IMPORTANT – If you are in any doubt about the contents of this Explanatory Memorandum, you should seek independent professional financial advice.

EXPLANATORY MEMORANDUM

ICBC ASSET MANAGEMENT (GLOBAL) INVESTMENT FUNDS

A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong comprising

ICBC ASSET MANAGEMENT (GLOBAL) USD MONEY MARKET FUND

ICBC ASSET MANAGEMENT (GLOBAL) CHINA CENTRAL-SOES DIVIDEND FUND

ICBC ASSET MANAGEMENT (GLOBAL) HKD MONEY MARKET FUND

This Explanatory Memorandum is dated as at April 2025.

ICBC ASSET MANAGEMENT (GLOBAL) INVESTMENT FUNDS

IMPORTANT INFORMATION FOR INVESTORS

The Hong Kong Securities and Futures Commission ("**SFC**") takes no responsibility for the contents of this Explanatory Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Explanatory Memorandum. The Trust and the Sub-Fund(s) have each been authorised as a collective investment scheme by the SFC. SFC authorisation is not a recommendation or endorsement of the Trust or any Sub-Fund nor does it guarantee the commercial merits of the Trust or any Sub-Fund or their performance. It does not mean the Trust or any Sub-Fund is suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

SFC Authorisation

The Trust and the Sub-Fund(s) to which this Explanatory Memorandum relates are authorised by the SFC in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance. Such authorisation is not a recommendation or endorsement of the Trust or any Sub-Fund, nor does it guarantee the commercial merits of the Trust or any Sub-Fund or their performance. It does not mean the Trust or any Sub-Fund is suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

This Explanatory Memorandum relates to the offer in Hong Kong of Units in the Trust, an umbrella unit trust established under Hong Kong law by a trust deed dated 13 October 2023 between the Manager and the Trustee. Units of different classes may be established within a Sub-Fund to accommodate different subscription and/or redemption provisions and/or dividends and/or charges and/or fee arrangements, including different ongoing charges.

The portfolio of Fund Assets maintained for each Sub-Fund is invested in accordance with the investment objective and policies applicable to such Sub-Fund. Details for each Sub-Fund are set out in the Appendix of the relevant Sub-Fund.

The Manager accepts full responsibility for the accuracy of the information contained in this Explanatory Memorandum and the product key facts statement of each Sub-Fund, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Explanatory Memorandum or the product key facts statement misleading. The Manager confirms that this Explanatory Memorandum includes particulars given in compliance with the Code and the "Overarching Principles" of the Handbook for the purposes of giving information with regard to Units in each Sub-Fund.

Reliance on this Explanatory Memorandum and on the Product Key Facts Statement

Units in any Sub-Fund described in this Explanatory Memorandum as well as the product key facts statements which form part of the offering document are offered only on the basis of the information contained in those documents and the latest audited annual financial report and any subsequent interim financial report of the relevant Sub-Funds.

This Explanatory Memorandum is based on information, law and practice as at the date of this Explanatory Memorandum. The Manager cannot be bound by an out-of-date explanatory memorandum when it has issued a new explanatory memorandum, and the Manager must provide the most recently published explanatory memorandum to investors.

No person has been authorised to give any information or make any representations concerning the Trust or any Sub-Fund or in connection with the offering of Units other than those contained in this Explanatory Memorandum, and, if given or made, such information or representations must not be relied on as having been authorised by the Trust. The delivery of this Explanatory Memorandum (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Trust or any Sub-Fund have not changed since the date of this Explanatory Memorandum.

No action has been taken to permit an offering of Units in any of the Sub-Fund(s) or the distribution of this Explanatory Memorandum in any jurisdiction other than Hong Kong. This Explanatory Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Distribution of this Explanatory Memorandum shall not be permitted unless it is accompanied by the product key facts statement of the relevant Sub-Fund or Sub-Funds and a copy of the most recent annual report of the relevant Sub-Fund or Sub-Funds and, if later, its most recent interim report (if any).

United States

The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("**1933 Act**") or the securities laws of any of the states of the United States. The Units may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person. Any re-offer or resale of any of the Units in the United States or to US Persons may constitute a violation of US law. Each applicant for Units will be required to certify to the Manager that it is not a US Person.

The Units are not open for investment by any US Person. A prospective investor will be required at the time of acquiring Units to represent that such investor meets any qualification criteria established by the Manager, and is not a US Person or acquiring Units for or on behalf of a US Person. The prior consent of the Manager is required in respect of each application for Units and the granting of such consent does not confer on investors a right to acquire Units in respect of any future or subsequent application. The Manager may, in its sole discretion, redeem Units of any investor who is a US Person and has not otherwise been approved by the Manager to own Units.

Where the Manager becomes aware that any Units are directly or beneficially owned by any person in breach of the above restrictions, the Manager may direct the Unitholder to transfer his/her Units to a person qualified to own such Units or to request the Manager to redeem Units, in default of which, the Unitholder shall, on the expiration of such time period as specified from the giving of such notice, be deemed to have given a request in writing for the redemption of the Units. The Manager may impose such restrictions as it believes necessary to ensure that no Units are acquired by persons who are not Qualified Holders. See the section headed "**Mandatory Redemption and Compulsory Transfer**" of this Explanatory Memorandum.

Trust Deed

The provisions of the Trust Deed are binding on each of its Unitholders (who are taken to have notice of them).

The value of the Sub-Fund(s) may fall as well as rise, and investors may not get back the amount invested or any return on an investment. There can be no assurance that any Sub-Fund will achieve its investment objective. Potential investors should not treat the contents of this Explanatory Memorandum (including the product key facts statement) as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units. The Manager makes no representation or warranties in respect of suitability.

Website

Investors may access the website of the Manager at https://www.icbcamg.com (this website has not been reviewed by the SFC) for further information on the Trust and the Sub-Fund(s), including this Explanatory Memorandum and the product key facts statement, annual and interim financial reports and the latest available Issue Price and Redemption Price or Net Asset Value. Investors should note that the websites referred to in this Explanatory Memorandum (including the product key facts statements) have not been reviewed by the SFC. Any information provided in these websites may be updated and changed periodically without any notice to any person.

Enquiries and Complaints

Any person who has an enquiry or complaint to make about the operation of the Trust or any Sub-Fund may submit his/her complaint directly to the Manager in writing to the Manager's address at Unit 2507 - 2510, 25/F, ICBC Tower, 3 Garden Road, Central, Hong Kong. The Manager will respond to any enquiry or complaint in writing as soon as practicable and within one month under normal circumstances. Investors may also call the Manager on +852 3510 0800 during normal business hours.

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TERMS USED IN THIS EXPLANATORY MEMORANDUM

Auditor	the accountant appointed as auditor of the Trust or in respect of any Sub-Fund (as applicable) by the Manager in consultation with the Trustee.
Base Currency	The base currency of a Sub-Fund, as specified by the Manager from time to time and as set out in the Appendix.
Bond Connect	the initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China, established by CFETS, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. For further details, please refer to Schedule 2 of this Explanatory Memorandum.
Business Day	any day (other than a Saturday or Sunday) on which banks are open for normal banking business in Hong Kong or such other day or days in relation to a Sub-Fund as the Trustee and the Manager may determine from time to time, provided that if on any such day, the period during which banks are open for business in Hong Kong is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.
CIBM	China Interbank Bond Market.
CFETS	China Foreign Exchange Trade System & National Interbank Funding Centre.
Class	any one of the classes of Units which may be issued in respect of a Sub-Fund.
Code	the Code on Unit Trusts and Mutual Funds comprising part of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (the "**Handbook**"), including the Overarching Principles of the Handbook, as may be amended and supplemented by the SFC from time to time.
Commodities	(and likewise "**Commodity**"), all precious metals and all other commodities or merchandise of any nature (other than cash and any other merchandise which would fall within the definition of "Investment" if the reference to "Commodity" were omitted therefrom) and includes any futures contract and any financial futures contract. For the purposes of this definition "financial futures contract" means:- (a) any contract which is traded on the Hong Kong Futures Exchange, the Chicago Mercantile Exchange or such other exchange or market as the Manager may approve and is described or treated by persons trading in such contract as a financial futures contract; or (b) any contract expressed as being in respect of the sale or purchase of a share price index for settlement at a future date.

Commodities Market — any commodities exchange, over-the-counter market or commodities market in any country in the world and includes, in relation to a particular Commodity, any responsible firm, corporation or association in any country in the world dealing in such Commodity as to be expected generally to provide in the opinion of the Manager a satisfactory market for the Commodity and in such a case the Commodity shall be deemed to be the subject of an effective permission to deal on the Commodity Market deemed to be constituted by such firm, corporation or association.

Connected Person — in relation to a company:

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

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

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

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

Custodian — Industrial and Commercial Bank of China (Asia) Limited.

Custodian Fee — any sum that the Custodian may be entitled to for its custodial services, as specified in the Appendix in relation to the relevant Sub-Fund.

CSDCC — China Securities Depository and Clearing Co., Ltd.

CSRC — the China Securities Regulatory Commission.

Dealing Day — either generally or in respect of a particular Class or Classes of Units of a Sub-Fund, each Business Day or such other day or days as the Manager, in consultation with the Trustee, may determine from time to time with respect to that Class of Units and as specified in the Appendix in relation to the relevant Sub-Fund of this Explanatory Memorandum.

Dealing Deadline — in relation to any Dealing Day, such time or times by which an application for dealing in respect of a Sub-Fund or a Class of Units must be received either on such Dealing Day or on such other Business Day as the Manager may, from time to time determine in consultation with the Trustee in relation to the subscription and redemption of Units, as specified in the Appendix in relation to the relevant Sub-Fund of this Explanatory Memorandum.

Explanatory Memorandum — this explanatory memorandum issued by the Manager in relation to the Trust and/or any Sub-Fund in connection with the continuous offering of Units, as amended, supplemented and updated from time to time.

Extraordinary Resolution — (a) a resolution proposed as such at a duly convened meeting of Unitholders convened and held in accordance with the Trust Deed and passed as such at such meeting by a majority consisting of 75% or more of the total number of votes of those present and entitled to vote in person or by proxy cast for and against such resolution; or

(b) a resolution in writing passed in accordance with the Trust Deed.

FDI	financial derivative instruments.
FFI	foreign financial institutions.
Fund Asset	all the assets (including any cash or other property received by or on behalf of the Trustee) from time to time held or deemed to be held upon trust for the Unitholders in the relevant Sub-Fund.
Government and other Public Securities	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 multinational agencies, or as otherwise defined in the Code.
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China.
IFRS	International Financial Reporting Standards that are developed and published from time to time by the International Accounting Standards Board.
Initial Issue Date	in respect of each Sub-Fund or Class, the date of the first issue of Units relating to the Sub-Fund or class, as detailed in the Appendix in relation to the relevant Sub-Fund.
Initial Issue Price	in relation to the initial offer of Units in a Sub-Fund or Class, the amount per Unit as determined by the Manager and for the first issue of such Units, and as detailed in the Appendix in relation to the relevant Sub-Fund.
Initial Offer Period	the period set out in the Appendix in relation to any Sub-Fund or Class as the period during which the Units are initially on offer, or such other period as the Manager may determine in respect of the initial offer of the Units in that Sub-Fund or Class commencing and ending on such dates as the Manager may determine.
Investment	securities and, as the case may be, any other investments for each Sub-Fund as permitted under the Trust Deed.
Issue Price	in respect of an application for Units in a Sub-Fund or Class, the Issue Price Per Unit multiplied by the number of Units to be created under the application and adjusted in accordance with the Trust Deed.

Issue Price Per Unit	has the meaning under the section headed "**Valuation**" of this Explanatory Memorandum.
Mainland China	means all the customs territories of the People's Republic of China and, for the purposes of interpretation of this Explanatory Memorandum only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and the Republic of China on Taiwan.
Manager	ICBC Asset Management (Global) Company Limited 工銀資管(全球)有限公司 or such other person as may be appointed, with the prior approval of the SFC, to provide management services in respect of the Trust and any Sub-Fund.
Management Fee	the management fee payable out of the Sub-Fund(s) to the Manager and as set out in the section headed "**Fees and Expenses**" of this Explanatory Memorandum and the Appendix in relation to the relevant Sub-Fund.
MOF	the Ministry of Finance of the People's Republic of China.
Money Market Fund	a Sub-Fund which invests in short term and high quality money market investments and seeks to offer returns in line with money market rates. For the avoidance of doubt, a Money Market Fund includes collective investment schemes which present the characteristics of a money market fund (as defined under Chapter 8.2 of the Code) or which are presented to investors or potential investors as having similar investment objectives (e.g. funds named as "liquid funds" or "cash funds").
Net Asset Value	in relation to any Sub-Fund, the net asset value of that Sub-Fund or, as the context may require, in relation to any Units or Class of Units, the net asset value of a Unit or Unit of a particular class, calculated pursuant to the Trust Deed.
Onshore RMB Securities	Renminbi denominated fixed income instruments issued or distributed in Mainland China.
Operational Fees	the costs, charges, fees and expenses incurred in the operation of the relevant Sub-Fund, as set out in the section headed "**Fees and Expenses**" of this Explanatory Memorandum.
PBOC	the People's Bank of China.
Performance Fee	the performance fee payable out of the Sub-Fund(s) to the Manager and as set out in the section headed "**Fees and Expenses**" of this Explanatory Memorandum and the Appendix in relation to the relevant Sub-Fund.

Qualified Holder	any person, corporation or entity other than: (a) any individual under the age of 18 (or such other age as the Manager may think fit); (b) any US Person; (c) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the reasonable opinion of the Manager, might result in the Manager, the Trustee, the Unitholders, the relevant Class, the relevant Sub-Fund or the Trust incurring any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the Manager, the Trustee, the Unitholders, the relevant Class, the relevant Sub-Fund or the Trust to any additional regulation to which the Manager, the Trustee, the Unitholders, the relevant class, the relevant Sub-Fund or the Trust might not otherwise have incurred or suffered or been subject; or (d) any person who, by holding or owning the Units, would be in breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed.
Recognised Exchange	a stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which Securities are regularly traded.
Redemption Fee	the redemption fee (or an amount equivalent thereto) that may be payable to or retained for the benefit of the Manager in respect of each Unit to be redeemed as the Manager may at its absolute discretion determine, and set out in Appendix in relation to the relevant Sub-Fund.
Recognised Commodities Market	any Commodities Market of repute in any country in the world which has for the time been approved by the Manager;
Redemption Price	in respect of each Sub-Fund or Class, the Redemption Price Per Unit multiplied by the number of Units to be redeemed and adjusted in accordance with the section headed "**Valuation**" of this Explanatory Memorandum.
Redemption Price Per Unit	in respect of each Sub-Fund or class, the value per Unit at which Units are from time to time redeemed or to be redeemed and which shall be the value per Unit ascertained in accordance with the section headed "**Valuation**" of this Explanatory Memorandum.
Register	the register or registers of Unitholders of Units in a Sub-Fund or class.

Registrar	ICBC (Asia) Trustee Company Limited, or the person appointed as registrar to keep the Register (and in default of any such appointment shall mean the Trustee) and to receive applications for subscription, switching and redemption of Units. References to Registrar shall include any registrar's agent from time to time appointed by the Registrar with the Manager's prior approval, provided however such approval shall not be required where such agent is a Connected Person of the Trustee.
RMB	Renminbi Yuan, the lawful currency of Mainland China.
SAT	the State Administration of Taxation of the People's Republic of China.
SAFE	the State Administration of Foreign Exchange of the People's Republic of China.
Securities	has the meaning under the Securities and Futures Ordinance.
Securities and Futures Ordinance	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as the same may from time to time be amended, replaced or re-enacted.
SFC	the Securities and Futures Commission of Hong Kong.
Sub-Fund	any sub-fund established by the Manager in accordance with the Trust Deed, each Sub-Fund being a segregated pool of assets and liabilities and designated by the Manager as being attributable exclusively to the Unitholders of a particular Class or Classes of Units and "**relevant Sub-Fund**" means the Sub-Fund as is relevant in the context in which it is referred to in this Explanatory Memorandum.
Subscription Fee	the subscription fee (or an amount equivalent thereto) that may be payable to or retained for the benefit of the Manager in respect of each Unit to be issued as the Manager may at its absolute discretion determine, as specified in the Appendix in relation to the relevant Sub-Fund.
Switching Fee	the switching fee (or an amount equivalent thereto) that may be payable to or retained by the Manager on the switching of each Unit as the Manager may at its absolute discretion determine, and as specified in the Appendix in relation to the relevant Sub-Fund of this Explanatory Memorandum.
Trust	the umbrella unit trust scheme constituted by the Trust Deed and called ICBC Asset Management (Global) Investment Funds, or such other name as the Manager may from time to time determine.
Trust Deed	the trust deed constituting ICBC Asset Management (Global) Investment Funds dated 13 October 2023, between the Manager and the Trustee, as supplemented or amended and reinstated from time to time.
Trustee	ICBC (Asia) Trustee Company Limited, or any other person or persons for the time being duly appointed to act as the trustee or trustees of the Trust in its succession.

Trustee Fee	any sum to which the Trustee may become entitled to pursuant to the Trust Deed.
Unit	one undivided share in a Sub-Fund or a Class.
Unitholder	a person for the time being entered on the Register as the holder of a Unit including (where the context so admits) persons jointly so registered.
Unquoted Investment	any Investment (other than a unit or other interest in a collective investment scheme, or a Commodity) which is not quoted.
US	the United States of America.
US Person	(i) a U.S. person within the meaning of Rule 902 promulgated under the 1933 Act; (ii) a U.S. resident within the meaning of the United States Investment Company Act of 1940; or (iii) any person that would not qualify as a Non-United States person within the meaning of United States Commodity Futures Trading Commission Rule 4.7(a)(1)(iv).
US$ or USD	the lawful currency of the US.
Valuation Day	in respect of any Sub-Fund or Class, will be the relevant Dealing Day.
Valuation Point	in respect of any Sub-Fund or Class, such time or times on the day as specified in the Appendix for the relevant Sub-Fund, and/or as the Manager may determine, as at which the Net Asset Value of that Sub-Fund and Net Asset Value per Unit of a Sub-Fund (or class) are calculated in respect of any Dealing Day and, unless otherwise determined, shall mean the close of business in the last relevant market to close on each Dealing Day for the relevant Sub-Fund and "**relevant Valuation Point**" means the valuation point as at the relevant date for calculation of the Net Asset Value of each relevant Sub-Fund or class.
Value	in relation to any asset or liability means the value thereof determined in accordance with the section headed "**Valuation**" of this Explanatory Memorandum.
Valuer	has the meaning under the section headed "**Valuation**" of this Explanatory Memorandum.

