than those in which the Company is investing. Further, the Manager and any of its Connected Persons may hold and deal in Shares or in investments held by the Company either for their own account or for the account of their clients.

Subject to the restrictions and requirements applicable from time to time, the Manager, any Investment Delegate(s) (if any) as may be appointed by the Manager or any of their respective Connected Persons may deal with the Company as principal provided that dealings are carried out in good faith and effected on best available terms negotiated and on an arm’s length basis and in the best interests of the Shareholders of the relevant Sub-Fund. Any transactions between the Company and the Manager, any Investment Delegate(s) (if any) as may be appointed by the Manager or any of their Connected Persons as principal may only be made with the prior written consent of the Custodian. All such transactions must be disclosed in the Company’s annual financial report.

In effecting transactions for the account of the Company with brokers or dealers connected to the Manager, any Investment Delegate(s) (if any) appointed by the Manager or their Connected Persons, and in relation to any soft dollar received, the Manager shall ensure that the relevant requirements under the heading “**Fees and expenses - Transactions with Connected Persons, cash rebates and soft dollars**” are complied with.

The services of the Administrator and the Custodian and their Connected Persons provided to the Company are not deemed to be exclusive and each of them 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 in respect of any of the arrangements described above. Each of the Administrator, the Custodian and their Connected Persons shall not be deemed to be affected with notice of or to be under any duty to disclose to the Company, any Sub-Fund, any Shareholder or any other relevant party any fact or information which comes to its notice in the course of it rendering similar services to other parties 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 its agreement with the Company or as required by any applicable laws and regulations for the time being in force. None of the Administrator, the Custodian and their Connected Persons shall be liable to account to the Company or

any Sub-Fund or any investor of the Company or the Sub-Fund for any profit or benefit made or derived thereby or in connection therewith (including in situations set out above).

If cash forming part of a Sub-Fund's assets is deposited with the Custodian, the Manager, an Investment Delegate (if any) of such Sub-Fund or any of their Connected Persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the Shareholders of the relevant Sub-Fund, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business. Likewise, cash may be borrowed from the Custodian, the Manager, an Investment Delegate (if any) of such Sub-Fund or any of their Connected Persons (being a bank), so long as that bank charges 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, the commercial rate for a loan of the size and nature of the loan in question negotiated at arm's length.

The Manager and the Investment Delegate(s) (if any) may enter into trades for the account of a Sub-Fund with the accounts of the Manager, the Investment Delegate(s) (if any) or their Connected Persons or their respective clients (including other collective investment schemes managed by the Manager, the Investment Delegate(s) (if any) or their Connected Persons) ("**cross trades**"). Cross trades between clients will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, the reasons for such cross trades are documented prior to execution, and the cross trades are disclosed to both clients. Further, for any cross trades between a Sub-Fund and the accounts of the Manager or its Connected Persons, they should only be undertaken with the prior written consent of the Company, and of the Custodian of the relevant Sub-Fund, provided that any actual or potential conflicts of interest in such cross trades have been disclosed.

#### **Directors' interests**

So long as a Director complies with the requirements of the Instrument of Incorporation, the Director shall not be disqualified by his or her office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any transaction, contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such transaction, contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Where a Director is in any way (directly or indirectly) interested in a transaction, arrangement or contract with the Company that is significant in relation to the Company's business and the Director's interest is material, the Director must declare the nature and extent of the Director's interest at a meeting of the Directors or by notice in writing to the other Directors or the Company (i) for a proposed transaction, arrangement or contract before the Company enters into the transaction, arrangement or contract, or (ii) for a transaction, arrangement or contract that the Company has entered into, as soon as reasonably practicable.

Subject to the applicable laws and regulations, the Company may by ordinary resolution ratify any transaction or act of a Director not duly authorized by reason of a contravention of the provision of the Instrument of Incorporation on conflicts of interest, provided that such ordinary resolution is passed with the votes of interested members (being the Director, any connected person of the Director and a trustee holding shares in trust for the Director or for the connected person of the Director) disregarded.

If any question shall arise at any meeting as to the materiality of a Director's interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the

entitlement of any Director to vote or form part of a quorum and such question is not resolved by the Director voluntarily agreeing to abstain from voting, such question shall be referred to the chairperson of the meeting, and the chairperson's ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned as known to such Director have not been fairly disclosed.

#### **Facsimile or electronic instructions**

If investors choose to send the Application Forms, Redemption Forms or Conversion Forms by facsimile or such other electronic means, investors may be required first to provide to the Manager, the Administrator and the Transfer Agent an original indemnity relating to fax or transmission via such other electronic means in the application or request.

The Manager, the Administrator or the Transfer Agent will generally act on faxed or any other electronic instructions for an application or a request for subscription, redemption or conversion but may require signed original instructions. However, the Manager, the Administrator or the Transfer Agent may refuse to act on faxed or any other electronic instructions until the written instructions are received. The Manager may, in its absolute discretion, determine whether or not original instructions are also required in respect of any subsequent applications or requests for subscription, redemption or conversion sent by facsimile or any other electronic means by an investor.