DIRECTORY

Manager

ICBC Asset Management (Global) Company Limited
Unit 2507-2510, 25/F, ICBC Tower
3 Garden Road, Central
Hong Kong

Directors of the Manager

WU Long
XU Lei
HU Yimin
YU Jinyou
KWOK Wai Ki, Henry
LI Bing

Trustee and Registrar

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
3 Garden Road, Central
Hong Kong

Auditor

PricewaterhouseCoopers
21/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Central, Hong Kong

Legal Adviser

In respect of ICBC Asset Management (Global) USD Money Market Fund:

King & Wood Mallesons
Level 13, Gloucester Tower
The Landmark
15 Queen's Road Central
Central, Hong Kong

In respect of ICBC Asset Management (Global) China Central-SOEs Dividend Fund:

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

In respect of ICBC Asset Management (Global) HKD Money Market Fund:

Deacons
5th Floor Alexandra House
18 Chater Road
Central, Hong Kong

Custodian

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower
3 Garden Road, Central
Hong Kong

THE TRUST

Umbrella Trust

ICBC Asset Management (Global) Investment Funds is an umbrella trust established under Hong Kong law by a trust deed dated 13 October 2023. The Trustee and the Manager may create different Sub-Funds representing separate portfolios of assets. The Fund Assets of each Sub-Fund will be invested in accordance with the investment objective and policies applicable to each Sub-Fund. It is intended that each Sub-Fund will have segregated liability from the other Sub-Funds. Investors should, however, note the risk factor "*Umbrella Structure of the Trust and Segregated Liability between Sub-Funds*" under the section headed "**Risk Factors**" of this Explanatory Memorandum. The Trustee and the Manager may issue different classes of Units in a Sub-Fund at any time in the future.

The Trustee and the Manager are required to establish a separate Sub-Fund, with separate pools of assets and liabilities, and designated by the Manager as being attributable exclusively to the Unitholders of a particular Class of Units in the following manner:

(a) The Trustee will keep separate records and accounts for each Sub-Fund in the Base Currency of the relevant Sub-Fund. The proceeds from the issue of Units will be applied in the records and accounts of the Trustee to the Sub-Fund to which those Units relate, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Sub-Fund.

(b) The Fund Assets of each Sub-Fund shall belong exclusively to that Sub-Fund, and shall not be used to discharge directly or indirectly the liabilities of or claims against or amount payable out of any other Sub-Fund and shall not be available for such purpose. The Fund Assets of each Sub-Fund shall not be commingled with: (i) the Fund Assets of another Sub-Fund; (ii) the property of the Manager, investment delegates and their respective Connected Persons; (iii) the property of the Trustee and any nominees, agents or delegates throughout the custody chain; or (iv) the property of any other clients of the Trustee and any nominees, agents or delegates throughout the custody chain, unless held in an omnibus account with adequate safeguards in line with international standards and best practices to ensure that the Fund Assets are properly recorded with frequent and appropriate reconciliations being performed.

(c) In respect of any asset derived from another asset, such derivative asset shall be applied in the records and accounts of the Trustee to the same Sub-Fund as the Fund Assets from which it was derived and on each re-valuation of an Investment or other property the increase or diminution in value of such an asset will be applied to the relevant Sub-Fund.

(d) In the case of any Fund Asset that the Manager does not consider as readily attributable to a particular Sub-Fund or Sub-Funds, the Manager may determine the basis upon which any such Fund Asset will be allocated between the Sub-Funds, and the Manager may at any time vary such basis, provided that the Manager may at its discretion consult with the Auditor at such times when the Manager considers it necessary to do so.

(e) Any liability that is not considered by the Manager as attributable to a particular Sub-Fund or Sub-Funds, the Manager may determine the basis upon which any liability will be allocated between the Sub-Funds and the Manager may at any time vary such basis, provided that the Manager may at its discretion consult with the Auditor at such times when the Manager considers it necessary to do so.

The Manager may, upon prior authorisation of the SFC, from time to time issue Units in relation to the creation of new Sub-Funds.

Further information

Further general information concerning the Trust, Unitholder meetings and voting rights, provisions relating to the termination of the Trust or any Sub-Fund and other matters are contained in the section headed "**General Information**" of this Explanatory Memorandum.

MANAGEMENT AND ADMINISTRATION

The Manager

The Manager of the Trust and the Sub-Fund(s) is ICBC Asset Management (Global) Company Limited. The Manager is an asset management company incorporated in Hong Kong and is a wholly owned subsidiary of Industrial and Commercial Bank of China (Asia) Limited, a company incorporated in Hong Kong and bank licensed under section 16 of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong). The Manager (CE Reference: AAY077) is registered as a licensed corporation by the SFC in Hong Kong to carry out advising on securities (Type 4), advising on futures contract (Type 5) and asset management (Type 9).

The Manager provides professional investment management and advisory services to unit trusts, institutional clients as well as high net worth private individuals. Directors and senior management of the Manager are reputable and experienced investment professional with in-depth international financial market knowledge.

Except to the extent of any fraud or negligence on its own part or that of its nominees or agents, the Manager (and its directors, officers, employees, agents and delegates) shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the acts or omissions of the Manager (and its directors, officers, employees, agents and delegates) except to the extent provided under the Trust Deed, the Code or applicable laws and regulations.

The Manager (and its directors, officers, employees, agents and delegates) shall, except to the extent of any fraud or negligence on its (or their) part, be indemnified and held harmless out of the Fund Assets of the relevant Sub-Fund(s) in respect of (in addition to any right of indemnity given by law) any action, costs, claims, expenses, damages or liabilities to which it (or they) may be put or which it (or they) may incur as a result of the Manager acting as manager of the Trust and/or the relevant Sub-Fund(s), managing and administering the trusts or in the exercise of any powers, authorities or discretions vested in the Manager under the Trust Deed, and the Manager shall for such purpose have recourse to the Fund Assets of the relevant Sub-Fund(s).

Notwithstanding anything to the contrary as set out in the Trust Deed, the Manager may not be exempted from any liability to the Unitholders imposed under the laws of Hong Kong or breaches of trust through fraud or negligence, nor may it be indemnified against any such liability by Unitholders or at the Unitholders' expense.

Directors of Manager

Details of the directors of the Manager are as follows:

<u>Mr. Wu Long</u>

Mr. Wu was appointed as an Executive Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited in August 2018. He is a Member of Strategy and Corporate Governance Committee and Risk Management Committee of Board of Directors of Industrial and Commercial Bank of China (Asia) Limited. Mr. Wu holds a bachelor's degree in National Economic Management from Henan University of Finance and Economics (Now known as "Henan University of Economics and Law"), a master's degree in Business Administration from Sun Yat-sen University and an Executive Master's Degree in Business Administration from China Europe International Business School. Mr. Wu has over 23 years of banking experience and served in several positions including Deputy Chairman, Executive Director and Chief Executive Officer of Industrial and Commercial Bank of China (Macau) Limited, Deputy Chief Executive of Industrial and Commercial Bank of China Limited, Anhui Provincial Branch and Chief Executive of Industrial and Commercial Bank of China Limited, Guangdong Jiangmen Branch.

Mr. Xu Lei

Mr. Xu was appointed as a Deputy Chief Executive of Industrial and Commercial Bank of China (Asia) Limited in June 2022. Mr. Xu is currently responsible for Industrial and Commercial Bank of China (Asia) Limited’s institutional business, global market business, custody services, asset and liability management and asset management functions. He is very experienced in banking management. Mr. Xu holds a Master’s Degree in Business Administration from Central University of Finance and Economics.

Mr Hu Yimin

Mr. Hu is now a Senior Expert in Strategic Management and Investor Relation Department of Industrial and Commercial Bank of China Limited and full-time dispatched board director. Mr. Hu joined Industrial and Commercial Bank of China Limited since 1998 and has served in several departments within Industrial and Commercial Bank of China Limited. He holds a Bachelor of Economics of Capital Construction from Renmin University of China and an MBA from Tsinghua University.

Mr. Yu Jinyou

Mr. Yu holds a PhD in Science from Wuhan University. Mr. Yu joined ICBC Asset Management (Global) Company Limited in 2023 and is currently acting as the Executive Director and Chief Executive Officer. Mr. Yu joined the Industrial and Commercial Bank of China Limited in 2008 and had led teams of financial market business such as bond and derivatives trading and bond underwriting, during which Industrial and Commercial Bank of China Limited won the awards of Core Domestic Currency Market Dealer by China Foreign Exchange Trade System (CFETS), Best Market Maker in Interbank Bond Market by National Association of Financial Market Institutional Investors and Best Bond Advisor-Domestic by "The Asset" magazine.

Mr. Kwok Wai Ki, Henry

Mr. Kwok obtained a Bachelor degree from the University of Sydney and a Master of Accounting from the Macquarie University. He is a holder of Chartered Financial Analyst (CFA) and a member of CPA Australia. He joined ICBC Asset Management (Global) Company Limited in 2005 and is the Executive Director and Deputy Chief Executive of ICBC Asset Management (Global) Company Limited, with over 20 years’ experience in the financial industry, and possesses experiences in areas including equity investment, private equity investment, direct investment and corporate finance, financial audit and tax planning. Mr. Kwok is responsible for overseeing all matters in relation to the investment function of ICBC Asset Management (Global) Company Limited (which includes investment policies, investment strategies and investment performance). Prior to joining ICBC Asset Management (Global) Company Limited, Mr. Kwok was a corporate finance manager at United Overseas Bank Asia (Hong Kong) Limited and was responsible for its corporate finance services as well as asset management and direct investment activities. Mr. Kwok was also involved in a number of initial public offerings and merger & acquisition projects.

Mr Li Bing

Mr. Li holds a Master of Science in Finance in The University of Manchester and Bachelor of Economics in Investment in Shanghai University of Finance and Economics. He is a charter holder of Chartered Financial Analyst (CFA), Fellow of the Association of Chartered Certified Accountants (ACCA) and member of China Institute of Certified Public Accountants (CPA). He joined ICBC Asset Management (Global) Company Limited in 2018 and is currently acting as the Executive Director and Deputy Chief Executive. Prior joining ICBC Asset Management (Global) Company Limited, he was working at ICBC (Europe) S.A. based in Luxembourg, ICBC Private Banking Department in Shanghai and ICBC Shanghai Branch. Mr. Li has over 23 years of banking experience with extensive exposure to asset management, private banking and risk management.

Trustee and Registrar

The Trustee of the Trust and the Sub-Funds is ICBC (Asia) Trustee Company Limited, which is registered under Part VIII of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong). The principal activity of the Trustee is the provision of trustee services.

The Trustee is also a wholly owned subsidiary of Industrial and Commercial Bank of China (Asia) Limited, which is a company incorporated in Hong Kong and a bank licensed under section 16 of the Banking Ordinance (Cap 155 of the Laws of Hong Kong). Whilst the Manager and the Trustee are both companies with the same ultimate holding company, the Trustee is independent of the Manager within the meaning of Chapters 4.7 and 4.8 of the Code.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the documents of title and the assets of the Trust, including all the investments, cash and other assets of the Trust and each Sub-Fund, and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions of the Trust Deed. To the extent permitted by law, the Trustee shall register cash and registrable assets in the name of or to the order of the Trustee and such investments, cash and other assets of the relevant Sub-Fund shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereto. The Trustee may, however, from time to time appoint any person or persons as it thinks fit (including without limitation any of its Connected Person) to be custodian, co-custodian, nominee, agent or delegate. The Trustee may also empower such person to further appoint, with the Trustee's no objection in writing, sub-custodians, nominees, agents and/or delegates. The fees and expenses of such custodian, co-custodian, sub-custodians, nominees, agents, delegates or any persons appointed by the Trustee in relation to the relevant Sub-Fund shall be borne by the relevant Sub-Fund.

The Trustee shall (A) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of any custodian, co-custodian, nominee, agent or delegate which is appointed for the custody and/or safekeeping of any of the investments, cash or other assets of the Trust or any Sub-Fund (each a "**Correspondent**"); and (B) be satisfied that each Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Trust or any Sub-Fund. Provided that the Trustee has discharged its obligations set out in (A) and (B), the Trustee shall not be liable for any acts, omissions, insolvency, liquidation or bankruptcy of any Correspondent that is not a Connected Person of the Trustee.

The Trustee will remain liable for the acts or omissions of any Correspondent which is a Connected Person of the Trustee as if such acts or omissions were those of the Trustee. The Trustee shall use reasonable endeavours to recover any loss of Investments and other assets arising from any default of a Correspondent. Subject to the provisions of the Trust Deed, the Trustee shall not be liable for:

(a) any act, omission, insolvency, liquidation or bankruptcy of any central securities depositary or clearing and settlement system;

(b) any losses caused by the performance of Investments made by the Trust or the Sub-Fund(s); or

(c) any losses caused by any lender or nominee appointed by such lender in whose name any assets of a Sub-Fund transferred to it are registered pursuant to a borrowing undertaken for the account of such Sub-Fund.

Subject to the provisions of the Trust Deed, the Trustee, its directors, officers, employees, delegates and agents are entitled to be indemnified from the assets of the Trust and/or each Sub-Fund from and against any and all actions, proceedings, costs, claims, damages, expenses (including all reasonable legal, professional and other similar expenses), liabilities (other than those imposed under Hong Kong law or resulting from breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), or demands which may be put to or asserted against it, or which it may incur or suffer whether directly or indirectly, or which are or may be imposed on the Trustee in performing its obligations or functions, or exercising its duties and powers relating to a Sub-Fund, including those arising out of any liability in respect of agreements which the Trustee or the Manager may enter into with other service providers on behalf of any Sub-Fund. The Trustee and its directors, officers, employees, delegates and agents shall be entitled to have recourse to the assets of the relevant Sub-Fund or any part thereof but shall not have a right of recourse to the assets of any other Sub-Fund. Notwithstanding the foregoing, the Trustee shall not be exempted from or indemnified against any liability imposed under the laws of Hong Kong (including under the Trustee Ordinance) or for breach of trust through fraud or negligence for which it may be liable in relation to its duties, or be indemnified against such liability by Unitholders or at Unitholders' expense.

Subject to applicable laws and regulations and the provisions of the Trust Deed, the Trustee shall not, in the absence of fraud or negligence by it or any custodian, co-custodian, nominee, agent, delegate appointed by the Trustee, be liable for any losses, costs, damages or inconvenience to the Trust, the Sub-Fund(s) or any Unitholder.

Except to the extent of any fraud or negligence or on its own part or that of its Correspondents where the Trustee would be liable pursuant to the provisions of the Trust Deed, any liability of the Trustee arising under or in connection with the Trust Deed, whether in contract, in tort, by law or otherwise, is limited to the amount for which the Trustee has a right of recovery against or any indemnity from the Trust or the relevant Sub-Fund (i.e. the relevant Fund Assets).

The Trustee will also act as the Registrar of the Trust. The Registrar will be responsible, inter alia, for maintaining the Register and processing subscriptions, redemptions, conversions and transfers of Units in accordance with the Trust Deed and this Explanatory Memorandum.

Notwithstanding anything to the contrary as set out in the Trust Deed, the Trustee may not be exempted from any liability to the Unitholders imposed under the laws of Hong Kong or breaches of trust through fraud or negligence, nor may it be indemnified against any such liability by Unitholders or at the Unitholders' expense.

The Trustee will be entitled to a Trustee Fee and other service fees agreed by the Manager.

The Manager is solely responsible for making investment decisions in relation to the Trust and/or each Sub-Fund. The Trustee and Registrar are not responsible for the preparation or issue of this Explanatory Memorandum and therefore accepts no responsibility for any information contained in this Explanatory Memorandum other than the descriptions under this section headed "**Trustee and Registrar**" and neither the Trustee, the Registrar nor any of their subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents or permitted delegates accept any responsibility or liability for any information contained in this Explanatory Memorandum other than the description under this section headed "**Trustee and Registrar**". The Trustee shall take reasonable care to ensure that the investment and borrowing limitations set out under the section headed "**The Sub-Funds**" and any specific investment and borrowing limitations as set out in the relevant Appendix as they relate to a Sub-Fund and the conditions under which such Sub-Fund is authorised pursuant to the Securities and Futures Ordinance are complied with, and save for the aforesaid, the Trustee is not responsible and has no liability for any investment decision made by the Manager.

Auditor

The Manager has appointed PricewaterhouseCoopers to act as the auditor of the Trust and Sub-Funds. The Auditor is independent of the Manager and the Trustee. It is expected that the terms of engagement of the auditors contain provisions limiting the liability of the auditor to certain times of the fees paid to the auditor for the services or work product giving rise to the liability except to the extent finally determined to have resulted from the wilful or intentional neglect or misconduct, or fraudulent behaviour of the auditors and providing that the claims must be made within a certain period of time as specified in the engagement letter. Other release and indemnity provisions are also likely to be contained in the engagement letter relating to consequential loss, third party claims and fraudulent acts or omissions or misrepresentations or wilful default on the part of the Trust, a Sub-Fund, the Manager, employees or agents. All accounts of the Trust and Sub-Funds including the annual report thereof shall be audited by the Auditor and shall be accompanied by an auditor's report. The annual and interim report and accounts of a Sub-Fund will be prepared in accordance with the IFRS.

Authorised Distributors

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

Where application for Units is made by an applicant through an authorised distributor, Units 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 Units are registered to take action on his/her behalf. As the authorised distributor (or its nominee) is the Unitholder of the relevant Sub-Fund, the Manager and the Trustee shall not be responsible for any arrangements between the relevant applicant and the authorised distributor regarding the subscription, holding and redemption of Units and any related matters, as well as any costs or losses that may arise therefrom. The Manager will, however, take reasonable care in the selection and appointment of authorised distributor(s).

Investors who apply for subscription, redemption and/or switching of Units through authorised distributor(s) should note that such authorised distributor(s) may impose earlier dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the authorised distributor(s) concerned.

The Manager may pay or share any of the fees received by it (including any Subscription Fee, Redemption Fee, Switching Fee and Management Fees) with such authorised distributors. For the avoidance of doubt, any fees, costs and expenses payable to the authorised distributor(s) arising out of any advertisement or promotional activities in connection with the Trust or the Sub-Fund(s) will not be paid from the assets of the Trust or the Sub-Fund(s).

Custodian

The Trustee has appointed Industrial and Commercial Bank of China (Asia) Limited ("**ICBC (Asia)**") as the Custodian of the Trust and the Sub-Funds.

ICBC (Asia) is a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited which is one of the largest commercial banks in the world by market capitalization as at 31 December 2021. The Industrial and Commercial Bank of China Limited group, together with its subsidiaries (collectively, the "**ICBC Group**"), has reached approximately USD2.63 trillion assets under custody as at 31 December 2021. ICBC (Asia), being the flagship of ICBC Group outside Mainland China provides global custodian services to institutional clients and is a regional centre covering Asia-Pacific.

Pursuant to the custodial services agreement between the Trustee and the Custodian (the "**Custodial Services Agreement**"), the Custodian will act as the custodian of the Trust's and the Sub-Funds' assets, which may be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the Custodial Services Agreement. The Custodian will be entitled to a Custodian Fee depending on the investment instruments in custody as well as the markets where the Custodian is required to hold the Sub-Fund's assets.

Other Service Providers

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

CONFLICTS OF INTEREST

Conflicts of Interest

The Manager, the Trustee and the Registrar may from time to time act as manager, registrar, administrator, trustee, custodian, receiving agent, advisor or distributor in relation to serving as directors, officers, advisers or agents or be otherwise involved in, other Sub-Funds or collective investment schemes that have similar investment objectives to those of any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interests with the Trust or any Sub-Fund. Each will, at all times, have regard in such event to its obligations under the Trust Deed and/or any agreements to which it is a party or by which it is bound in relation to the Trust or any Sub-Fund and, in particular, but without limitation, to its obligations to act in the best interests of the Unitholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly.

The Manager has in place internal control procedures (e.g. in relation to staff dealing and consent procedures) to ensure that, in the event of conflicts of interests, all transactions shall be treated fairly. Dedicated personnel are put in place to monitor the internal systems and controls, and to ensure that any potential conflicts of interests are, to the extent possible, promptly identified and handled in accordance with the established policies.

Connected Party Transactions

The Trustee and the Manager will ensure that all transactions carried out by or on behalf of the Trust or any Sub-Fund are conducted at arm's length and are in the best interests of the Unitholders.

Any Connected Person transaction will be carried out in accordance with the provisions of the Code, any other applicable laws and regulations and any conditions (including any conditions of waivers and exemptions from the operation of the Code granted by the SFC from time to time) imposed by the SFC and other competent governmental authorities from time to time provided that no Connected Person transaction will be void or voidable if it is entered into in breach of such provisions.

Dealings by Manager

The Manager, the investment delegate (if any) and any of their Connected Persons must not, without the prior written consent of the Trustee, as principal sell, or deal in the sale of, Investments for the account of the Trust or a Sub-Fund or otherwise deal as principal for the account of the Trust or a Sub-Fund, including any purchase for the account of any Sub-Fund of any unit or other interest in a collective investment scheme managed by the Manager, the investment delegate (if any) or any of their Connected Persons. The Trustee may give such approval on the condition that the Manager, the investment delegate (if any) or their Connected Persons (as the case may be) will ensure that such transactions:

(a) are or will be transacted at arm's length; and

(b) are in the best interests of the Unitholders.

A report of such transactions entered into during a reporting period shall be provided in the annual and interim financial reports, and will list all such transactions, by type, name of the related party and, where relevant, fees paid to that party in connection with the transaction.

Dealings by Trustee

The Trustee shall not as principal for its own account sell or deal in the sale of Investments to the Trustee for the account of the Trust or any Sub-Fund or otherwise deal as principal with the Trust or any Sub-Fund, provided that the Trustee shall be permitted to sell or deal in the sale of Investments and otherwise deal with the Trust or any Sub-Fund where it acts at all times in its capacity as a trustee and not in its capacity as a principal. The Connected Persons of the Trustee must not, without the prior written approval of the Trustee, as principal sell, or deal in the sale of, Investments for the account of the Trust or the relevant Sub-Fund or otherwise deal as principal for the account of the Trust or the relevant Sub-

Fund, and if the Trustee shall give its approval, any such selling or dealing shall be transacted at arm's length, in the best interest of the Unitholders and otherwise in accordance with the Trust Deed. If any Connected Person of the Trustee shall so sell or deal, such Connected Person may retain for its own absolute use and benefit any profit which it may derive therefrom or in connection therewith, provided that such transactions are entered into on an arm's length basis, in the best interest of the Unitholders and at the best price available to the Trust and the relevant Sub-Fund.

Dealings with brokers and dealers that are Connected Persons

In transacting with brokers or dealers connected to the Manager, the investment delegate (if any), the Trustee, or any of their Connected Persons, the Manager must ensure that it complies with the following obligations:

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

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

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

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

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

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the relevant Sub-Fund's annual report.

Transfer of Fund Assets for Investment

Where any cash forming part of the Fund Assets is placed as deposits with the Trustee, the Manager, the investment delegate (if any) 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 interest of the Unitholders, having regard to the prevailing commercial rate for deposits of a similar type, size and term, negotiated at arm's length in accordance with ordinary and normal course of business. Subject thereto, the Trustee, the Manager, the investment delegate (if any) or any of their Connected Persons shall be entitled to retain for its or their own use and benefit any benefit which it or they may derive from any cash for the time being in its or their hands (whether on current or deposit account) as part of a Sub-Fund.

Cash Rebates and Commission

None of the Manager, the investment delegate (if any) or any of their Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions for the account of a Sub-Fund to the broker or dealer and none of the Manager, the investment delegate (if any) or any of their Connected Persons intends to have in place any soft dollar arrangements to receive goods and services from a broker or dealer, save that goods and services (soft dollar) pursuant to the requirements of the Code may be retained if:

(a) such goods or services are of demonstrable benefit to the Unitholders (including 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);

(b) 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;

(c) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;

(d) adequate prior disclosure is made in the Sub-Fund's offering documents the terms of which the Unitholder has consented to;

(e) periodic disclosure is made in the annual report in the form of a statement describing the soft dollar policies and practices of the Manager or the investment delegate (if any), including a description of the goods and services received by them; and

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

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 will be disclosed periodically in the annual and interim financial reports and accounts of the Trust and/or the relevant Sub-Fund.

THE SUB-FUNDS

General

ICBC Asset Management (Global) Investment Funds has been established as an umbrella trust with segregated liability between Sub-Funds. Different Sub-Funds may be established from time to time by the Manager with the prior approval of the SFC. On the introduction of any new Sub-Fund or class of Units, either a revised explanatory memorandum or a supplemental explanatory memorandum will be prepared, setting out the details. The Sub-Funds are operated separately and the Fund Assets of each Sub-Fund are managed in accordance with the investment objective and policy applicable to that Sub-Fund.

Details of the Sub-Fund(s) are set out in the Appendix.

Investment Objectives and Strategies of the Sub-Funds

The specific investment objective and strategies of each Sub-Fund are set out in the Appendix in relation to the relevant Sub-Fund.

The Fund Assets of each Sub-Fund will be invested with the aim of achieving the investment objective and in accordance with the policies of that Sub-Fund. Investments of each Sub-Fund must also comply with the investment and borrowing powers and restrictions set out in the Code, the Trust Deed and this Explanatory Memorandum.

Investment Restrictions

The Trust is subject to certain investment restrictions set out under the Code and Trust Deed, as amended from time to time. No Investment may be acquired or added for a Sub-Fund which would result in:

(a) the aggregate value of the Sub-Fund's Investments in, or exposure to, any single entity (other than Government and other Public Securities) through the following, to exceed 10% of the total Net Asset Value of the relevant Sub-Fund: (i) investments in Securities issued by such entity; (ii) exposure to such entity through underlying assets of FDIs; and (iii) net counterparty exposure to such entity arising from transactions of the over-the-counter FDIs. For the avoidance of doubt, restrictions and limitations on counterparty as set out in this paragraph (a) and paragraph (b) of this section and paragraph (a)(iv) under the section headed "**Restrictions applicable to FDIs**" below will not apply with FDIs that are:

  (A) transacted on an exchange where the clearing house performs a central counterparty role; and

  (B) marked-to-market daily in the valuation of their FDI positions and subject to margining requirements at least on a daily basis.

  To the extent applicable, the requirements under this paragraph (a) will also apply in the case of paragraphs (e) and (j) under section headed "Collateral";

(b) subject to paragraph (a) above in this section and paragraph (a)(iv) under the section headed "**Restrictions applicable to FDIs**" below, the aggregate value of the Sub-Fund's Investments in, or exposure to, entities within the same group through the following, exceeding 20% of the total Net Asset Value of the relevant Sub-Fund: (i) Investments in Securities issued by those entities; (ii) exposure to those entities through underlying assets of FDIs; and (iii) net counterparty exposure to any such entity arising from transactions of over-the-counter FDIs. For the purposes of this paragraph (b) and paragraph (c) below in this section, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards are generally regarded as "entities within the same group". To the extent applicable, the requirements under this paragraph (b) will also apply in the case of paragraphs (e) and (j) under the section headed "**Collateral**";

(c) the Value of the Sub-Fund's cash deposits being made with the same entity or entities within the same group exceeding 20% of the total Net Asset Value of the relevant Sub-Fund, unless: (i) the cash is held before the launch of the relevant Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or (ii) the cash 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 interest of Holders; or (iii) the cash proceeds received from subscriptions pending Investments and cash held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise Holders' interests. For the purposes of this paragraph (c), "cash deposits" generally refer to those that are repayable on demand or have the right to be withdrawn by the relevant Sub-Fund and not referable to provisions of property or services;

(d) the Sub-Funds of the Trust collectively holding more than 10% of any ordinary shares issued by any single entity;

(e) the value of the Sub-Fund's investment in Securities and other financial products or instruments which are not listed, quoted or dealt in on a Recognised Exchange exceeding 15% of the total Net Asset Value of such Sub-Fund;

(f) notwithstanding paragraphs (a), (b), (d) and (e) above in this section, direct investments by the Sub-Fund on a Recognised Exchange that is not in the best interests of investors, except that such Sub-Fund may invest on a Recognised Exchange that is not in the best interests of Holders through a wholly-owned subsidiary company established solely for the purpose of making direct investments on such Recognised Exchange. In this case:

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

  (B) any increase in the overall fees and charges directly or indirectly borne by the Unitholders or the relevant Sub-Fund as a result must be clearly disclosed in the Explanatory Memorandum; and

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

(g) notwithstanding paragraphs (a), (b) and (d) above in this section, more than 30% of the total Net Asset Value of any Sub-Fund being invested in Government and other Public Securities of the same issue, save that the relevant Sub-Fund may invest all of its assets in Government and other Public Securities in at least six 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;

(h) (i) the Value of a Sub-Fund's Investment in any units or shares in other collective investment schemes ("**underlying schemes**") which are non-eligible schemes (the list of "eligible schemes" is as specified by the SFC from time to time) and not authorised by the SFC, in aggregate exceeding 10% of the total Net Asset Value of the relevant Sub-Fund; and

(ii) the Value of any Sub-Fund being invested in units or shares in one or more underlying schemes which are either authorised by the SFC or eligible schemes (the list of "eligible schemes" is as specified by the SFC from time to time), or a scheme authorised by the SFC exceeding 30% of the total Net Asset Value of a Sub-Fund, unless (x) the underlying scheme is authorised by the SFC and (y) the name and key investment information of the underlying scheme are disclosed in the Explanatory Memorandum of the relevant Sub-Fund, provided that in respect of paragraphs (h)(i) and (h)(ii) above:

(A) no investment may be made in any underlying scheme where such underlying scheme's objective is to invest primarily in any investment prohibited by Chapter 7 of the Code;

(B) where an underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such Investments may not be in contravention of the relevant limitation. For the avoidance of doubt, a Sub-Fund may invest in underlying scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraphs (h)(i) and (h)(ii);

(C) 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) of this section are also applicable to the investments of the underlying schemes;

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

(E) 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 fees on the underlying schemes(s) must be waived; and

(F) the Manager or any person acting on behalf of a 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.

(i) unless otherwise provided under the Code, the spread requirements under paragraphs (a), (b), (d) and (e) above in this section do not apply to investments in other collective investment schemes by a Sub-Fund. For the avoidance of doubt, exchange traded funds that are:

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

(ii) 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 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 Code,

may either be considered and treated as (x) listed securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above in this section; or (y) collective investment schemes for the purposes of and subject to the requirements in paragraphs (h)(i) and (h)(ii) and sub-paragraphs (A) to (D) of paragraph (h) above in this section. However, the Investments in exchange traded funds shall be subject to paragraph (e) above in this section and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in the offering documents of the relevant Sub-Fund;

In addition, the Trust is subject to the following investment restrictions, which prohibits the Manager, for the account of any Sub-Fund, from:

(j) investing in physical commodities, unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the relevant physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary;

(k) investing in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts ("**REITs**")). In the case of investments in such shares and REITs, they shall comply with the investment limits as set out in paragraphs (a), (b), (d) and (e) and (h)(i) above in this section, where applicable. For the avoidance of doubt, where investments are made in listed REITs, paragraphs (a), (b) and (d) above in this section apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then paragraphs (e) and (h)(i) above in this section apply respectively;

(l) making short sales unless (i) the Sub-Fund's liability to deliver securities does not exceed 10% of its total Net Asset Value; (ii) the security which is to be sold short is actively traded on a Recognised Exchange where short selling activity is permitted; and (iii) the short sales are carried out in accordance with all applicable laws and regulations;

(m) carrying out any naked or uncovered short sales of securities;

(n) subject to paragraph (e) above in this section, lending, assuming, guaranteeing, endorsing or otherwise becoming directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements as set out in Chapters 7.32 to 7.35 of the Code are not subject to the limitations in this paragraph (n);

(o) acquiring any asset or engaging in any transaction for the account of a Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Unitholders must be limited to their investments in the relevant Sub-Fund;

(p) investing in any Security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued Securities of that class, or collectively, such directors and officers of the Manager collectively own more than 5% of those Securities; and

(q) investing in any security where a call is to be made for any sum unpaid on that Security unless that call can be met in full out of cash or near cash by the Sub-Fund's portfolio, whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of paragraph (c) and (d) under the section headed "**Restrictions applicable to FDIs**" below.

If any of the investment restrictions and limitations under this section of the Explanatory Memorandum are breached, the Manager will take as a priority objective all steps as are necessary within a reasonable period of time to remedy the breach, taking due account of the interests of the Unitholders.

Restrictions applicable to Money Market Funds

For each Sub-Fund which is authorised by the SFC under Chapter 8.2 of the Code as a Money Market Fund, the relevant Money Market Fund shall comply with the core requirements as set out under the sections headed "**Investment Restrictions**", "**Borrowing Restrictions**", "**Restrictions applicable to securities financing transactions**" and "**Restrictions applicable to collateral**" with the following modifications, exemptions or additional requirements:-:

(a) subject to the provisions below, the Money Market Fund may only invest in short-term deposits and high quality money market instruments (i.e. securities normally dealt in on the money markets including government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptances, asset-backed securities such as asset-backed commercial papers), and money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;

(b) the Money Market Fund must maintain a portfolio with weighted average maturity of not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities;

For the purposes herein:

(i) "**weighted average maturity**" is a measure of the average length of time to maturity of all the underlying securities in the Money Market Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Money Market Fund to changing money market interest rates; and

(ii) "**weighted average life**" is the weighted average of the remaining life of each Security held in the Money Market Fund; and is used to measure the credit risk, as well as the liquidity risk,

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

(c) notwithstanding the above, the aggregate value of the Money Market Fund's holding of instruments and deposits issued by a single entity may not exceed 10% of the total Net Asset Value of the Money Market Fund except:

(i) the value of the Money Market Fund's holding of instruments and deposits issued by a single entity may be increased to 25% of the total Net Asset Value of such Money Market Fund if the entity is a substantial financial institution, provided that the total amount does not exceed 10% of that entity's share capital and non-distributable capital reserves; or

(ii) in the case of Government and other Public Securities, up to 30% of the Money Market Fund's total Net Asset Value may be invested in the same issue; or

(iii) in respect of any deposit of less than USD1,000,000 or its equivalent in the Base Currency of the Money Market Fund, where such Money Market 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 Money Market Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its total Net Asset Value except that:

(i) the aforesaid limit will not apply in respect of cash deposits of less than USD1,000,000 or its equivalent in the Base Currency of the Money Market Fund, where the Money Market Fund cannot otherwise diversify as a result of its size; and

(ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of that entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;

(e) the value of the Money Market Fund's holding of money market funds that are authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC may not in aggregate exceed 10% of its total Net Asset Value;

(f) the value of the Money Market Fund's holding of Investments in the form of asset-backed securities may not exceed 15% of its total Net Asset Value;

(g) subject to Chapters 7.32 to 7.38 of the Code, the Money Market Fund may engage in sale and repurchase transactions and reverse repurchase transactions in compliance with the following additional requirements:

  (i) the amount of cash received by the Money Market Fund under sale and repurchase transactions may not in aggregate exceed 10% of its total Net Asset Value;

  (ii) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the total Net Asset Value of the Money Market Fund;

  (iii) collateral received may only be cash, high quality money market instruments (as described above in (a), and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and

  (iv) the holding of collateral, together with other Investments of the Money Market Fund, must not contravene the investment limitations and requirements set out under this section headed "**Restrictions applicable to Money Market Funds**";

(h) the Money Market Fund may use FDIs for hedging purposes only;

(i) the currency risk of the Money Market Fund shall be appropriately managed and any material currency risk that arises from Investments that are not denominated in the Base Currency shall be appropriately hedged; and

(j) the Money Market Fund must hold at least 7.5% of its total Net Asset Value in daily liquid assets and at least 15% of its total Net Asset Value in weekly liquid assets;

For the purposes herein:

  (i) "**daily liquid assets**" refers to (A) cash; (B) instruments or Securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (C) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities;

  (ii) "**weekly liquid assets**" refers to (A) cash; (B) instruments or Securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (C) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities; and

  (iii) periodic stress testing is expected to be carried out by the Manager in monitoring the Money Market Fund's liquidity.