Investors should be reminded that if they choose to send the Application Forms, Redemption Forms or Conversion Forms by facsimile or such other electronic means, they bear their own risk of such Application Forms, Redemption Forms or Conversion Forms not being received. Investors should note that the Company, the Directors, the Manager, the Administrator, the Transfer Agent and their respective agents and delegates accept no responsibility for any loss caused as a result of non-receipt or illegibility of any Application Form, Redemption Form or Conversion Form sent by facsimile or other means, or for any loss caused in respect of any action taken as a consequence of such instructions believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent. Investors should therefore for their own benefit confirm with the Company, the Manager, the Administrator or the Transfer Agent safe receipt of an application.

#### **Forfeiture of unclaimed proceeds or distributions**

A distribution recipient is no longer entitled to a dividend or other sum payable in respect of Shares and it ceases to remain owing by the Company, if six years have passed from the date on which the dividend or other sum became due for payment and the distribution recipient has not claimed it.

#### **Market timing**

The Company does not authorise practices connected to market timing. Market timing is broadly understood as an arbitrage method through which a Shareholder systematically subscribes, redeems or converts Shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the concerned Sub-Fund(s). The Directors reserve the right to reject any applications for subscriptions or conversion of Shares from a Shareholder which the Directors suspect uses such practices and to take such other measures as the Directors believe are necessary to protect the Shareholders of the Sub-Fund(s).

#### **US Foreign Account Tax Compliance Act**

Sections 1471-1474 of the IRS Code, as amended from time to time (referred to as FATCA), impose rules with respect to certain payments paid to certain foreign (i.e. non-U.S.) financial institutions ("FFI"),

such as the Company and its Sub-Fund(s), including interest and dividends from securities of US issuers and gross proceeds from the sale of such securities. All such payments may be subject to FATCA withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service (“**IRS**”) to identify U.S. persons (under the definition in the IRS Code) with direct or indirect interests in such payments. To avoid the 30% withholding tax under FATCA, certain FFIs, such as the Company and its Sub-Fund(s) (and, generally, other investment funds organised outside the U.S.), generally would be required to register with the IRS directly to obtain a Global Intermediary Identification Number (“**GIIN**”) and enter into an agreement (an “**FFI Agreement**”) with the IRS under which it will agree to identify its direct or indirect account holders who are U.S. persons and report certain information concerning such U.S. account holders to the IRS.

In general, an FFI which does not enter into an FFI Agreement or comply with the relevant FATCA regulations and is not otherwise exempt may face a 30% withholding tax on “withholdable payments” derived from U.S. source, including dividends, interest, certain derivative payments and certain other fixed, determinable, annual or periodical (“**FDAP**”) income made to such FFI on or after 1 July 2014. In addition, starting from 1 January 2019, gross proceeds from the sale or other disposition of certain property, such as sales proceeds of property and returns of principal derived from stocks and debt obligations generating U.S. source dividends or interest, will also be treated as “withholdable payments.” Moreover, it is expected that a 30% withholding tax on foreign passthru payments will commence at the later of 1 January 2019 or the date of the publication of the relevant regulations defining the term foreign passthru payment.

The Hong Kong government has entered into a Model 2 intergovernmental agreement (“**IGA**”) with the U.S. for the implementation of FATCA. Under such Model 2 IGA, FFIs in Hong Kong (such as the Company and its Sub-Fund(s)) would be required to register with the IRS and comply with the terms of FFI Agreement. Otherwise, they may be subject to a 30% withholding tax on relevant US-sourced payments made to them.

It is expected that FFIs in Hong Kong (such as the Company and the Sub-Fund(s)) complying with the terms of an FFI Agreement (i) will generally not be subject to the above described 30% withholding tax; and (ii) will generally not be required to withhold tax on payments made to non-consenting US accounts (i.e. certain accounts of which the holders do not consent to FATCA reporting and disclosure to the IRS) or close those non-consenting US accounts (provided that information regarding such account holders is reported to the IRS in aggregate), but may be required to withhold tax on withholdable payments made to non-participating FFIs.

As at the date hereof, the Manager has registered with the IRS as a sponsoring entity for the Company and the Sub-Fund(s) with a GIIN of C3RNQN.99999.SL.344 and has agreed to perform, on behalf of the sponsored entities, all due diligence, withholding, reporting and other FATCA-related requirements. The Company and the Sub-Fund(s) are considered as sponsored entities of the Manager and will be regarded as Non-Reporting Hong Kong FFI and treated as a registered deemed-compliant FFI.

The Company and each Sub-Fund will endeavour to satisfy the requirements imposed under FATCA to avoid any withholding tax. In the event that the Company and/or any Sub-Fund is not able to comply with the requirements imposed by FATCA and the Company and/or such Sub-Fund does suffer FATCA withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Company and/or that Sub-Fund(s) may be adversely affected and the Company and/or such Sub-Fund may suffer significant loss as a result.