If any of the restrictions or limitations set out above is breached in respect of a Money Market Fund, the Manager will make it a priority objective to take all necessary steps within a reasonable period of time to remedy such breach, taking into account the interests of the Unitholders of that Money Market Fund. The Trustee will take reasonable care to ensure that the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Money Market Fund was authorised are complied with.

Borrowing Restrictions

The Trustee may, at any time at the written request of the Manager, borrow money for the account of any Sub-Fund, subject to the following limitations:

(a) the principal amount for the time being of all borrowings for the account of any Sub-Fund shall not exceed an amount equal to 10% of the total Net Asset Value of the relevant Sub-Fund on any Dealing Day. For the purposes of this paragraph (a), back-to-back loans do not count as borrowing. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements as set out in Chapters 7.32 to 7.35 of the Code are not subject to the limitations in this paragraph (a); and

(b) each borrowing may only be related to any one or more of the following:

   (i) to pay the redemption proceeds on a redemption of Units;

   (ii) to settle the purchase or sale of any Investments in order to facilitate a rebalance of the portfolio of the Fund Assets;

   (iii) to meet the fees, expenses and liabilities of the Trust or the relevant Sub-Fund (excluding the Management Fee, Performance Fee or Trustee Fee);

   (iv) to pay distributions of income; or

   (v) for any other proper purpose as may be agreed by the Manager and the Trustee from time to time.

Notwithstanding the above, a Money Market Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

If at any time the aggregate principal amount of all outstanding borrowings under the Trust Deed in respect of a Sub-Fund shall exceed an amount equal to 10% of the total Net Asset Value of the relevant Sub-Fund calculated on the then most recent Dealing Day, the Manager shall take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking into account the interests of Unitholders.

Financial Derivative Instruments

(a) Subject to the provisions of the Trust Deed, the Manager may on behalf of a Sub-Fund, enter into transactions in relation to currency forwards, swaps, futures, options or other FDI.

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

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

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

   (iii) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

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

   Hedging arrangements 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.

(c) Each Sub-Fund may also acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the Sub-Fund's net exposure relating to these FDIs does not exceed 50% of its total Net Asset Value. 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 FDI, taking into account the prevailing market value of the underlying assets, counterparty risk, future market movements and time available to liquidate the positions. For the avoidance of doubt, FDIs acquired for hedging purposes under paragraph (b) of this section will not be counted towards the limit as referred to in this paragraph (c) so long as there is no residual derivative exposure arising from such hedging arrangement. Net derivative exposure shall be calculated in accordance with this paragraph (c), the Code and the requirements and guidance issued by the SFC which may be updated from time to time.

Restrictions applicable to FDIs

(a) In addition, investment by the relevant Sub-Fund in FDIs should be either listed or quoted on a stock exchange or dealt in over-the-counter market, and comply with the following requirements:

(i) the underlying assets of the FDIs invested in by the relevant Sub-Fund consist solely of shares in companies, debt securities, money market instruments, units/shares in 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 relevant Sub-Fund may invest according to its investment objectives and policies;

(ii) where the relevant 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) in the above section headed "**Investment Restrictions**" provided that the index is in compliance with Chapter 8.6(e) of the Code;

(iii) the counterparties to transactions of over-the-counter FDIs or their guarantors are substantial financial institutions or such other entity on a case-by-case basis as determined by the SFC, taking into account factors such as the regulatory status of the entity or the group to which it belongs and the net asset value of the entity;

(iv) subject to paragraphs (a) and (b) in the above section headed "**Investment Restrictions**" above, the Sub-Fund's net counterparty exposure to a single entity arising from transactions of over-the-counter FDIs may not exceed 10% of the Net Asset Value of the relevant Sub-Fund, provided that the exposure of a 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

(v) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Valuer 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 Sub-Fund's initiative. Further, the Valuer 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.

(b) Subject to paragraph 0 in the above section headed "**Financial Derivative Instruments**" and paragraph (a) of this section, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDIs, together with the other Investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and Investments as set out in paragraphs (a), (b) (c), (g), (h)(i) and (h)(ii), sub-paragraphs (A) to (D) of paragraph (h) and paragraph (k) in the above section headed "**Investment Restrictions**".

(c) If the relevant Sub-Fund engages in a transaction in FDIs, the relevant Sub-Fund should at all times be capable of meeting all its payment and delivery obligations incurred under such transactions (whether for hedging or for investment purposes) and the Manager shall, as part of its risk management process, monitor to ensure that such transactions in FDIs are adequately covered on an ongoing basis. For the purposes of this paragraph (c), assets that are used to cover the relevant Sub-Fund's payment and delivery obligations incurred under transactions in FDIs shall be free from 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.

(d) Subject to paragraph (c) of this section, a transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund should be covered in accordance with the following requirements:

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

(ii) in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation.

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.

(e) Where a financial instrument embeds an FDI, the investment restrictions and limitations under this section headed "**Financial Derivative Instruments**" above and paragraphs (a) to (d) of this section above will also apply to the embedded FDI (being an FDI that is embedded in another Security, namely the host contract).

Restrictions applicable to securities financing transactions

Where indicated in the relevant Appendix, the Manager, subject to the approval of the SFC and applicable requirements under the Code, may cause a Sub-Fund to engage in securities financing transactions, provided that they are in the best interests of Unitholders of such Sub-Fund to do so and the associated risks have been properly mitigated and addressed, and provided further that the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

A Sub-Fund shall have at least 100% collateralisation in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions. For the purpose of this section, invested assets under an unfunded swap structure should be treated as collateral and be subject to the requirements in this section headed "**Restrictions applicable to collateral**".

Any revenues attributable to a Sub-Fund as a result 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, on receipt by the Trustee, be credited to the relevant Sub-Fund.

A Sub-Fund shall only enter into a securities financing transaction if the terms of such securities financing transaction include the power for the Sub-Fund at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction or terminate the securities financing transaction(s) into which it has entered.

Restrictions applicable to collateral

In order to limit the exposure to each counterparty as set out in paragraph (c) under the section headed "Restrictions applicable to FDIs" and the section headed "Securities financing transactions" above, a Sub-Fund may receive collateral from such counterparty provided that the collateral complies with the requirements in the Code and as set out below:

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

(b) **Valuation** – the collateral is marked-to-market daily by using independent pricing sources;

(c) **Credit quality** – the asset used as collateral is of high credit quality provided that in the event the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral, such collateral should be replaced immediately;

(d) **Haircut –** the collateral is subject to prudent haircut policy which is based on the market risks of the assets used as collateral in order to cover the 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 will take into account the price volatility of the asset used as collateral and, where appropriate, 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;

(e) **Diversification** – the collateral is appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group. A Sub-Fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code. By way of illustration, the value of collateral and a Sub-Fund's other investments in, or exposure to, any single entity or entities within the same group may not exceed 10% or 20% of that Sub-Fund's Net Asset Value respectively. Where the collateral is in the form of (i) cash; (ii) Government and other Public Securities; (iii) collective investment scheme; and (iv) REITs, the applicable investment limitations and restrictions under Chapters (i) 7.1B, (ii) 7.4 and 7.5, (iii) 7.11, 7.11A and 7.11B and (iv) 7.14 of the Code apply respectively, together with the Sub-Fund's other investments or exposure;

(f) **Correlation** – the value of the collateral does not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs, or the counterparty of securities financing transactions (if applicable) 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 (if applicable) or any of their related entities will not be used as collateral;

(g) **Management of operational and legal risks** – the Manager has appropriate systems, operational capabilities and legal expertise for proper collateral management;

(h) **Independent custody** – the collateral is held by the Trustee of the Sub-Fund;

(i) **Enforceability** – the collateral is readily accessible or enforceable by the Trustee of the Sub-Fund without further recourse to the issuer of the FDIs, or the counterparty of securities financing transactions (if applicable);

(j) **Re-investment of collateral** –

(i) any re-investment of collateral received for the account of the Sub-Fund will be subject to the following requirements:

(A) cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. For this purpose, money market instruments refer to securities normally dealt in on the money markets, including government bills, certificates of deposits, commercial papers, 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 money market instruments must be taken into account;

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

(C) 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 Code;

(D) cash collateral received is not allowed to be further engaged in any securities financing transactions;

(E) 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;

(ii) Subject to any investment restrictions applicable to a Sub-Fund as set out in the section headed "**Investment Restrictions**", notwithstanding the requirements on re-investment of collateral as described in paragraph (j)(i) above, a Sub-Fund may re-invest the cash collateral received from sale and repurchase transactions in investments other than those set out in paragraph (j)(i) above provided that such re-investment, together with the Sub-Fund's net derivative exposure, shall not in aggregate exceed 50% of the Sub-Fund's Net Asset Value. Re-investment of cash collateral pursuant to this paragraph (j)(ii) shall only be effected upon prior consultation with the SFC, and if the following requirements are met:

(A) the re-investment, together with the Sub-Fund's net derivative exposure, do not in aggregate exceed 50% of the Sub-Fund's Net Asset Value;

(B) the re-investment is consistent with the Sub-Fund's investment objective and strategies;

(C) the re-investment is limited to securities which are sufficiently liquid and of good quality; and

(D) the re-investment is subject to the corresponding investment restrictions and limitations applicable to such investments or exposures as set out in Chapter 7 of the Code and complies with paragraphs (j)(i)(D) and (j)(i)(E) above,

provided that re-investment of cash collateral received from sale and repurchase transactions in compliance with the above requirements under this paragraph (j)(ii) shall not be subject to the limitation in Chapter 7.21 of the Code which allows borrowing of a Sub-Fund of up to 10% of the Sub-Fund's Net Asset Value;

(k) **Encumbrances** – the collateral is free of prior encumbrances; and

(l) the collateral generally should not include:

(i) structured products whose payouts rely on embedded FDIs or synthetic instruments;

(ii) Securities issued by special purpose vehicles, special investment vehicles or similar entities;

(iii) securitised products; or

(iv) unlisted collective investment schemes.

Further details relating to the collateral policy of the Trust and/or the Sub-Fund are disclosed in Schedule 1 of this Explanatory Memorandum.

A description of collateral holdings of each Sub-Fund will be disclosed in its interim and annual financial reports as required under Appendix E of the Code.

Currency Hedging

A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying Securities into the relevant Sub-Fund's Base Currency. If undertaken, the aim of this hedging will be to reduce the relevant Sub-Fund's level of risk or to hedge the currency exposure to the currency of denomination of some or all of the relevant Sub-Fund's underlying Securities. FDIs such as currency forwards and interest rate futures may be utilised if the relevant Sub-Fund engages in such hedging. The currency exposure of Investments will not be allocated to other Sub-Funds.

ISSUE AND SWITCHING OF UNITS

Initial Subscription

Units in a Sub-Fund will initially be offered at the Initial Issue Price during the Initial Offer Period as set out in the Appendix in relation to the relevant Sub-Fund.

Subsequent Subscription

After the Initial Offer Period, Units will be offered on any Dealing Day of such relevant Class at the Issue Price of such relevant Class.

Different Classes of Units may be offered for a Sub-Fund. Although the assets a Sub-Fund will form one single pool, each class of Units may be denominated in a different currency or may have a different charging structure with the result that the Net Asset Value attributable to each class of units of a Sub-Fund may differ. In addition, each Class of Units may be subject to different minimum initial and subsequent investment amounts and holding amounts, and minimum redemption and switching amounts.

Details for the relevant Classes of Units are set out in the Appendix in respect of the relevant Sub-Fund.

General

The Manager may charge a Subscription Fee in respect of issue of each Unit of up to 5% of the total subscription amount, as the Manager may at its absolute discretion determine. Such Subscription Fee may differ between applicants. The Manager may retain the benefit of such Subscription Fee for its own absolute use and benefit, or may pay all or part of the Subscription Fee (and any other fees received) to intermediaries or such other persons as the Manager may at its absolute discretion determine, subject to all applicable laws and regulations. The Manager also has discretion to waive the Subscription Fee in whole or in part in relation to any subscription for Units whether generally or in a particular case. The Manager may also add the fiscal charges, which will be reflected in the Net Asset Value per Unit of the relevant Sub-Fund, on subscription of Units. For details of the fiscal charges policy of the Trust, please refer to the sub-section entitled “Fiscal Charges” under the section headed “**Fees and Expenses**”.

Fractions of Units rounded down to the nearest 3 decimal places may be issued. Application monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund. Unless the Manager determines otherwise, no Units shall be issued so as to give rise to a holding of less than the minimum number or value of Units of the relevant Class as specified in the Appendix in relation to the relevant Sub-Fund. The Manager shall have the absolute discretion to accept or reject in whole or in part any application for Units and to accept applications for subscription, redemption and switching of Units or Classes of Units below the applicable minimum amounts as specified in this Explanatory Memorandum. In the event that an application is rejected, application moneys will be returned without interest by telegraphic transfer to the bank account from which the moneys originated at the risk and expense of the applicants, or in such other manner determined by the Manager.

Units shall not be issued or sold in the event that determination of the Net Asset Value is suspended under the section headed “**Temporary Suspension of Determination of Net Asset Value**” in this Explanatory Memorandum.

Subscription Procedure

An applicant must submit an application form in proper form in writing by post, sent by fax or given by such electronic means as agreed by the Manager and the Trustee and accompanied with other information as the Manager and Trustee may from time to time require, to the Registrar and such order must be received by the Registrar and accepted by the Manager by the Dealing Deadline for the relevant Sub-Fund. The Manager or the Trustee may, in its absolute discretion, determine whether or not duly signed original applications are also required in respect of applications for subscriptions sent by fax or by electronic means. An application for the subscription of Units, once given, cannot be revoked or withdrawn after the Dealing Deadline without the consent of the Manager.

The application form for subscription may be obtained from the Manager and its authorised distributors. Once completed, the application form can be submitted to the Registrar, together with the application moneys and Subscription Fee (if any), unless the Manager agrees otherwise.

Subscriptions for the Units must be in the currency denomination of the relevant Class subscribed for, or any other currency acceptable to the Manager, in which case such subscriptions will be converted into the currency of the relevant Class at a rate determined by the Manager and the Trustee. Any currency conversion costs will be deducted from such application monies. None of the Manager or the Trustee will be liable to any Unitholder for any loss suffered by such Unitholder arising from the said currency conversion.

Unless agreed by the Manager, payment for Units subscribed during the Initial Offer Period is due immediately upon issue. If payment is not received within three Business Days after the Dealing Day where the relevant Units are issued (or such other period as the Manager, in consultation with the Trustee, may determine), the Manager may (without prejudice to any claim in respect of the failure of the applicant to make payment when due) cancel such issue and the applicant has no right to claim against the Manager or the Trustee. In such event, the Manager and the Trustee may require the applicant to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit cancelled, the amount (if any) by which the Issue Price on the relevant Subscription Day exceeds the applicable Redemption Price on the date of cancellation, plus interest; and the Manager and the Trustee shall be entitled to charge the applicant, for the account of the relevant Sub-Fund, a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation.

All payments should be made by direct transfer or telegraphic transfer. Applicants may refer to the application form for details on payment instructions. Any costs of transfer of application monies to a Sub-Fund will be payable by the applicant. All application moneys must originate from an account held in the name of the applicant. No third-party payments shall be accepted. The applicant is responsible for providing the evidence of its source of application moneys.

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

Switching between Classes

Unitholders are entitled on any Dealing Day, subject to conditions the Manager may impose after consultation with the Trustee, to switch all or any part of their Units of any Class relating to a Sub-Fund ("**Existing Class**") into Units of any other Class ("**New Class**") of the same Sub-Fund or any other Sub-Fund by giving notice to the Registrar prior to the Dealing Deadline applicable to the relevant Sub-Fund whose Units are being switched, or such later time as the Manager, in consultation with the Trustee, may think fit.

The Manager may charge a Switching Fee in respect of each Unit of the new Class to be issued upon such conversion of a percentage (as the Manager may at its absolute discretion determine) of up to 5% of the total amount being converted into. The Switching Fee shall be deducted from the amount reinvested into the Sub-Fund relating to the Units of the New Class and shall be retained or paid to the Manager for its own absolute use and benefit. Such Switching Fee (if any) is described in the Appendix in relation to the relevant Sub-Fund and will be retained by the Manager.

Notices to switch must be received in proper form in writing by post, sent by fax or given by such electronic means as agreed by the Manager and the Trustee and accompanied with other information as the Manager and Trustee may from time to time require, to the Registrar. The Manager or the Trustee may, in its absolute discretion, determine whether or not duly signed original notices for switching are also required in respect of notices sent by fax or by electronic means.