In the event a Shareholder (an account holder) does not provide the requested information and/or documentation, whether or not that actually leads to non-compliance by the Company and/or the relevant Sub-Fund, or a risk of the Company and/or the relevant Sub-Fund being subject to withholding tax under FATCA, the Directors and/or the Manager on behalf of the Company and/or each of such

relevant Sub-Fund reserve the right to take any action and/or pursue all remedies at its disposal including, without limitation, (i) reporting the relevant information of such Shareholder to the U.S. IRS; (ii) withholding or deducting from such Shareholder's redemption proceeds or distributions to the extent permitted by applicable laws and regulations; and/or (iii) deeming such Shareholder to have given notice to redeem all his Shares in the relevant Sub-Fund. The Directors and/or the Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds.

Each Shareholder and prospective investor should consult with his or her own tax advisor as to the potential impact of FATCA on his or her own tax situation and the potential impact on the Company and its Sub-Fund(s).

#### **Certification for compliance with FATCA or other applicable laws**

Each Shareholder (i) shall be required to, upon demand by the Company or its agents, provide any form, certification or other information reasonably requested by and acceptable to the Company (or its agents) that is necessary for the Company or a Sub-Fund (A) to avoid withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Company or the relevant Sub-Fund receives payments and/or (B) to satisfy due diligence, reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) shall update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) shall otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including but not limited to any law, rule and requirement relating to AEOI), including such obligations that may be imposed by future legislation.

#### **Power to disclose information to regulatory and tax authorities**

Subject to applicable laws and regulations in Hong Kong, the Company, the Directors, the Manager, the Administrator, the Custodian, other service providers to the Company or any of their respective authorised person(s) (as permissible under applicable law or regulation) shall have the power to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS and the IRD), certain information in relation to the Company or any Shareholder, including but not limited to information relating to leverage, the assets and liabilities and Securities Financing Transactions (if any) of the Company, a Shareholder's name, address, date of birth, tax residence, taxpayer identification number (if any), social security number (if any) and certain information relating to the Shareholder's holdings of Shares, account balance/value, and income or sale or redemption proceeds, to enable the Company, the Directors, the Manager, the Administrator, the Custodian, other service providers to the Company or any of their respective authorised person(s) to comply with any applicable law (including any law, rule and requirement relating to AEOI), regulation or any agreement with a tax authority (including, but not limited to, any agreement entered into pursuant to FATCA, or any similar or successor legislation).

#### **Personal data**

Pursuant to the provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong, "PDPO"), the Company, the Directors, the Manager, the Administrator, the Custodian, other services providers to the Company or any of their respective delegates (each a "Data User") may collect, hold and use personal data of individual investors in the Company only for the purposes for which such data was collected and shall comply with personal data protection principles and requirements as set out in the PDPO and all other applicable regulations and rules governing personal data use in Hong Kong from time to time. Accordingly, each Data User shall take all practicable steps to ensure that

personal data collected, held and processed by them are protected against unauthorized or accidental access, processing, erasure or other use.

### **Material contracts**

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or by the Manager and are, or may be, material:

- (a) the Management Agreement dated 12 November 2024 (as amended from time to time) between the Company and the Manager pursuant to which the Manager was appointed, subject to the overall supervision of the Directors, to manage the investments and affairs of the Company and the Sub-Fund(s), with powers of delegation;
- (b) the Custody Agreement dated 11 November 2024 (as amended from time to time) between the Company and the Custodian, pursuant to which the Custodian was appointed to act as the custodian of the Company and the Sub-Fund(s); and
- (c) the Administration Agreement dated 11 November 2024 (as amended from time to time) between the Company and the Administrator, pursuant to which the Administrator was appointed to act as the administrator of the Company and the Sub-Fund(s).

### **Documents available for inspection**

Copies of the following documents are available for inspection during normal working hours at the offices of the Manager free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee:

- (a) the Instrument of Incorporation;
- (b) the Management Agreement;
- (c) the Custody Agreement;
- (d) the Administration Agreement; and
- (e) the latest audited annual financial reports and unaudited interim financial reports of the Company and the Sub-Fund(s).

### **Shareholder notice**

Notice required to be given to Shareholders under this Prospectus or the Instrument of Incorporation may be disseminated either in printed copies or by electronic means specified by the Manager (e.g. e-mail, posting on website with e-mail notification) at the option of the relevant Shareholder as indicated in its Application Form. Shareholders who have chosen to receive notices and documents by electronic means are reminded to save or print a copy of the relevant notice or document for future reference if necessary.

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## SCHEDULE 1 – SUMMARY OF POLICY OF SECURITIES FINANCING TRANSACTIONS

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The summary of policy of Securities Financing Transactions set out in this Schedule 1 is only applicable to a Sub-Fund which may engage in Securities Financing Transactions.

A Sub-Fund may engage in Securities Financing Transactions provided that:

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

### ***Securities Financing Transactions***

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.