Notices to switch which arrive at the office of the Registrar by the Dealing Deadline for a Dealing Day or such later time as the Manager in consultation with the Trustee may think fit on a Dealing Day will be dealt with on that Dealing Day. Notices received after such Dealing Deadline or such later time as the Manager, in consultation with the Trustee, may think fit will be dealt with on the next Dealing Day in relation to the relevant Sub-Fund. Notices to switch may not be withdrawn without the consent of the Manager.

Units shall not be switched during any period when the determination of the Net Asset Value of any relevant Sub-Fund is suspended.

Units of the Existing Class may be switched on any Dealing Day of Units of such class ("**relevant Dealing Day**") into Units of the New Class in accordance with the following formula:

$$N = \frac{(E \times R \times F - TSF)}{S}$$

where the Switching Fee is levied pursuant to a percentage of the total amount being switched into;

where:

N is the number of Units of the New Class to be issued, provided that amounts lower than the smallest fraction of a Unit of the New Class shall be ignored and shall be retained by the relevant Sub-Fund relating to the New Class.

E is the number of Units of the Existing Class to be switched.

F is the currency conversion factor determined by the Manager for the relevant Dealing Day as representing the effective rate of exchange between the Base Currency of Units of the Existing Class and the Base Currency of Units of the New Class.

R is the Redemption Price Per Unit of the Existing Class applicable on the relevant Dealing Day less any Redemption Fee imposed by the Manager.

S is the Issue Price Per Unit for the New Class applicable on the Dealing Day for the New Class coincident with or immediately following the relevant Dealing Day, provided that where the issue of Units of the New Class is subject to the satisfaction of any conditions precedent to such issue, then S shall be the Issue Price Per Unit of the New Class applicable on the first Dealing Day of the New Class falling on or after the satisfaction of such conditions.

TSF is a Switching Fee per Unit (if any).

If there is, at any time during the period from the time as at which the Redemption Price Per Unit 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 (the "**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 Manager may at its discretion reduce the Redemption Price as the Manager considers appropriate to take account of the effect of that devaluation or depreciation. In such event, the number of Units of the New Class to be allotted to any relevant Unitholder shall be recalculated in accordance with the above formula as if that reduced Redemption Price had been the Redemption Price ruling for redemption of Units of the Existing Class on the relevant Dealing Day.

Acceptance of Orders

The Manager has an absolute discretion to accept or reject in whole or in part any application for Units and to accept applications for subscription, redemption and switching of Units or Classes of Units that is below the minimum subscription amounts of each Class of the relevant Sub-Fund.

The Manager reserves the right not to accept any applications for subscription of Units until (i) the Registrar receives an application in form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager; and (ii) the Trustee and the Manager receive such other certifications and opinions of counsel as each may in their absolute discretion consider necessary to ensure compliance with applicable securities and other laws. The Manager will notify the applicant if it rejects the applicant's application for subscription of Units.

The Manager reserves the right to limit the issue of Units in any Sub-Fund where the liquidity within the relevant Sub-Fund is deemed to be detrimental to its performance by closing the relevant Sub-Fund to new applications for subscription of Units. An example of the circumstances in which this may occur could be where the Manager determines that it would be prudent to limit the capacity or the size of a Sub-Fund, the investment objective of which is aimed at a particular market or sector.

Timing of Applications

Subscription or switching applications received before the Dealing Deadline of that Dealing Day will be dealt with on that Dealing Day. Applications submitted after the Dealing Deadline will be dealt with on the next Dealing Day, subject to the Manager's discretion, in consultation with the Trustee, to accept late applications prior to the Valuation Point on that Dealing Day. Notwithstanding the aforesaid, where in the Trustee's reasonable opinion, the Trustee's operational requirements cannot support accepting any such late application, the Manager shall not exercise its discretion to accept such application.

The Manager may at its discretion, in exceptional circumstances, permit an applicant to withdraw or amend any application for subscription or switching of Units after it has been submitted, provided that the amended subscription or switching application is accepted before the Dealing Deadline on the Dealing Day to which the application relates.

Documents the applicant will receive

Units will be in registered form and no temporary documents of title will be issued. No individual certificates for Units will be issued. All Units will be registered in the Unitholder's name by the Registrar on the Register, which is the evidence of ownership of Units.

REDEMPTION OF UNITS

Requests for redemption of Units from investors

Any redemption request must be in writing by post, sent by fax or given by such electronic means as agreed by the Manager and the Trustee and accompanied with other information as the Manager and Trustee may from time to time require and be received on or prior to the Dealing Deadline for the relevant Sub-Fund. The Manager or the Trustee may, in its absolute discretion, determine whether or not duly signed original redemption requests are also required in respect of redemption requests sent by fax or by electronic means. A redemption request once given cannot be revoked or withdrawn without the Manager's consent.

The Manager may, in consultation with the Trustee and having regard to the best interest of Unitholders, suspend the right of the Unitholders and/or may delay payment of redemption proceeds if determination of the Net Asset Value of the relevant Sub-Fund relating to such Classes of Units is suspended pursuant to the section headed "**Temporary Suspension of Determination of Net Asset Value".**

Valid instructions to the Registrar to redeem Units in a Sub-Fund will be processed at the Redemption Price (less any Redemption Fee) calculated with reference to the relevant Valuation Point for that Sub-Fund following acceptance of the instruction (the basis of calculation as summarised under the "**Valuation**" section of this Explanatory Memorandum), except in the case where dealing in a Sub-Fund has been suspended as set out under the section headed "**Temporary Suspension of Determination of Net Asset Value**" of this Explanatory Memorandum. For the avoidance of doubt, all redemption instructions received before a Sub-Fund's Dealing Deadline on a Dealing Day will be processed based on the Redemption Price calculated as at that Dealing Day's Valuation Point. The Manager may also deduct the fiscal charges, which will be reflected in the Net Asset Value per Unit of the relevant Sub-Fund, from redemption of Units. For details of the fiscal charges policy of the Trust, please refer to the sub-section entitled "Fiscal Charges" under the section headed "**Fees and Expenses**".

Subject to the Manager's discretion, in consultation with the Trustee, to accept late redemption requests prior to the Valuation Point relating to the relevant Dealing Day, any requests for redemption received after the Dealing Deadline will be held over until the next Dealing Day and Units will then be redeemed at the Redemption Price applicable on that Dealing Day. Notwithstanding the aforesaid, where in the Trustee's reasonable opinion, the Trustee's operational requirements cannot support accepting any such late redemption request, the Manager shall not exercise its discretion to accept such request.

Payment of Redemption Proceeds

Payments to Unitholders will normally be paid by direct transfer or telegraphic transfer in the currency of the relevant Class of Units to the pre-designated bank account of the Unitholder as applicable (at his/her risk and expense). No third-party payments will be permitted. Any cost of currency conversion and bank charges associated with the payment of such redemption proceeds will be borne by the redeeming Unitholder.

Redemption proceeds will be paid as soon as practicable but in any event no later than one calendar month after the relevant Dealing Day or (if later) the day on which the Trustee or its duly authorised agents shall have received the duly completed and signed redemption request and other required documentation, unless the market(s) in which a substantial portion of Investments is made is subject to such legal or regulatory requirements (such as foreign currency controls) rendering the payment of the redemption money within one calendar month not practicable. In such case, the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant market(s).

Subject to the relevant Unitholders' consent, the Manager and the Trustee may pay the redemption proceeds in a currency other than the Base Currency or the currency of the relevant Class of Units. In such circumstances, currency conversion shall be calculated at such rate which the Manager and the Trustee deems appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange, and the cost of exchange shall be borne by the Unitholders being paid in such other currency.

Redemption proceeds will not be paid to any redeeming Unitholder until: (a) if so required by the Manager or the Trustee, the written original of the redemption request (in the required form) duly signed by the Unitholder has been received; (b) where redemption proceeds are to be paid by telegraphic transfer, the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Manager, the Trustee, the Registrar or their authorised agents; (c) any documents or information reasonably required by the Manager, the Trustee, the Registrar or their authorised agents have been received by the Manager, the Trustee, the Registrar or their authorised agents for the purposes of verification of identity or that are necessary to ensure compliance with the applicable laws and regulations; and (d) all dealings in relation to the Unitholder's subscription of Units have been settled.

Payment of Redemption Proceeds by Distribution in Specie

Subject to the relevant Unitholder's consent and consultation with the Trustee, the Manager may effect a redemption payment by transferring in specie to such Unitholder Investments (or partly Investments and partly cash) forming part of the relevant Sub-Fund to which the Class of Units to be redeemed relates, instead of cash payment of the Redemption Price. All stamp duty, registration fees and other charges payable in respect of any transfer as a result of distribution in specie shall be payable by the Unitholder. Payment by distribution in specie shall be made in accordance with the Trust Deed.

Fees

The Manager may charge a Redemption Fee in respect of each Unit to be redeemed of such percentage (as the Manager may at its absolute discretion determine) not exceeding 5% of the Redemption Price Per Unit. Please see "**Fees and Expenses**" of this Explanatory Memorandum for further details on Redemption Fee.

Redemption of Units by the Manager

The Manager has the right on any Dealing Day to cancel some or all of the Units of the relevant Class by giving written notice to the Trustee. Such right shall be suspended during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended, or when the amount of Units of the relevant Class that can be redeemed by any Unitholder is limited pursuant to the Trust Deed.

Such notice shall state the number and Class of Units to be cancelled and the amount payable to the Manager in respect thereof. It is the duty of the Manager to ensure that the relevant Sub-Fund has (or will upon the completion of the sale of Investments agreed to be sold has) sufficient cash to pay the amount payable to the Manager upon such reduction. In respect of each cancelled Unit, the Manager shall be entitled to receive out of the relevant Sub-Fund the Redemption Price Per Unit of the relevant Class as the appropriate Dealing Day on which such cancellation is to be effected.

Any amount payable to the Manager shall be payable as soon as practicable against delivery to the Trustee of particulars of the Units to be cancelled.

Mandatory Redemption and Compulsory Transfer

If any redemption order reduces the holding of such Unitholder to below any minimum holding required in respect of a Sub-Fund (as set out in the Appendix), such order will be treated as an order to redeem all the Units held by that Unitholder.

The Manager or the Trustee may, in compliance with any applicable laws and regulations, give notice to a Unitholder requiring him to transfer Units to a person who would not be in contravention of any such restrictions below, or may give a request in writing for the redemption of such Units in accordance with the Trust Deed, if they become aware or reasonably suspect that Units of any Class are owned directly or beneficially by any person in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Units are listed or 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 Manager or the Trustee to be relevant) which in the Manager's or the Trustee's opinion might result in the relevant Sub-Fund in relation to such Class of Units and/or the Trust (i) incurring any liability to taxation or (ii) suffering any other pecuniary disadvantage which the relevant Sub-Fund and/or the Trust might not otherwise have incurred or suffered. If any Unitholder upon whom such a notice is served does not within 30 days after such notice transfer such Units as aforesaid or establish to the satisfaction of the Manager or the Trustee (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions, he shall be deemed upon the expiration of 30 days to have given a request in writing for the redemption of all such Units.

If a Sub-Fund is terminated pursuant to any of the provisions as specified in "**Termination of the Trust or the Sub-Funds**" in the section headed "**General Information**" in this Explanatory Memorandum, the Manager may, upon such notice as may be required by law or regulation, cancel all of the issued Units of any Sub-Fund and distribute remaining proceeds from the realisation of the Fund Assets pro rata to the number of Units in issue.

Rejection of Redemption of Units

The Manager or the Trustee, as the case may be, shall have the right to reject a redemption request in their absolute discretion, including without limitation the following circumstances where:

(a) the Manager or the Trustee, as the case may be, suspect or are advised that the payment of any redemption proceeds to such Unitholder may result in a breach or violation of any anti-money laundering law by any person in any relevant jurisdiction or other laws or regulations by any person in any relevant jurisdiction;

(b) such refusal is considered necessary or appropriate to ensure the compliance by the Trust, the Manager, the Trustee or other service providers with any such laws or regulations in any relevant jurisdiction; or

(c) there is a delay or failure by the redeeming Unitholder in producing information or documentation required by the Trustee and/or the Manager or their respective duly authorised agent for the purpose of verification of identity.

With a view to protecting the interests of all Unitholders, the Manager shall be entitled, after consultation with the Trustee, to limit the total number of Units of any Sub-Fund which the Unitholders are entitled to redeem on any Dealing Day (whether by sale to the Manager or by cancellation of Units) to 10% of the total Net Asset Value of the relevant Sub-Fund. Such limitation shall be applied pro rata to all Unitholders 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 Unitholders. Any Units which, by virtue of the powers conferred on the Manager are not redeemed, shall be redeemed on the next succeeding Dealing Day for the Units of such Sub-Fund, in accordance with the method described above. If redemption requests are carried forward, the Manager will promptly give notice to the affected Unitholders that such Units (i) have not been redeemed and (ii) that they shall be redeemed on the next succeeding Dealing Day for the relevant Sub-Fund. 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 has the same power) until the original request has been satisfied in full.

Liquidity risk management

Governance

Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruptions; or that the relevant Sub-Fund's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of the relevant Sub-Fund's assets may have a negative impact to the value of a Sub-Fund and to the relevant Sub-Fund's ability to meet its investment objectives. Additionally, an inability to sell a Sub-Fund's assets may have negative implications for investors being able to redeem in a timely fashion, and also to investors who remain invested in the Sub-Fund.

Liquidity risk management policy

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

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

The following aspects of liquidity risk will be considered before investing in the underlying securities of each Sub-Fund:

- the volume and turnover in the security will be considered;

- (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 will be taken into account;

- the opportunity and timeframe to acquire or sell the securities will be evaluated; and

- an independent analysis of the historical bid and offer prices may indicate the relative liquidity and marketability of an instrument. In assessing the quality of secondary market activities, the quality and number of intermediaries and market makers dealing in the relevant transferable security should be considered. If the security is assessed as insufficiently liquid to meet foreseeable redemption requests, the security must only be acquired or held if there are other sufficiently liquid securities in the portfolio of the relevant Sub-Fund in order to meet potential redemption requests.

The liquidity management policy involves monitoring the profile of Investments held by the relevant Sub-Fund on an on-going basis to ensure that such Investments could satisfy the redemption policy as stated under the section headed "**Redemption of Units**", and will facilitate each Sub-Fund's obligation to meet redemption requests. Further, the Manager's liquidity management policy includes details on periodic stress testing to be carried out by the Manager from time to time to manage the liquidity risk of each Sub-Fund in times of exceptional market conditions.

The Manager's risk management function is functionally independent from the investment portfolio management function and is responsible for performing ongoing monitoring and periodic stress testing on the liquidity risk of each Sub-Fund in accordance with the Manager's liquidity risk management policy. Exceptions on liquidity risk related issues are escalated to the Manager's risk committee with appropriate actions properly documented.

Liquidity risk management tools

The following tools may be employed by the Manager to manage liquidity risks of the Sub-Funds:

- the Manager may, after consultation with the Trustee, limit the number of Units of any Sub-Fund which the Unitholders are entitled to redeem on any Dealing Day (whether by sale to the Manager or by cancellation of Units) to 10% of the total Net Asset Value of the relevant Sub-Fund (subject to the conditions under the heading entitled "**Rejection of Redemption of Units**" in the section headed "**Redemption of Units**");

- the Manager may, in calculation of the Issue Price and the Redemption Price, imposes surcharges or deduction that reflect expenses such as taxes, governmental charges, brokerages (normally known as fiscal charges), to protect the interest of remaining Unitholders. For details of the fiscal charges policy of the Trust, please refer to the sub-section entitled "Fiscal Charges" under the section headed "**Fees and Expenses**"; and

- the Manager may in consultation with the Trustee, suspend the redemption of Units of any Sub-Fund, having regard to the best interest of Unitholders, during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended. If the Manager declares a suspension, the Manager shall, as soon as may be practicable after any such declaration notify the SFC of such suspension and procure the notice of the suspension be published immediately following the decision to suspend and at least once a month during the period of suspension on the Manager's website https://www.icbcamg.com (this website has not been reviewed by the SFC).

In practice, the Manager will consult the Trustee 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 risk. The use of liquidity risk management tools may impact on the investors' ability to redeem investments on a Dealing Day.

These measures seek to ensure fair treatment and transparency for all investors.

The above liquidity risk management policies are subject to ongoing review by the Manager, taking into account the results of the liquidity risk assessment and stress testing, as set out above, as well as the changing market conditions.

No liability

In the absence of any fraud or negligence on its/their part, neither the Trustee, the Registrar nor the Manager shall be liable for any loss to any Unitholder caused as a result of the subscription or redemption of Units being suspended pursuant to the Trust Deed; any circumstances beyond the Trustee's, the Registrars' or the Manager's reasonable control or non-receipt of any instruction 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.

TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE

The Manager may at any time, in consultation with the Trustee, having regard to the best interests of Unitholders, declare a suspension of (i) the determination of the Net Asset Value of any Sub-Fund; (ii) calculation of the Value of the Fund Assets and determination of the Net Asset Value per Unit and/or (iii) dealing of the Units, under exceptional circumstances, including but not limited to if:

(a) there is a closure of or the restriction or suspension of trading on any Commodities Market or Securities Market on which a substantial part of the Investments of that Sub-Fund is normally traded or a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the prices of Investments or the Net Asset Value of a Sub-Fund or the Issue Price or Redemption Price Per Unit;

(b) for any other reason the prices of a substantial part of the Investments held or contracted for by the Manager for the account of that Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly or fairly be ascertained;

(c) the relevant Sub-Fund is restrained from, subject to a quota limit, or is otherwise unable to acquire or dispose of further Investments for the time being comprised in the Fund Assets of the relevant Sub-Fund;

(d) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of the Investments held or contracted for the account of that Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Unitholders of Units of the relevant Class;

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

(f) when a breakdown in the systems and/or means of communication usually employed in ascertaining the value of a substantial part of the Investments or other assets of that Sub-Fund or the Net Asset Value of that Sub-Fund or the Issue Price or Redemption Price Per Unit takes place or when for any other reason the value of a substantial part of the Investments or other assets of that Sub-Fund or the Net Asset Value of that Sub-Fund or the Issue Price or Redemption Price Per Unit cannot in the opinion of the Manager, reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner;

(g) when, in the opinion of the Manager, such suspension is required by law or applicable legal process;

(h) where that 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 that Sub-Fund) is suspended or restricted;

(i) when the business operations of the Manager, the Trustee or any of their delegates in relation to the operations of that Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God;

(j) when the Unitholders of Units or the Manager have resolved or given notice to terminate that Sub-Fund; or

(k) such other circumstance or situation exists as set out in the Appendix of that Sub-Fund.

A suspension will take effect forthwith upon the declaration thereof and thereafter there shall be no determination of Net Asset Value of the relevant Sub-Fund until the Manager shall declare that suspension to be at an end. However, the suspension will terminate in any event on the Business Day following the first Business Day on which (i) the condition giving rise to the suspension ceases to exist; and (ii) no other condition exists under which a suspension may be declared. The Manager will regularly review any prolonged suspension of dealings and take all necessary steps to resume normal operations as soon as practicable.

Whenever the Manager shall declare a suspension of the determination of the Net Asset Value of any Sub-Fund, the Manager shall not be obliged to rebalance or adjust the Fund Assets, in either case at the discretion of the Manager, and shall immediately notify the SFC after any such declaration. The Manager shall publish a notice stating the fact that the calculation of the Value of the Fund Assets and each Unit is suspended immediately following such suspension on the website of the Manager at https://www.icbcamg.com (this website has not been reviewed by the SFC) and at least once a month during the period of suspension by such means as the Manager may consider appropriate or otherwise in accordance with applicable rules, laws and regulations.

The Manager will regularly review any prolonged suspension of dealings and take all necessary steps to resume normal operations as soon as practicable.

No Units in a Sub-Fund may be issued, switched or redeemed during such a period of suspension. For the avoidance of doubt, notwithstanding any suspension of determination of Net Asset Value of any Sub-Fund, any redemption proceeds available for settlement in respect of any redemption requests which have been fully processed prior to a declaration of suspension will be paid in accordance with normal redemption procedures as set out under the section headed “**Requests for Redemption of Units from investors**” in this Explanatory Memorandum.

VALUATION

The Net Asset Value attributable to Units of a particular class related to a Sub-Fund shall be calculated by the Manager or its duly appointed agent (or if the Manager and the Trustee so agree, by the Trustee or its duly appointed agent) (the "**Valuer**") as at any Valuation Point on the relevant Valuation Day in accordance with the terms of the Trust Deed.

Set out below is a summary of how the value of the assets comprised in a Sub-Fund is calculated:

(a) the value of any Investment (other than a unit or other interest in a collective investment scheme or a commodity) shall generally be calculated by reference to the price appearing to the Valuer to be the last traded price or last closing price as calculated and published by the relevant security market for such Investment as at the close of business in such place on the Dealing Day, provided that;

(i) if an Investment is quoted, listed or normally dealt in on more than one Recognised Exchange, the Valuer shall adopt the price on the Recognised Exchange which was acquired (and where there has been a change of depositary in respect of such Investment, the market on which the Investment is traded) for such Investment;

(ii) in the case of any Investment which is quoted, listed or normally dealt in on a Recognised Exchange but in respect of which, for any reason, prices on that Recognised Exchange 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 Trustee;

(iii) 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;

(iv) any value (whether of a security or cash) otherwise than in the Base Currency shall be translated into the Base Currency of the relevant Sub-Fund at the rate which the Valuer shall deem appropriate to the circumstances having regard, inter alia, to any premium or discount which the Valuer considers may be relevant and to costs of exchange; and

(v) for the purpose of the foregoing provisions, the Valuer shall be entitled to use and rely upon electronically transmitted information from such source or sources as it may from time to time think fit with regard to the pricing of Investments on any Recognised Exchange notwithstanding that the prices so used are not the last traded prices or closing price.

(b) the value of any Investment (other than a unit or other interest in a collective investment scheme or a commodity) that is not quoted, listed, traded or dealt in any securities market ("**Unquoted Investment**") will be the initial value as ascertained or the value as assessed on the latest revaluation and shall be determined on a regular basis by a professional qualified to value such Unquoted Investment as appointed by the Manager. Such professional person may, with the approval of the Trustee, be the Manager;

(c) subject to paragraph (d) below, the value of each unit or other interest in a collective investment scheme which is valued as at the same day as the relevant Sub-Fund will be the net asset value per unit or other interest in such collective investment scheme calculated as at that day or, if the Valuer so determines, in consultation with the Manager and the Trustee, or if such collective investment scheme is not valued as at the same day as the relevant Sub-Fund, will be the last published net asset value per unit or other interest in such collective investment scheme (where available), or (if the same is unavailable), the last published bid and offer price for such unit or other interest;

(d) if no net asset value, bid and offer prices or price quotations are available for such unit, share or other interest as provided in paragraph (c) above, the value thereof shall be determined from time to time in such manner as the Manager, in consultation with the Trustee, shall determine;

(e) the Manager may, acting in good faith, with due skill, care and diligence, in consultation with the Trustee, adjust the value of any Investment if, having regard to currency, applicable rates of interest, maturity, marketability and other considerations it deems relevant, it considers that such adjustment is required to reflect the fair value of the Investment or permit some other method of valuation to be used if it considers that to do so better reflects the fair value of the investment; and

(f) assets other than Investments and cash will be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree.

The term "**last traded price**" referred to above refers to the last traded price reported on the relevant exchange for the day, commonly referred to in the market as the "settlement" or "exchange price", and represents a price at which members of the exchange settle between them for their outstanding positions. Where a security has not traded then the last traded price will represent the "exchange close" price as calculated and published by that exchange in accordance with its local rules and customs.

Determination of Net Asset Value of a Class of Units

The Net Asset Value attributable to Units of a particular Class related to a Sub-Fund shall be calculated by the Valuer as at any Valuation Point on the relevant Valuation Day by the following rules:-

(a) calculating the Net Asset Value of such Sub-Fund as at that time excluding any assets or liabilities which are specifically attributable to any particular Class of Units related to such Sub-Fund;

(b) apportioning the resulting amount between the Classes of Units related to such Sub-Fund by reference to the respective Net Asset Values of each such Class immediately prior to the relevant Valuation Point; and

(c) deducting the liabilities and adding any assets specifically attributable to the relevant Class of Units.

In order to determine the Net Asset Value of a Unit of a particular Class related to such Sub-Fund, the Net Asset Value of such Class shall be divided by the number of Units of that Class in issue immediately prior to the relevant Dealing Day for such Class of Units, rounded down to the nearest four decimal places of the Base Currency. Any amount corresponding to such rounding will accrue to the relevant Sub-Fund. Any currency conversion from the Base Currency to the currency of the relevant Class shall be calculated at such conversion rate as agreed between the Manager and the Trustee.

Determination of Issue Price

The Issue Price on any Dealing Day will be the Net Asset Value of such Class as at the Valuation Point in respect of the Dealing Day divided by the number of Units of that Class in issue immediately prior to the relevant Dealing Day for such Class of Units, rounded down to the nearest four decimal places or in such manner and to such number of decimal places as the Manager determines ("**Issue Price Per Unit**"). Any amount corresponding to such rounding will accrue to the relevant Sub-Fund. Such price shall be calculated and quoted in the currency of the relevant Class. Any currency conversion shall be calculated at such conversion rate as agreed between the Manager and the Trustee.

The Manager may add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider represents an estimation of the difference between the prices at which the assets comprised in the relevant Sub-Fund are to be valued and the total cost of acquiring such assets or creating any deposit comprised in such Sub-Fund including any other relevant expenses including any stamp duty, other taxes, duties or governmental charges, brokerage, bank charges, transfer fees or registration fees. The estimation of the Manager shall for all purposes be conclusive.

Any changes to the method of determination of Issue Price shall be agreed by the Trustee. The amount of any rounding adjustment of the Issue Price shall be retained by the relevant Sub-Fund.

Determination of Redemption Price

The Redemption Price of any redemption and cancellation of Units will be the price per Unit ascertained by dividing the Net Asset Value of such Class of the relevant Sub-Fund as at the Valuation Point in respect of the Dealing Day by the number of such Class of Units in issue immediately prior to the relevant Dealing Day for such Class of Units, rounded down to the nearest four decimal places or in such manner and to such number of decimal places as the Manager determines ("**Redemption Price Per Unit**"). Any amount corresponding to such rounding will accrue to the relevant Sub-Fund. Such price shall be calculated and quoted in the currency of the relevant Class. Any currency conversion shall be calculated at such conversion rate as agreed between the Manager and the Trustee.

The Manager may deduct from the Redemption Price such sum (if any) as the Manager may consider represents an estimation of the difference between the prices at which the assets comprised in the Sub-Fund are to be valued and the net proceeds which would be received on the sale of such assets or the breaking of any deposit comprised in such Sub-Fund including any other relevant expenses including any stamp duty, other taxes, duties or governmental charges, brokerage, currency conversion charges, bank charges, transfer fees or registration fees. The estimation of the Manager shall for all purposes be conclusive.

Any changes to the method of determination of Redemption Price shall be agreed by the Trustee. The amount of any rounding adjustment of the Redemption Price shall be retained by the relevant Sub-Fund.

For details on suspension of determination of Net Asset Value, please refer to the section headed "**Temporary Suspension of Determination of Net Asset Value**" in this Explanatory Memorandum.

RISK FACTORS

Investment in any Sub-Fund involves risk. While there are some risks that may be common to a number or all of the Sub-Fund(s), investors should note that the relevant Appendix may also include additional risk factors which are specific to a particular Sub-Fund. The price of Units and the Net Asset Value of any Sub-Fund may rise or fall. There is no assurance that an investor will achieve a return on his/her investments in any Sub-Fund or a return of his/her original investment amount. As you consider an investment in the Sub-Fund(s), you should take into account your personal risk tolerance.

General investment risk

A Sub-Fund's investment portfolio may fall in value due to any of the key risk factors in this Explanatory Memorandum and therefore, investors' investments in the Sub-Funds may suffer losses. There is no guarantee of the repayment of principal.

The purchase of a Unit in a Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. There is no guarantee of the repayment of principal and the Manager has no obligation to redeem the Units at the offer value. A Sub-Fund does not have a constant Net Asset Value and is not subject to the supervision of the Hong Kong Monetary Authority.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. There can be no assurance that any appreciation in value of investments will occur. There is no assurance that the investment objectives of a Sub-Fund will actually be achieved, notwithstanding the efforts of the Manager since changes in political, financial, economic, social and/or legal conditions are not within the control of the Manager. Accordingly, there is a risk that investors may not recoup the original amount invested in a Sub-Fund or may lose a substantial part or all of their initial investment.

Market risk

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

Concentration risk

Certain Sub-Funds may invest only in a specific sector, geographical region or type of investment with a particular focus. Although a Sub-Fund's investment portfolio may be diversified in terms of the underlying investments, such Sub-Fund is likely to be more volatile than a broad-based fund having a more diverse portfolio of investments.

Where a Sub-Fund's portfolio is concentrated in a particular geographical area, the value of such Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant markets.

Emerging market risk

A Sub-Fund may invest in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

Borrowing risk

Subject to the borrowing restrictions set in this Explanatory Memorandum and the Trust Deed, the Manager may, for various reasons, borrow money for the account of any Sub-Funds. 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 relevant Sub-Fund will be able to borrow on favourable terms, or that such Sub-Fund's indebtedness will be accessible or be able to be refinanced by such Sub-Fund at any time.

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.

Substantial redemptions by Unitholders within a short period of time could require the relevant 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.

In view of the above, investment in any Sub-Fund should be regarded as long term in nature. The Sub-Fund(s) is/are, therefore, only suitable for investors who can afford the risks involved. Investors should refer to the relevant Appendix for details of any additional risks specific to a Sub-Fund.

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, a 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, which could result in substantial losses to the relevant Sub-Fund.

Custody risk

Custody risk refers to the risks inherent in the process of clearing and settling trades and to the holding of Securities by local banks, agents and depositories. Local agents are held to local standards of care and in general, the less developed a country's securities market is, the greater the likelihood of custody problems and the assets of a Sub-Fund may be exposed to custodial risk. Additionally, Securities of a Sub-Fund may be registered in the name of a sub-custodian where it is common market practice to do so, or is in the relevant Sub-Fund's best interest to do so, or that it is not feasible to do otherwise due to the nature of applicable law, regulation, rule, guideline, code, general guidance or local practice of any stock exchange, governmental or regulatory body laws or market practice of jurisdictions. Such Securities may not be segregated from the sub-custodian's own investments and in the event of default or fraud of such sub-custodian, the Fund Assets may not be protected and may be irrecoverable by the relevant Sub-Fund.

Currency risk

Underlying investments of the Sub-Funds may be denominated in currencies other than the Base Currency of the Sub-Funds. Also, a Class of Units may be designated in a currency other than the Base Currency of the Sub-Funds. The Net Asset Value of a Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

RMB currency and conversion risks

The RMB is currently not freely convertible and is subject to Mainland China government's foreign exchange controls and restrictions.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Funds.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

Risks relating to fixed income securities

Interest rate risk

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

Credit risk

Investment in debt 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 debt 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.

Debt 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 debt 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.

Credit rating risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit ratings of fixed income securities or issuers of credit rating agencies are generally accepted barometer of credit risk. They are, however, subject to certain limitations. For example, the rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is often a time lag in updating the credit ratings in response to recent credit events.

Downgrading risk

Credit rating of issuers of fixed income securities or its issuer may be downgraded, thus adversely affecting the value and performance of a Sub-Fund holding such investments. As such, the Manager may not be able to dispose of the fixed income securities that are being downgraded, subject to the investment objectives of the relevant Sub-Fund. If the Sub-Fund continues to hold the relevant securities, it will be subject to additional risk of loss. Furthermore, in the event of credit rating downgrading, the relevant security may be subject to higher credit risks and other risks applicable to lower rated securities.

Sovereign debt obligations risk

By investing in debt obligations of governmental entities, a portfolio will be exposed to the direct or indirect consequences of political, social and economic changes in various countries. Adverse political changes in a particular country may affect the willingness or ability of a particular government to make or provide for timely payments of its debt obligations, including the repayment of principal and/or interest when due. The country's economic status, as reflected, among other things, in its inflation rate, the amount of its external debt and its gross domestic product, will also affect the government's ability to honour its obligations.

In addition, the cost of servicing debt obligations can be affected by a change in global interest rates since the majority of these debt obligations carry interest rates that are adjusted periodically based upon global rates.

Limited recourse risk

A Sub-Fund may have limited legal recourse in the event of a default with respect to certain sovereign debt obligations it holds. For example, remedies from defaults on certain debt obligations of governmental entities, unlike those on private debt, must, in some cases, be pursued in the courts of the defaulting party itself. Legal recourse therefore may be significantly diminished. Bankruptcy, moratorium and other similar laws applicable to issuers of sovereign debt obligations may be substantially different from those applicable to issuers of private debt obligations. The political context, expressed as the willingness of an issuer of sovereign debt obligations to meet the terms of the debt obligation, for example, is of considerable importance.

Collateral risk

There are risks associated with management of collateral and re-investment of collateral. Collateral may be received from or provided to the relevant counterparty and the value of any collateral received in respect of any FDI transactions may be affected by market events. Whilst a Sub-Fund may re-invest any cash collateral, investors should note that there are risks associated with the re-investment of cash collateral. If a Sub-Fund reinvests cash collateral, such re-investment is subject to investment risks including the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested and the potential loss of principal.

Cash collateral received by a Sub-Fund may also be reinvested in order to generate additional income. In this circumstance, the relevant Sub-Fund will be exposed to market risk in respect of any such investments and may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made.

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.

FDI risks

Certain Sub-Funds may from time to time utilise FDIs for investment and/or hedging purposes. The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. Any Sub-Fund investing in FDI may utilise both exchange-traded products and over-the-counter derivatives. Compared to equity securities, FDI can be more sensitive to changes in market prices of the underlying assets and thus market prices of FDI may fall in value as rapidly as they may rise. Investors investing in such Sub-Funds are exposed to a higher degree of fluctuation than traditional funds. Transactions in over-the-counter FDI may involve additional risk as there is no regulated market for such FDI. It may not always be possible for such Sub-Funds to dispose of their investment or liquidate an existing position especially in a falling market. Investing in FDI also involves other types of risks including, but not limited to, the risk of adopting different valuation methodologies and imperfect correlation between the FDI and its underlying securities, rates and indices. There is no assurance that any derivative strategy used by a Sub-Fund will succeed.

Hedging risk

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

Risks associated with securities financing 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.

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.

Over-the-counter market risk

Over-the-counter ("**OTC**") markets are subject to less governmental regulation and supervision of transactions (in which many different kinds of FDI and structured products are generally traded) than organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions carried out on an OTC market. 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 and that a Sub-Fund will sustain substantial losses as a result.

In addition, certain instruments traded on the OTC markets can be illiquid. The market for relatively illiquid investments tend to be more volatile than market for more liquid investments.

Risk of investing in other funds

A Sub-Fund may from time to time invest in funds that may or may not be authorised by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Investing in such funds may expose the Sub-Funds to additional fees associated with investing in underlying funds. The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases including performance fees, if any) charged by their management companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by that Sub-Fund when it subscribes to or redeems out of such underlying funds. Whilst the Manager will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by that Sub-Fund. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet a Sub-Fund's redemption requests as and when made.

Although the Manager will use due diligence procedures to select and monitor underlying funds, as the relevant Sub-Fund will not have control of the investments of the underlying funds, there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved. This may have a negative impact on the Net Asset Value of the relevant Sub-Fund.