Under a Securities Lending Transaction, a Sub-Fund lends its securities to a security-borrowing counterparty for an agreed fee subject to a commitment from that counterparty that it will return equivalent securities on a specified future date or when requested to do so by the relevant Sub-Fund. A Sub-Fund is expected to retain the rights of beneficial ownership as to the loaned securities, including voting rights and rights to interest or other distributions, and will generally have the right to regain record ownership of loaned securities to exercise such beneficial rights.

A Sub-Fund shall ensure that it is able to at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered.

### ***Revenue and expenses***

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 relevant Sub-Fund. Such direct and indirect expenses shall include fees and expenses payable to securities lending agents engaged for the relevant Sub-Fund from time to time. Such fees and expenses of any securities lending agents engaged for the relevant Sub-Fund, will be at normal commercial rates and will be borne by the relevant Sub-Fund in respect of which the relevant party has been engaged.

Information on the revenues generated under such transactions shall be disclosed in the annual and

semi-annual reports of the relevant Sub-Fund, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. These entities may include the Manager, the Investment Delegate or any other their Connected Persons.

### ***Eligible counterparties***

Please refer to Schedule 2 (*Collateral Valuation and Management Policy*) for further details.

### ***Collateral***

A Sub-Fund which engages in Securities Financing Transactions shall have at least 100 per cent. collateralisation in respect of the Securities Financing Transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions.

Please refer to Schedule 2 (*Collateral Valuation and Management Policy*) for further details.

### ***Maximum and expected level of Securities Financing Transactions***

The maximum and expected level of a Sub-Fund's assets available for Securities Financing Transactions are set out in the relevant Appendix of the Sub-Fund.

### ***Types of assets that may be subject to Securities Financing Transactions***

The types of assets that may be subject to Securities Financing Transactions include equity securities, fixed income securities, collective investment schemes, money market instruments and cash. Use of such assets is subject to a Sub-Fund's investment objective and policy.

### ***Connected person(s) arrangement***

The Manager currently does not intend to carry out any Securities Financing Transactions with or through a connected person of the Manager or the Custodian. Details (such as information on income, direct and indirect costs, fees, entities to which such costs and fees are paid and the relationship of the entities with the Manager or the Custodian (if any)) of the Securities Financing Transactions will be disclosed in the relevant Sub-Fund's annual reports.

### ***Safekeeping arrangement***

#### *Assets received*

Assets (including any collateral) received by a Sub-Fund under a title-transfer arrangement should be held by the Custodian or any agents, nominees, sub-custodians and sub-delegates appointed by the Custodian (each a "**Correspondent**").

#### *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 Custodian or a Correspondent (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 Custodian or a Correspondent and such Counterparty may use the assets at its absolute discretion.

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## SCHEDULE 2 – COLLATERAL VALUATION AND MANAGEMENT POLICY

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The Manager employs a collateral management policy in relation to collateral received in respect of Securities Financing Transactions and OTC financial derivative transactions entered into in respect of a Sub-Fund. A Sub-Fund may receive collateral from a counterparty to a Securities Financing Transaction or OTC derivative transaction provided that the collateral complies with the requirements set out below:

### ***Nature and quality of collateral***

The collateral that a Sub-Fund may receive include cash or high quality money market instruments, and in case of reverse repurchase transactions, will also include government securities receiving a favourable assessment on credit quality, with value greater than or equal to the value of the securities lent. The collateral agent (who may be the Custodian or a third party to be appointed by the Custodian at the direction of the Manager or by the Manager directly, as may from time to time be agreed between them) will review the value of the collateral on a daily basis to ensure that it is at least of a value equivalent to the borrowed securities, and such collateral must meet the collateral policies described in this Schedule.

The collateral should be free of prior encumbrances and generally should 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.

### ***Criteria for selecting counterparties***

The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of Securities Financing Transactions and OTC derivative transactions which shall include amongst other considerations, fundamental creditworthiness (e.g. ownership structure, financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, 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 counterparties of OTC derivative transactions will be entities with legal personality typically located in OECD jurisdictions (but may also be located outside such jurisdictions), and be subject to ongoing supervision by a regulatory authority.

Each counterparty will be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of A- or above (by Moody's or Standard & Poor's, or any other equivalent ratings by recognised credit rating agencies), or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority when entering into such transactions.

### ***Liquidity of collateral***

The collateral must be 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.

### ***Valuation of collateral***

The collateral should be marked-to-market daily by using independent pricing sources.

### ***Credit quality of collateral***

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

### ***Haircut policy***

A documented haircut policy is in place for detailing the policy in respect of each class of assets received by a Sub-Fund in order to reduce exposure to counterparties. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut arrangement policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the relevant Sub-Fund. Haircuts will be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. The haircut policy takes account of the price volatility of the asset used as collateral and other specific characteristics of the collateral, including, among others, asset types, issuer creditworthiness, residual maturity, price sensitivity, optionality, expected liquidity in stressed period, impact from foreign exchange, and correlation between securities accepted as collateral and the securities involved in the transactions. Further details of the applicable haircut arrangement for each asset class can be available from the Manager upon request.