Valuation risk

Securities acquired on behalf of the Sub-Fund(s) may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. There may be 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). If this situation occurs, the Manager may, in consultation with the Trustee, value the asset at a price which reflects a fair and reasonable price for that asset in the prevailing circumstances, as such investors' interest may be adversely affected if they purchase or redeem Units during such period and the value of the relevant Sub-Fund may be adversely impacted. Market volatility also may result in a discrepancy between the market price of investments and their fair value. In such circumstances, to protect the interest of investors, the Manager may, having due regard to the interests of incoming, remaining and outgoing Unitholders and in consultation with the Trustee, adjust the value of the securities or permit some other valuation method to be used pursuant to the "Valuation" section of this Explanatory Memorandum (which reflects the provisions of the Trust Deed), to ascertain the fair value of the investments of that Sub-Fund, 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 such Sub-Fund may be adversely affected.

Net Asset Value consideration

Each Sub-Fund's Net Asset Value is expected to fluctuate over time depending on its performance. A Unitholder may not fully recover his/her initial investment when he/she chooses to redeem his/her Units if the Net Asset Value of the relevant Class at the time of such redemption is less than the initial issue price or the subscription price paid by such Unitholder.

Auditing and accounting standards risk

The legal infrastructure and accounting, auditing and reporting standards in some countries, particularly emerging markets, may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

If IFRS principles shall be used, investors should note that, investments should be valued at fair value and that bid and offer pricing is considered to be representative of the fair value of investments. However, for the purpose of calculating the Net Asset Value for subscription and redemption purposes, listed investments are expected to be valued at the last traded price instead of bid and offer pricing as required under IFRS, which may lead to a different valuation had the valuation been performed in accordance with IFRS. 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 to comply with IFRS.

Legal and compliance risk

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

Changes in applicable law risk

The Trust and each Sub-Fund must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Trust or any Sub-Fund, the legal requirements to which the Trust, a Sub-Fund and the Unitholders of the relevant Sub-Fund may be subject, could differ materially from current requirements.

Foreign investments restrictions risks

Some countries prohibit or restrict investment, or the repatriation of income, capital or the proceeds from sale of Securities. The Sub-Funds may incur higher costs investing in these countries. Such restrictions may delay the investment or repatriation of capital of the Sub-Funds.

Government intervention and country risks

The value of a Sub-Fund's Net Asset Value may be negatively affected by factors such as international political developments, government intervention, changes in a country's government policies, taxation, restrictions on foreign investment, currency decisions, other decisions in applicable laws and regulations, or any natural disasters, wars, threat of war, local or regional conflict, economic instability or political upheaval, which will weaken a country's securities markets. In addition, certain governments or regulators may intervene in financial markets by imposing trading restrictions, such as a ban on "naked" short selling or other types of investment activities.

Risk associated with regulatory requirements or exchanges policies

Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. These factors may have an adverse impact on value of the Sub-Funds.

Geopolitical risk

Geopolitical risk may pose a threat to global markets, and consequently, a Sub-Fund's investments. Heightened tensions between certain countries may lead to economic sanctions, trade barriers, and even military conflict, which may disrupt supply chains, regional or global markets, leading to financial losses. Geopolitical risk can, therefore, lead to unforeseen impact on the value of the investments of a Sub-Fund and a Sub-Fund's ability to meet redemption requests in extreme market conditions.

Investment style risk

Funds are also subject to investment style risk, which is the chance that returns from the types of stocks in which a Sub-Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go through cycles of doing better, or worse, than the stock market in general. These periods have, in the past, lasted for as long as several years and there can be no assurances that appreciation will occur.

Investment techniques

There are certain investment risks that apply in relation to techniques and instruments that the Manager may employ for efficient portfolio management purposes. To the extent that the Manager's expectations in employing such techniques and instruments are incorrect, a Sub-Fund may suffer a substantial loss having an adverse effect on the Net Asset Value per Unit.

A Sub-Fund's ability to use these techniques and instruments may be limited by market conditions, regulatory limits and tax considerations.

Limited Operating History

The Trust is recently formed and as such, have limited operating history or performance record on which you may base an evaluation of their likely performance. The investment results are reliant upon the success of the Manager and no guarantee or representation is made in this regard.

Management risk

Each Sub-Fund is subject to the risk that the Manager's strategy and the implementation thereof which may be subject to a number of constraints, may not produce the intended results. The Manager will apply its investment techniques and risk analyses in making investment decisions for the relevant Sub-Fund, but there can be no guarantee that its decisions will produce the desired results. In some cases, derivative and other investment techniques may be unavailable or the Manager may determine not to use them, possibly even under market conditions where their use could benefit the Sub-Fund. In the event the Manager becomes unable to participate in the management of the Sub-Funds, the consequence could be material and adverse, and may lead to the premature termination of the Sub-Funds.

Conflict of interest risk

The Manager may cause the Sub-Funds to invest in schemes affiliated with the Manager or in schemes for which the Manager or an affiliate acts as sponsor, investment advisor or provides other services or which may pay fees to the Manager or an affiliate. The Manager, the Trustee, the investment adviser (if any) and their Connected Persons may from time to time act as trustee, administrator, registrar, manager, custodian, investment manager or investment adviser, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Sub-Funds. As such, there is a risk that any of them may, in the course of business, have potential conflicts of interest with the Trust and the Sub-Funds.

Distributions risk

Whether the Manager will pay dividends on Units of a Sub-Fund is subject to a Sub-Fund's distribution policy. There is no guarantee that any dividends will be distributed nor will there be a target level of dividend payout. A high distribution yield does not imply a positive or high return.

Distributions payable out of capital or effectively out of capital risk

In circumstances where the net distributable income of a class is insufficient to pay for any dividend which may be declared, the Manager may, at its discretion, (i) pay dividend out of capital of a Sub-Fund; or (ii) pay dividend out of gross income of a Sub-Fund (that is, income before taking into account any fees or expenses) while charging all or part of such 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 dividend out of capital. Payment of dividends out of capital or effectively out of capital may require the Manager to sell the assets of the Sub-Fund and 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 capital or effectively out of capital of a Sub- Fund (as the case may be) may result in an immediate reduction of the Net Asset Value per Unit of the relevant class.

Please refer to "**Distribution policy**" in the Appendix in respect of the relevant Sub-Fund.

Taxation risk

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

Please refer to the section "**Taxation**" and the taxation risks specific to each Sub-Fund in the relevant Appendix of this Explanatory Memorandum and the KFS.

Risk relating to Foreign Account Tax Compliance Act ("FATCA")

The US Foreign Account Tax Compliance Act ("**FATCA**") provides that potentially a 30% gross withholding tax (the "**FATCA regime**") will be imposed on certain payments to FFIs, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service ("**IRS**") to identify certain US persons (within the meaning of the US Internal Revenue Code) with interests in such payments. To avoid such withholding tax, a FFI resident in Hong Kong, such as the Trust and each Sub-Fund, generally will be required to enter into an agreement (an "**FFI Agreement**") with the IRS under which it will agree to, amongst other things, obtain a Global Intermediary Identification Number ("**GIIN**"), identify its direct or indirect account holders who are US persons and report certain information concerning such account holders to the IRS.

In general, an FFI resident in Hong Kong which does not comply with the FATCA provisions in the FFI Agreement or agree to be subject to the terms of an FFI Agreement may face a 30% gross withholding tax on all "withholdable payments" including US source dividends, interest and certain other payments. It is possible that certain non-US source payments attributable to amounts that would be subject to FATCA withholding (referred to as "foreign passthru payments") may also be subject to FATCA withholding, though the definition of "foreign passthru payments" in the US Treasury Regulations is currently pending.

The Trust and each Sub-Fund in the Trust is a FFI and thus, subject to FATCA. The Manager has registered ICBC Asset Management (Global) Investment Funds with the IRS and has been assigned the GIIN SJDBGT.99999.SL.344. The Manager has also registered ICBC Asset Management (Global) USD Money Market Fund, ICBC Asset Management (Global) China Central-SOEs Dividend Fund and ICBC Asset Management (Global) HKD Money Market Fund with the IRS and has been assigned the GIIN UZ7J2P.99999.SL.344, 3KBGGL.99999.SL.344 and RDIB0I.99999.SL.344 respectively. The Trust and the Sub-Funds will endeavour to satisfy the requirements imposed under FATCA and the terms of the FFI Agreement to avoid the imposition of any FATCA withholding tax. However, no assurance can be given that the Trust and/or any Sub-Fund will be able to achieve this and/or satisfy such FATCA obligations. If the Trust and/or the Sub-Funds become subject to a 30% gross withholding tax (further described under the section headed "**FATCA**" in this Explanatory Memorandum) as a result of the non-compliance to the FATCA regime, the value of the Units held by Unitholders in the relevant Sub-Fund may suffer material losses.

Unitholders may be required to provide information and certification for the Trust and/or each Sub-Fund to comply with the relevant FATCA obligations. Failure to do so may result in the Unitholders not being able to invest in the Trust and each relevant Sub-Fund. In the event a Unitholder (account holder) fails to provide the requested information and/or documentation, whether or not that actually leads to non-compliance failures by the Trust and/or the relevant Sub-Fund, or a risk of the Trust and/or the relevant Sub-Fund being subject to withholding tax under FATCA, the Manager, the Trust and/or the relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at their disposal including as far as legally permitted, without limitation, (i) reporting the relevant information of such Unitholder to the relevant authorities, (ii) withholding, setting off or deducting the redemption proceeds or distributions to the extent permitted by applicable laws and regulations; and/or deeming such Unitholder to have given notice to redeem all his Units in the Trust and each relevant Sub-Fund. The Manager, the Trust and/or the Sub-Funds in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds and in accordance with the constitutive documents.

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

Taxation in overseas jurisdictions

The Sub-Funds may make investments in a number of different jurisdictions. Interest, dividends and other income realised by a Sub-Fund from sources in these jurisdictions, and capital gains realised on the sale of assets may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located. In particular, investors should pay attention to Mainland China tax considerations for any Sub-Funds that may have exposure to investments issued in or relating to Mainland China market. Changes in Mainland China taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the relevant Sub-Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities, which may adversely affect the Net Asset Value of the Sub-Funds.

Suspension risk

Under the terms of the Trust Deed, in certain circumstances, the Manager may suspend the calculation of the Net Asset Value of Units in a Sub-Fund as well as suspend subscriptions and redemptions for Units 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 unit price is suspended.

Please refer to the section headed " **Temporary Suspension of Determination of Net Asset Value**" of this Explanatory Memorandum for further details.

Termination risk

A Sub-Fund may be terminated in certain circumstances. In the event of the termination of a Sub-Fund, such Sub-Fund would have to distribute to Unitholders their pro rata interests in the assets of the relevant Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund will be worth less than the initial cost of acquiring such investments, resulting in a loss to Unitholders. Additionally, expenses related to organisation of the relevant Sub-Fund that have not been fully amortised would be debited against the relevant Sub-Fund's assets at the time.

A Sub-Fund may also be terminated if the Manager goes into liquidation, there is no replacement Manager or Trustee upon the retirement or removal of the Manager or Trustee (as applicable), the Manager is incapable of performing its duties properly or has committed a material breach of the terms of the Trust Deed, any laws, rules and regulations renders it illegal, impracticable or inadvisable to continue the Sub-Funds or the Sub-Funds cease to be authorised by the SFC. Investors may suffer loss if a Sub-Fund is terminated.

Cross class liability risk

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

Umbrella structure of the Trust and segregated liability between Sub-Funds

The Trust Deed allows the Trustee and the Manager to issue Units in separate Sub-Funds as separate trusts, and provides for the manner in which the liabilities are to be attributed across the various Sub-Funds. There should not be the potential for cross contamination of liabilities between Sub-Funds. There can, however, be no categorical assurance that, should an action be brought against the Trust in the courts of another jurisdiction, the segregated nature of the Sub-Funds will be upheld.

FEES AND EXPENSES

Charges Payable by Investors

Subscription Fee, Redemption Fee and Switching Fee

The Subscription Fee, Redemption Fee and Switching Fee may be charged to an investor in his/her purchase, redemption and conversion of Units. The applicable rates of such charges in respect of a Sub-Fund are set out in the section headed "**Fees and Expenses**" in the Appendix for the relevant Sub-Fund.

Fiscal charges

Under extreme market conditions or market volatility (such as market crash or global financial crisis or global pandemic), large dealings of Units of the relevant Sub-Fund might result in unfavourable impact on the interests of existing Unitholders due to additional transaction costs to be incurred. During such times, the prices at which an investor subscribes for or redeems units of the relevant Sub-Fund might not accurately reflect the costs that would be incurred by the relevant Sub-Fund in order to buy or sell the underlying securities to accommodate such dealing requests.

In order to protect the interests of all Unitholders, the Manager may make adjustment to the Issue Price or the Redemption Price of the relevant Class of the relevant Sub-Fund, by imposing fiscal charges to account for the impact of the related additional costs. Such fiscal charges will not exceed 3% of the Net Asset Value of the relevant Sub-Fund which reflects the dealing costs 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, it is not the intention of the Manager to adjust the Issue Price upwards and the Redemption Price downwards on a day which is both a Subscription Day and a Redemption Day.

Any fiscal charges charged to the investors in excess of the actual additional transaction costs incurred will be retained by the relevant Sub-Fund and will form part of the assets of the relevant Sub-Fund. Any adjustment in the Issue Price or Redemption Price of the relevant Sub-Fund for imposition of fiscal charges must be made by the Manager on a fair and equitable basis, and in the best interests of the Unitholders.

Charges Payable by the Sub-Funds

Management Fee

The Management Fee will be paid out of the Fund Assets of the relevant Sub-Fund as set out in the Appendix in relation to the relevant Sub-Fund. This fee will be accrued on each Valuation Day and paid monthly in arrears. The Management Fee shall be paid as soon as possible after the last Dealing Day in each month. The Management Fee is expressed as a percentage of the Net Asset Value of the relevant Sub-Fund.

Pursuant to the Trust Deed, the Manager may, on giving one month's notice to the Trustee and the affected Unitholders, increase the Management Fee to the maximum rate of 2% per annum of the Net Asset Value of the relevant Sub-Fund and subject to a minimum monthly fee (if any) as set out in the Appendix in relation to the relevant Sub-Fund.

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.

Trustee Fee

Pursuant to the Trust Deed, the Trustee is entitled to receive a Trustee Fee as soon as reasonably practicable after the last Dealing Day for each Sub-Fund or Class in each calendar month. This fee will be accrued on each Valuation Day and paid monthly in arrears. The Trustee Fee is expressed as a percentage of the Net Asset Value of the relevant Sub-Fund and subject to a minimum monthly fee (if any) as specified in the Appendix.

Pursuant to the Trust Deed, the Trustee may, with the approval of the Manager, and upon the Manager giving one month's notice (or such other period as required by the SFC) to the affected Unitholders, increase the Trustee Fee to the maximum rate of 1% per annum of the Net Asset Value of the relevant Sub-Fund and subject to a minimum monthly fee (if any) as set out in the Appendix in relation to the relevant Sub-Fund.

The Trustee is also acting as Registrar. It is entitled to receive various transaction, processing, valuation fees and other applicable fees as agreed with the Manager from time to time and to be reimbursed by the relevant Sub-Fund for all out-of-pocket expenses properly incurred by it in the performance of its duties.

Custodian Fee

The Custodian is entitled to (among others) transaction charges at customary market rates and custody fees at different rates, largely depending on the investment instruments in custody as well as the markets where the Custodian is required to hold the Sub-Fund's assets. Such fees and charges will be calculated monthly and will be paid monthly in arrears. The appointed Custodian is entitled to recover from the Sub-Fund all out-of-pocket expenses, including telephone, photocopying and courier fees incurred in the performance of its duties in connection with the Sub-Fund. The Custodian will also be entitled to reimbursement by the Sub-Fund for any out-of-pocket expenses incurred in the course of its duties.

Operational Fees

Each Sub-Fund shall pay the Operational Fees which comprise of other costs, charges, fees and expenses incurred in the establishment or operation of the relevant Sub-Fund, specifically any fees and expenses incurred in relation to banking, the costs and expenses of preparing, printing, publishing and distributing Explanatory Memorandums, annual and interim reports, and other documents to current and prospective Unitholders, the costs and expenses of obtaining and maintaining authorisations or registrations of the Trust and/or the Sub-Fund(s) with the regulatory authorities (including the SFC), the costs of convening and holding Unitholders' meetings and professional fees and expenses for auditing and other consulting services and professional fees incurred in the normal course of business of any Sub-Fund, and such other costs and expenses as may arise from time to time and that have been approved by the Manager as necessary or appropriate for the continued operation of the Trust or of any Sub-Fund.

Expenses of the Trust that are not directly attributable to the operation of a particular Sub-Fund are allocated among all Sub-Funds in a manner determined by the Manager.

Establishment Fees

The establishment costs of the Trust and the initial Sub-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. These costs are charged to the initial Sub-Fund and are being amortised over the first five years of the launch of the Sub-Fund (or such other period as determined by the Manager).

All fees and expenses related to the establishment of a subsequent Sub-Fund shall be amortised over a period of first five years of the launch of the relevant Sub-Fund or such period as the Manager thinks fit. Unless specified in the Appendix for the relevant Sub-Fund, costs of establishing a subsequent Sub-Fund will be charged to the relevant Sub-Fund and amortised over such period as the Manager may determine and as set out in this section.

Investors should also note that under IFRS, establishment costs should be expenses as incurred and that amortisation of the expenses of establishing Sub-Funds is not in accordance with IFRS. However, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of Sub-Funds. To the extent that the 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.

Notice for Fee Increase

Unitholders shall be given not less than one month's prior notice should there be any increase of the Management Fee, Performance Fee or Trustee Fee.

TAXATION

The following summary is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all the tax considerations that may be relevant to an investment in the Sub-Fund(s). This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all investors.

Prospective investors should consult their professional advisers on the possible tax consequences of their subscribing for, purchasing, holding, selling or redeeming Units under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The information below is based on the law and practice in force in Hong Kong as at the date of this Explanatory Memorandum. 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 Explanatory Memorandum.