### ***Diversification of collateral***

The collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group and the Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the UT Code.

### ***Correlation of collateral***

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 should not be used as collateral.

### ***Safekeeping 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 Custodian or a Correspondent. 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.

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 Custodian or a Correspondent.

### ***Enforceability of collateral***

The collateral must be readily accessible or enforceable by Custodian of the Sub-Fund without further recourse to the issuer of the FDIs, or the counterparty of the Securities Financing Transactions, and may be subject to net-off or set-off, if applicable.

### ***Re-investment of collateral***

Unless otherwise specified in the relevant Appendix and subject to prior consultation with the SFC, and in accordance with the Laws and Regulations, cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the UT Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the UT Code.

Up to 100% of the cash collateral received by a Sub-Fund may be reinvested.

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

Any re-investment of cash collateral shall be subject to the following further restrictions and limitations and all other restrictions and limitations as may be imposed from time to time by the SFC:

- (A) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapters 8.2(f) and 8.2(n) of the UT Code;
- (B) cash collateral received is not allowed to be further engaged in any securities financing transactions; and
- (C) 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.

For the purpose herein, "**money market instruments**" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

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

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## APPENDIX 1 - SDICSI USD MONEY MARKET FUND

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*This Appendix (which forms part of, and should be read together with the rest of, the Prospectus) relates to the SDICSI USD Money Market Fund (“**Sub-Fund**”), a sub-fund of the Company. All references in this Appendix to the Sub-Fund are to the SDICSI USD Money Market Fund. The terms used in this Appendix shall, unless otherwise defined or indicated herein or unless the context otherwise requires, have the same meaning as provided for in the main body of the Prospectus.*

### THE SUB-FUND

<b>Base Currency</b>	USD
<b>Classes of Shares</b>	<p>The Sub-Fund currently has the following Classes of Shares which are available to investors:</p> <p>Class A <i>(Note 1)</i></p> <p>Class B <i>(Note 2)</i></p> <p>Class I <i>(Note 3)</i></p> <p><i>Notes:</i></p> <ol style="list-style-type: none"><li>1. Class A Shares are available for subscription by selected institutional investors and selected distributors.</li><li>2. Class B Shares are available for subscription by current employees of the Manager or its affiliates. The Manager will determine an applicant’s eligibility to subscribe and will have the absolute discretion to accept or decline any subscription application for Class B Shares as it sees fit.</li><li>3. Class I Shares are available for subscription by selected institutional investors and selected distributors.</li></ol> <p>The Manager may in future determine to issue additional Class(es).</p>
<b>Class Currency</b>	<p>Class A: USD</p> <p>Class B: USD</p> <p>Class I: USD</p>
<b>Dealing Day</b>	each Business Day
<b>Dealing Deadline</b>	11:00 a.m. (Hong Kong time) on the relevant Dealing Day

**Valuation Day**

each Business Day on which the Net Asset Value of the Sub-Fund and/or the Net Asset Value of a Share or a Class of Share of the Sub-Fund falls to be calculated and in relation to each Dealing Day of any Class or Classes of Shares means either such Dealing Day or such other Business Day or day as the Directors may from time to time determine

**INVESTMENT CONSIDERATIONS****Investment objective**

The investment objective of the Sub-Fund is to invest in short-term and high quality money market investments with the primary considerations of capital preservation and liquidity. The Sub-Fund seeks to achieve a return in USD in line with prevailing money market rate. There can be no assurance that the Sub-Fund will achieve its investment objective.

**Investment policies**

The Sub-fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its Net Asset Value) in a range of USD-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations, financial institutions and other corporations. The Sub-Fund may also invest up to 30% of its Net Asset Value in short-term deposits and high quality money market instruments denominated in other currencies. The Manager will hedge non-USD-denominated investments into USD in order to manage any material currency risk.

***Short-term Deposits and High Quality Money Market Instruments***

The short-term deposits and high quality money market instruments that the Sub-Fund invests in may include but are not limited to fixed income securities, government bills, certificates of deposit, commercial papers, commercial bills, fixed and floating rate short-term notes and bankers' acceptances.

In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the instrument must be taken into account as follows:

- **Credit rating:** The Sub-Fund will only invest in fixed income securities which are (i) rated investment grade or above, or (ii) (where the fixed income security itself does not have a credit rating) issued by issuers which are rated investment grade or above or guaranteed by guarantors which are rated investment grade or above.

For the purpose of the Sub-Fund, a short-term fixed income security is considered investment grade if it, or its issuer or guarantor, has a short-term credit rating of A-3/F3/P-3 or higher from Standard and Poor's / Fitch Ratings / Moody's or an equivalent rating from an internationally recognised credit rating

agency, or a credit rating of AA+ or higher from a Mainland Chinese credit rating agency.

While the Sub-Fund does not intend to invest in fixed income securities with a long term to maturity remaining at the time of investment, long-term credit ratings will be considered in assessing the credit quality of the fixed income securities which have been rated long-term credit ratings but with short remaining term to maturity (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out below) at the time of purchase by the Sub-Fund. For such securities, investment grade means BBB-/BBB-/Baa3 or higher from Standard and Poor's / Fitch / Moody's or an equivalent rating from an internationally recognised credit rating agency, or a credit rating of AA+ or higher from a Mainland Chinese credit rating agency.

In the case of a split rating, the highest rating will be considered.

Before investing in a fixed income security, the Manager will consider the credit rating of the fixed income security itself, then the credit rating of the issuer or the guarantor if the fixed income security itself is not rated. The Manager will consider the credit rating of the banking group to which the issuing bank belongs to if the issuer is not rated. If neither the fixed income security nor the issuer, the guarantor and the banking group to which the issuing bank is rated, it will be classified as unrated.

For investment grade (either the security or its issuer or guarantor) fixed income securities, the Manager will assess the credit risks of the fixed income security on an ongoing basis based on quantitative and qualitative fundamentals, including but not limited to the issuer's leverage, operating margin, return on capital, interest coverage, operating cash flows, industry outlook, the firm's competitive position and corporate governance etc. to ensure the fixed income security that the Sub-Fund invests in is of sound credit quality.

- **Liquidity:** The Manager will assess the liquidity profile of instruments based on, among other factors, time to cash, external liquidity classification, liquidation horizon, daily trading volume, price volatility and bid-ask spread of such instruments (subject to the availability of such data). Only instruments with sufficient liquidity will be included in the portfolio of the Sub-Fund.
- **Weighted average maturity and weighted average life:** The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of government and other public securities.

There is no specific geographical allocation of the country of issue of the short-term deposits or high quality money market instruments that the Sub-Fund invests in. Countries or regions in which the Sub-Fund may invest in include, but are not limited to, developed markets (which may amount to up to 100% of the Sub-Fund's Net Asset Value), as well as emerging markets (to an extent not more than 30% of the Sub-Fund's Net Asset Value).

The Sub-Fund does not currently intend to invest in onshore China fixed income securities.

The Sub-Fund will not invest in any convertible bonds or instruments with loss absorption features.

### ***Ancillary investments***

The Sub-Fund may invest up to 10% of its Net Asset Value in money market funds that are authorised in Hong Kong by the SFC under Chapter 8.2 of the UT Code or regulated in other jurisdiction(s) in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

The Sub-Fund may invest up to 15% of its Net Asset Value in asset backed securities, such as mortgage backed securities. Such asset backed securities will be rated investment grade or above.

The aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the total Net Asset Value of the Sub-Fund except:

- (i) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;
- (ii) in the case of government and other public securities, up to 30% may be invested in the same issue; or
- (iii) in respect of any deposit of less than USD1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

Subject to the above, the aggregate value of the Sub-Fund's investment in entities within the same group through instruments and deposits will not exceed 20% of its Net Asset Value.

### **Investment restrictions**

No waivers from the investment restrictions set out in the main body of this Prospectus have been sought or granted by the SFC. In particular, the Sub-Fund is subject to the restrictions pursuant to Chapter 8.2 of the UT Code which are applicable to a money market fund.

<b>Borrowing restrictions</b>	The Sub-Fund may borrow up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.
<b>Use of derivatives</b>	The Sub-Fund may use FDIs (including but not limited to interest rate swaps and currency swaps) for hedging purposes only. The currency risk of the Sub-Fund will be appropriately managed. In particular, any material currency risk will be appropriately hedged where the Sub-Fund invests in assets that are not denominated in USD. The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.
<b>Securities Financing Transactions</b>	<p>The Sub-Fund may enter into Sale and Repurchase Transactions for up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its Net Asset Value.</p> <p>The Sub-Fund may engage in Reverse Repurchase Transactions (i.e., a transaction whereby the Sub-Fund purchases securities from a counterparty of Sale and Repurchase Transactions and agrees to sell such securities back at a predetermined price in the future) provided that the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the Net Asset Value of the Sub-Fund.</p>

## SUBSCRIPTION OF SHARES

<b>Initial Offer Period</b>	<p>Class A and Class I: The period commencing 9:00 a.m. (Hong Kong time) on 2 December 2024 to 1:00 p.m. (Hong Kong time) on 6 December 2024 (or such other dates as the Manager may determine). It is expected that the first Dealing Day will fall on the first Business Day immediately following the close of the Initial Offer Period.</p> <p>Class B: The period commencing 9:00 a.m. (Hong Kong time) on 11 April 2025 to 1:00 p.m. (Hong Kong time) on 14 April 2025 (or such other dates as the Manager may determine). It is expected that the first Dealing Day will fall on the first Business Day immediately following the close of the Initial Offer Period.</p>		
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<b>Class(es)</b>	<b>Class A</b>	<b>Class B</b>	<b>Class I</b>
<b>Initial Offer Price</b>	USD1	USD1	USD1
<b>Minimum Initial Subscription Amount</b>	USD1	USD1	USD100,000
<b>Minimum Subsequent Subscription Amount</b>	USD1	USD1	USD100,000

## REDEMPTION OF SHARES

Class(es)	Class A	Class B	Class I
Minimum Redemption Amount	USD1	USD1	USD100,000
Minimum Holding Amount	USD1	USD1	USD100,000
Additional restrictions on redemption	N/A	N/A	N/A

## CONVERSION

Shareholders shall be entitled to convert all or part of their holding of Shares of any Class of the Sub-Fund into Shares of any other Class of the Sub-Fund or into Shares of another sub-fund of the Company available for subscription or conversion provided that no Shares may be converted if to do so would result in a Shareholder holding less than the Minimum Holding Amount of the Existing Class or the New Class. Where converting to another sub-fund of the Company, Shares of a Class can only be converted into Shares of the same Class of that other sub-fund.

## DISTRIBUTION POLICY

Class(es)	Class A	Class B	Class I
	Accumulation Class	Accumulation Class	Accumulation Class

For the Accumulation Classes, no distribution will be made to Shareholders. Please refer to the section headed “***Distribution policy***” in the main body of the Prospectus for further details.

## FEES AND EXPENSES

### ***Fees payable by Shareholders***

Class(es)	Class A	Class B	Class I
Subscription Charge (% of the total subscription amount)	Up to 1%	Nil	Up to 0.6%
Redemption Charge (% of the total redemption amount)	Nil	Nil	Nil

<b>Switching Fee</b> (% of the total amount being converted)	Up to 1%	Nil	Up to 1%
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***Fees and expenses payable by the Sub-Fund***

<b>Class(es)</b>	<b>Class A</b>	<b>Class B</b>	<b>Class I</b>
	<b><i>Annual rate (as a % of the Sub-Fund's Net Asset Value)</i></b>		
<b>Management fee</b>	0.30% per annum	0.20% per annum	0.05% per annum
<b>Performance fee</b>	Nil	Nil	Nil
<b>Custodian fee</b>	<p><b>Current:</b> Up to 0.01% per annum, subject to a minimum monthly fee of USD2,500 in respect of the aggregate of Custodian Fee and Administrator Fee</p> <p><b>Maximum:</b> 0.10% per annum</p>		
<b>Administrator fee</b>	<p><b>Current:</b> Up to 0.04% per annum, subject to a minimum monthly fee of USD2,500 in respect of the aggregate of Custodian Fee and Administrator Fee</p> <p><b>Maximum:</b> 0.15% per annum</p>		
<b>Establishment costs</b>	The establishment costs of the Company and the Sub-Fund are approximately USD30,000 and will be borne by the Sub-Fund. The establishment costs will be amortised over the Amortisation Period.		
<b>General expenses</b>	Please refer to the section headed " <b><i>Fees and Expenses - General expenses</i></b> " in the main body of the Prospectus for further details.		

## GENERAL INFORMATION

<b>Financial reports</b>	The first Accounting Date of the Sub-Fund would be 31 December 2025 and the first Interim Accounting Date of the Sub-Fund would be 30 June 2025.
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## RISK FACTORS

Investors should review and consider the risk factors applicable to all Sub-Fund(s), including the Sub-Fund, which are set out in the section headed "***Risk Factors***" in the main body of the Prospectus.

Amongst those risk factors, the following risk factors are of particular relevance to the Sub-Fund:

- Risk of not achieving investment objective

- Investment risk
- Market risk
- Emerging market risk
- Concentration risk\*
- Volatility risk
- Settlement risk
- Custodial risk
- Counterparty risk
- Liquidity risk
- Borrowing risk
- Currency and foreign exchange risk
- Legal, tax and regulatory risk
- Valuation and accounting risk
- Pricing adjustment risk
- Risk of investing in fixed income instruments
- Risk associated with bank deposits
- Risks of investing in other funds
- Derivative and structured product risk
- Risk of investing in FDIs
- Risk of investing in structured debt instruments (including mortgage-backed securities)\*
- Hedging risk
- Currency hedging risk
- Risks associated with Securities Financing Transactions
- Risk associated with collateral management and re-investment of cash collateral

\*Please refer to the specific risk factors below for further details of the risks relating to the Sub-Fund.

In addition, the following risk factors are specific to the Sub-Fund:

***Concentration risk***

The Sub-Fund will invest primarily in USD-denominated short-term deposits and high quality money market instruments (which may include fixed income securities). The Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the USD money markets.

***Risks associated with fixed income securities (including money market instruments)***

*Short-term fixed income instruments risk*

As the Sub-Fund invests substantially in short-term fixed income instruments with short maturities, the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term fixed income instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund. The Sub-Fund's underlying fixed income securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.

*Credit / counterparty risk*

Investment in fixed income instruments is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest, and the value of the Sub-Fund is

affected by the credit worthiness of its underlying investments. In the event of a default or credit rating downgrading of the fixed income instruments (or the issuers thereof) held by the Sub-Fund, valuation of the Sub-Fund's portfolio may become more difficult, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers who may be incorporated in countries/regions other than Hong Kong and therefore not subject to the laws of Hong Kong.

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

The Sub-Fund may hold cash and deposits in banks or other financial institutions and the extent of governmental and regulatory supervision may vary. The Sub-Fund might suffer a significant or even total loss in the event of insolvency of the banks or financial institutions.

#### *Volatility and liquidity risk*

The fixed income securities in some of the markets in which the Sub-Fund invests may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuation. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

#### *Interest rate risk*

The Sub-Fund's investments in fixed income instruments are subject to interest rate risk. Generally, the value of fixed income instruments is expected to be inversely correlated with changes in interest rates. As interest rates rise, the market value of fixed income instruments tends to decrease. Long-term fixed income instruments in general are subject to higher sensitivity to interest rate changes than short-term fixed income instruments. Any increase in interest rates may adversely impact the value of the Sub-Fund's portfolio.

#### *Credit rating risk*

The ratings of fixed income securities by Moody's Investor Services, Standard & Poor's and Fitch's are a generally accepted parameter of credit risk. However, credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security, issuer and/or guarantor at all times. The rating of an issuer and/or a guarantor is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

#### *Credit rating agency risk*

The credit appraisal system in Mainland China and the rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by Mainland Chinese rating agencies may therefore not be directly comparable with those given by other international rating agencies.

#### *Credit rating downgrading risk*

The credit rating assigned to a security, an issuer or a guarantor may be re-evaluated and updated based on recent market events or specific developments. Changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of fixed income instruments at a reasonable price or at all, which would have an adverse impact on the value and performance of the Sub-Fund. The Manager may or may not be able to dispose of the fixed income instruments that are being downgraded.

#### *Sovereign debt risk*

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations issued or guaranteed by governments or their agencies of such countries may involve a high degree of risk such as social, political and economic risks. The willingness or ability of a governmental entity to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due and the relative size of the debt service burden to the economy as a whole.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others agencies abroad to reduce principal and arrearage on their debts. However, failure to implement economic reforms or achieve a required level of economic performance or repay debts when due may result in the cancellation of these third parties' commitments to continuously lend funds to a governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

In case of default, holders of sovereign debt (including a Sub-Fund) may be requested to participate in the restructuring of such debt and to extend further loans to the relevant governmental entities. In addition, a Sub-Fund may invest in securities issued or guaranteed by the government of a country with a sovereign credit rating below investment grade. The performance and value of the Sub-Fund could deteriorate should there be any adverse credit events in the sovereign, in particular if there is downgrading of the sovereign credit rating or a default or bankruptcy of a sovereign occurs. There are no bankruptcy proceedings by which sovereign debt on which a governmental entity has defaulted may be recovered in whole or in part.

#### *Valuation risk*

Valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations, and independent pricing information may not at all times be available. However, in the case where independent pricing information may not be available such as in extreme market conditions or break down in the systems of third party sources, the value of such fixed income securities may be based on certification by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager after consultation with the Custodian. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. The value of fixed income securities may be affected by changing market conditions or other significant events affecting valuation. For example, in the event of the credit rating downgrade of an issuer or a guarantor, the value of the relevant fixed income instrument may decline rapidly, and the value of the Sub-Fund may be adversely affected.

In the event of adverse market conditions where it is not possible to obtain any reference quotation from the market at the relevant time of valuation, the latest available quotations of the relevant fixed income securities may be used to estimate the fair market value. Alternatively, the Manager after consultation with the Custodian may, permit some other method of valuation to be used to estimate the fair market value of such fixed income securities including the use of quotation of other fixed income securities with

very similar attributes. Such valuation methodology may not equal to the actual liquidation price due to liquidity and size constraints. If valuation is proven to be incorrect, this will affect the Net Asset Value calculation of the relevant Sub-Fund.

The valuation of unlisted fixed income securities is more difficult to calculate than listed fixed income securities. Normally, unlisted fixed income securities are valued at their initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other acquisition expenses) provided that the value of any such unlisted fixed income securities shall be determined on a regular basis by a professional person approved by the Custodian as qualified to value such unlisted fixed income securities. Such professional person may value the unlisted fixed income securities by reference to the prices of other comparable unlisted fixed income securities. The trading of unlisted fixed income securities may not be transparent and the prices of unlisted fixed income securities may not be openly displayed. There is a risk that such professional person is not aware of all the trading in unlisted fixed income securities and may use prices which may be historical only and may not reflect recent trading in the fixed income securities concerned. In such circumstance, the valuation of the unlisted fixed income securities may not be accurate as a result of incomplete price information. This would have impact on the calculation of the Net Asset Value of the relevant Sub-Fund.