Taxation of the Sub-Funds

(a) *Profits tax*

For so long as the Sub-Funds are authorised as collective investment schemes by the SFC pursuant to Section 104 of the Securities and Futures Ordinance then, under present Hong Kong law and practice, the Sub-Funds will be regarded as specified investment schemes under section 26A(1A) of the Inland Revenue Ordinance (Cap. 112 of Laws of Hong Kong) and any sums received or accrued to the Sub-Funds (whether they are sourced from Hong Kong or not) will not be subject to Hong Kong profits tax.

(b) *Stamp duty*

Hong Kong Stamp Duty is ordinarily payable on the sale or purchase of Hong Kong stock. “Hong Kong stock” is defined in the Stamp Duty Ordinance (Cap. 117 of Laws of Hong Kong) as “stock” (as further defined in the Stamp Duty Ordinance) the transfer of which is required to be registered in Hong Kong.

If the Sub-Funds invest in Hong Kong stock, they could be subject to Hong Kong stamp duty of 0.10% (borne by each of the buyer and seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer.

Taxation of Unitholders

(a) *Profits tax*

Unitholders will generally not be subject to any Hong Kong profits tax on distributions from the Sub-Funds if the Unitholders do not carry on a trade, profession or business in Hong Kong.

Unitholders will not be subject to Hong Kong profits tax on the gains realised on the disposal or redemption of any Units if the Unitholders do not carry on a trade, profession or business in Hong Kong. For Unitholders carrying on a trade, profession or business in Hong Kong, the gains realised on the disposal or redemption of any Units may be subject to Hong Kong profits tax (which is currently charged at the rate of 16.5% in the case of corporations, and 15% in the case of individuals and unincorporated business) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong unless such profits are of capital nature and Hong Kong sourced. Please note that if the gains are considered non-Hong Kong sourced to the Unitholders, the Unitholders would need to comply with the new Foreign-sourced Income Exemption regime effective from 1 January 2023.

The Inland Revenue (Amendment) (No. 3) Ordinance 2018, which seeks to implement a two-tier profits tax system in Hong Kong, was enacted on 21 March 2018. Under the regime, the profits tax rate for the first HK$2 million of assessable profits of corporations and unincorporated businesses are lowered to 8.25% and 7.5% (i.e. half of the prevailing Hong Kong profits tax rates) respectively, with certain exceptions.

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

(b) *Stamp duty*

Hong Kong stamp duty will not be payable by the Unitholders on the issuance of Units, redemption of Units, or the sale or transfer of the Units effected by extinguishing the Units or the sale or transfer is to the Manager who subsequently re-sells the Units within two months thereof.

Pursuant to the Remission by Class issued by the Secretary for the Treasury on 20 October 1999, Hong Kong stamp duty on the transfer of Hong Kong stocks to the Sub-Funds in exchange for allotment of Units or transfer of Hong Kong stocks from the Sub-Funds in consideration for redemption of Units, subject to application, will be remitted or refunded, to the extent that the Sub-Funds remain authorised as collective investment schemes by the SFC under section 104 of the SFO.

Other types of sales or purchases or transfers of the Units by Unitholders should be liable to Hong Kong stamp duty of 0.10% (borne by each of the buyer and seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of Units.

The above information relating to taxation is based on the enacted laws and current practice of the Inland Revenue Department of Hong Kong. It is not comprehensive and is subject to change. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Units and to the provision of the laws of the jurisdiction in which they are subject to tax.

FATCA

(a) *General Information*

Sections 1471 – 1474 (referred to as "**FATCA**") of the US Internal Revenue Code of 1986, as amended ("**IRC**") impose new rules with respect to certain payments to United States and non-United States persons, such as the Trust and/or the Sub-Funds, including interest and dividends from securities of US issuers. In general, an FFI which does not comply with FATCA provisions may face a 30% gross withholding tax on all "withholdable payments" derived from US sources, including US-source dividends and interest. It is possible that certain non-US source payments attributable to amounts that would be subject to FATCA withholding (referred to as "foreign passthru payments") may also be subject to FATCA withholding, though the definition of "foreign passthru payments" in the US Treasury Regulations is currently pending.

The Hong Kong government has entered into an intergovernmental agreement with the US ("**IGA**") for the implementation of FATCA, adopting a "Model 2" IGA arrangement. Under this "Model 2" IGA arrangement, FFIs in Hong Kong would be required to register with the IRS and comply with the terms of an FFI Agreement to avoid a 30% gross withholding tax on withholdable payments to them.

It is expected that FFIs in Hong Kong complying with the terms of the FFI Agreement (i) will generally not be subject to the above described 30% gross withholding tax; and (ii) will not be required to withhold tax on withholdable payments made to non-consenting US accounts within the meaning of the IGA.

(b) *FATCA Registration Status*

The Manager has registered each of ICBC Asset Management (Global) Investment Funds, ICBC Asset Management (Global) USD Money Market Fund, ICBC Asset Management (Global) China Central-SOEs Dividend Fund and ICBC Asset Management (Global) HKD Money Market Fund on the IRS FATCA registration website as a “Reporting Financial Institutions under a Model 2 IGA” and has been assigned the GIIN SJDBGT.99999.SL.344, UZ7J2P.99999.SL.344, 3KBGGL.99999.SL.344 and RDIB0I.99999.SL.344 respectively and are subject to the terms of an FFI Agreement with the IRS and to perform the relevant due diligence, withholding and reporting obligations.

(c) *Impact to the Sub-Fund(s) and Unitholders*

Each Unitholder is required to: (a) furnish appropriate documentation certifying as to their FATCA status, together with such additional tax certification or information as the Trust, each Sub-Fund, the Manager, the Trustee or its agents may from time to time request; (b) inform the Trust, each Sub-Fund, the Manager, the Trustee or its agents within 30 days of any change in any information provided in relation to its FATCA status (including any circumstances that would result in a change in the taxpayer status of such Unitholder); and (c) waive any and all rights of such Unitholder under any relevant law or regulation in any applicable jurisdiction that would prevent the Trust, each Sub-Fund, the Manager, the Trustee or its agents from meeting applicable regulatory and legal requirements.

In the event a Unitholder does not provide the requested information and/or documentation, whether or not that actually leads to non-compliance by the Trust and/or the relevant Sub-Fund, or a risk of the Trust and/or the relevant Sub-Fund being subject to withholding tax under FATCA, the Trust, each Sub-Fund, the Manager, the Trustee or its agents may, acting in good faith and on reasonable grounds as permitted under applicable laws and regulations and under the applicable provisions of the Trust Deed, (a) report the relevant information of such Unitholder to the US IRS; (b) withhold such amount from any redemption and/or distributions to the extent permitted by applicable laws and regulations; and/or (c) exercise its right to request a transfer of Units to another person or to compulsorily redeem the Units held by such Unitholder.

In the event that the Trust and/or a Sub-Fund receives US source income and is not FATCA compliant, the Trust and/or the relevant Sub-Fund may become subject to a 30% gross withholding as a result of the FATCA regime, and the value of the Units held by Unitholders in the relevant Sub-Fund may suffer material losses.

The Trust, each Sub-Fund, the Manager and/or the Trustee do not support US tax evasion or any request to help investors avoid detection under FATCA. The Trust, each Sub-Fund, the Manager or Trustee is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or an applicable IGA for investors’ business activities. Each Unitholder and prospective Unitholder should consult its own professional adviser on the administrative and substantive implications of FATCA on its current or proposed investment in the Trust and the relevant Sub-Fund.

Automatic Exchange of Financial Account Information ("AEOI")

(a) *General Information*

The Inland Revenue (Amendment) (No.3) Ordinance 2016 came into force on 30 June 2016 (together with subsequent ordinances, the “**Ordinance**”). This is the legislative framework for the implementation in Hong Kong of the Standard for AEOI. The AEOI requires financial institutions (as defined in the Ordinance) in Hong Kong (“**Hong Kong FIs**”) to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with Hong Kong FIs and controlling persons of certain entities holding financial accounts with the Hong Kong FIs, and to report the relevant information to the Hong Kong Inland Revenue Department (“**IRD**”) for exchange of such information with the jurisdiction(s) in which that account holder or the controlling person is a tax resident. Generally, the required information will be reported and automatically exchanged on an annual basis with the reportable jurisdictions (as defined under the Ordinance); however, the Trust, each Sub-Fund, the Manager, the Trustee and/or any of their agents may further collect information relating to residents of other jurisdictions. Such exchange of information is facilitated by Competent Authority Agreements ("**CAA**") to conduct AEOI to which Hong Kong is a party.

The Trust and the relevant Sub-Fund is required to comply with the requirements of the Ordinance as implemented by Hong Kong, which means that the Trust, each Sub-Fund, the Manager, the Trustee and/or any of their agents shall collect certain information of Unitholders and may adopt the wider approach in collecting information relating to residents of other jurisdictions. In addition, the Trust, each Sub-Fund and/or its agents shall provide, as applicable to the IRD the required information relating to Unitholders (and/or their controlling persons, as defined in the Ordinance, if required) and prospective investors.

The Ordinance as implemented by Hong Kong require the Trust and each of its Sub-Funds to, amongst other things: (i) register the Trust and each of its Sub-Funds' status as a "Reporting Financial Institution" with the IRD if reportable account is maintained; (ii) conduct due diligence on its accounts (i.e. accounts held by Unitholders) to identify whether any such accounts are considered reportable accounts ("**Reportable Accounts**") for AEOI purposes; and (iii) report to the IRD certain information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a **CAA** ("**Reportable Jurisdictions**"). Broadly, AEOI requires that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a Reportable Jurisdiction; and (ii) individuals who control certain "passive non-financial entities" (including the entities in which such individual controls) and who are tax residents in such Reportable Jurisdictions. Under the Ordinance, details of Unitholders and controlling persons, including but not limited to their name, date of birth, place of birth, address, tax residence jurisdiction(s), tax identification number(s) (if any), account number, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant Reportable Jurisdictions.

(b) *Impact to the Sub-Fund(s) and Unitholders*

By investing in the Trust and its Sub-Funds and/or continuing to invest in the Trust and its Sub-Funds, Unitholders acknowledge that they are required to enable the Trust and/or the Sub-Fund(s) to comply with AEOI by providing the required information to the Trust, each Sub-Fund, the Manager, the Trustee and/or their agents in order for the Trust and each of its Sub-Funds to comply with the Ordinance. The Unitholder's information and the information on controlling persons may be communicated by the IRD to authorities in other Reportable Jurisdictions. The failure of a Unitholder and controlling persons to provide any requested information, may result in the Trust, each Sub-Fund, the Manager and/or the Trustee taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Unitholder concerned. Any such mandatory redemption or withdrawal will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager and/or the Trustee acting in good faith and on reasonable grounds.

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

Mainland China taxation

Taxation of the Sub-Fund(s)

To the extent that a Sub-Fund may invest in Onshore RMB Securities traded through Bond Connect and/or such other means as may be permitted under the applicable laws and regulations from time to time., the relevant Sub-Fund may be subject to withholding income tax and other taxes imposed in Mainland China. There is no assurance that tax preferential treatments or incentives currently offered to foreign institutional investors, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future.

(a) Corporate Income Tax (the "**CIT**")

If the Sub-Fund is considered as a tax resident enterprise of Mainland China, it will be subject to Mainland China CIT at 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-Mainland China tax resident enterprise but has a permanent establishment ("**PE**") in Mainland China, the profits attributable to that PE would be subject to CIT at 25%.

The Manager and the Trustee intend to manage and operate the relevant Sub-Fund in such a manner that the relevant Sub-Fund should not be treated as a tax resident enterprise of Mainland China or a non-tax resident enterprise with a PE in Mainland China for CIT purposes, although there is no assurance that this objective will be achieved.

If the Sub-Fund is a non-Mainland China tax resident enterprise without PE in Mainland China, Mainland China-sourced income derived by it from the investment in Onshore RMB Securities would be subject to a 10% Mainland China withholding income tax ("**WIT**") in Mainland China, unless exempt or reduced under the laws and regulations or relevant tax treaties.

Investment in debt securities issued by Mainland China tax resident enterprises

Interest

Unless a specific exemption or reduction is available under the current Mainland China tax laws and regulations or relevant tax treaties, non-resident enterprises without PE in Mainland China, including the relevant Sub-Fund, would be subject to WIT at the rate of 10% on the interest income received from the investment in debt instruments issued by Mainland China tax residents, including bonds issued by Mainland China tax resident enterprises. The entity distributing such interests is required to withhold such tax. Under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" ("**China-HK Arrangement**"), the WIT charged on interest received by non-resident enterprise holders of debt instruments could be reduced to 7% of the gross amount of the interests, if the holders are Hong Kong residents and are the beneficial owners of the interests under the China-HK Arrangement and relevant conditions are satisfied. In practice, due to the practical difficulties in demonstrating that the Sub-Fund is the beneficial owner of the interest income received, the Sub-Fund is generally not entitled to the reduced WIT rate of 7%. In general, the prevailing rate of 10% should be applicable to the Sub- Fund.

Under Mainland China CIT Law and regulations, interests derived from Mainland China government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from Mainland China income tax.

On 7 November 2018, MOF and the State Taxation Administration ("**STA**") jointly issued Caishui [2018] No.108 ("**Circular 108**"), which stipulates that foreign institutional investors without a PE in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE) are temporarily exempt from Mainland China WIT and Value Added Tax ("**VAT**") in respect of bond interest received from 7 November 2018 to 6 November 2021 from investments in Mainland China bond market. The STA and MOF have issued Public Notice [2021] No. 34 ("**PN34**") in November 2021 to grant an extension on the WIT and VAT exemption in respect of bond interest received from 7 November 2021 to 31 December 2025.

The Manager intends to make relevant provision on interest from Onshore RMB Securities upon the expiration of the temporary exemption under Circular 108 and PN34 if the WIT and VAT are not withheld at source at the time when such income is received (where WIT and VAT are already held at source, no further provision will be made).

Capital gains

Under the current PRC CIT Law, there are no specific rules or regulations governing the taxation of the gains derived by non-PRC tax resident enterprises from the disposal of bonds issued by PRC tax resident enterprises. The tax treatment for investment in bonds issued by PRC tax resident enterprises is governed by the general taxing provisions of the PRC CIT Law. Under such general taxing provisions, the Sub-Fund would only be subject to 10% PRC WIT on its "PRC-sourced" income.

Pursuant to Article 7 of the Detailed Implementation Regulations of the CIT Law, where the property concerned is a movable property, the source of capital gain shall be determined according to the location of the enterprise, establishment or place which transfers the property. Mainland China tax authorities have verbally indicated, on numerous occasions, that debt instruments issued by Mainland China tax resident enterprises are movable property. In this case, the source shall be determined based on the location of the transferor. As the Sub-Fund is located outside Mainland China, gains derived by the Sub-Fund from debt instruments issued by Mainland China tax resident enterprises could be argued as offshore sourced and thus not subject to WIT. However, there is no written confirmation issued by Mainland China tax authorities that debt instruments issued by Mainland China tax resident enterprises are movable property.

In addition to the verbal comments, Article 13.7 of the China-HK Arrangement provides that any gains derived by a Hong Kong tax resident from the disposal of Mainland China properties that are not referred to in Articles 13.1 to 13.5 of the China-HK Arrangement shall be taxable only in Hong Kong. As the debt instruments issued by Mainland China tax resident enterprises are not referred to in Articles 13.1 to 13.5 of the China-HK Arrangement, capital gains derived by the Hong Kong tax resident from the disposal of debt instruments issued by Mainland China tax resident enterprises should technically be exempt from WIT provided all the other relevant treaty conditions are satisfied (including obtaining a Hong Kong Tax Resident Certificate issued by the Hong Kong Inland Revenue Department for the Sub-Fund), subject to agreement by Mainland China tax authorities. In order to qualify for this preferential treatment, the Manager will further assess and seek agreement from Mainland China tax authorities in relation to the relevant Sub-Fund, although this cannot be guaranteed. However, in practice, Mainland China tax authorities have not enforced the collection of WIT in respect of gains derived by non-Mainland China tax resident enterprises from the trading of debt securities.

After seeking professional and independent tax advice, the Manager will not make any provision on the gross unrealised and realised capital gains derived from the trading of Onshore RMB Securities by the Sub-Fund.

(b) Value Added Tax ("**VAT**") and Local Surtaxes

The MOF and the STA issued the "Notice on the Comprehensive Roll-out of the B2V Transformation Pilot Program (the "**B2V Pilot Program**")" (Caishui [2016] No. 36) ("C**ircular 36**") on 23 March 2016. Circular 36 sets out that the B2V Pilot Program covers all the remaining industries of the program, including financial services. Circular 36 has taken effect from 1 May 2016, unless otherwise stipulated therein. Circular 36 provides that VAT at the rate of 6% shall be levied on the difference between the selling and buying prices of those marketable securities and on interest income, unless specifically exempted. In addition, if VAT is payable on capital gains and/or interest, there are also other local surtaxes (which include Urban Maintenance and Construction Tax ("**UMCT**"), Education Surcharge ("**ES**") and Local Education Surcharge ("**LES**")) that would also be charged as an amount as high as 12% of the VAT payable. However, pursuant to the newly issued UMCT Law and Public Notice [2021] No. 28 jointly issued by the MOF and STA, effective from 1 September 2021, no UMCT, ES and LES would be levied on the VAT paid for the service provisions and sale of intangible assets in China by overseas parties to PRC parties. However, the implementation of the exemption may vary depending on the local practice.

Investment in debt securities issued by Mainland China tax resident enterprises

<u>Interest</u>

Pursuant to Circular 36, interest income derived from bonds issued by Mainland China tax resident enterprises should be subject to VAT at the rate of 6% plus local surtaxes. Interest derived from Mainland China government bonds issued by the in-charge Finance Bureau of the

State Council and/or local government bonds approved by the State Council are exempted from VAT.

In addition, as mentioned above, according to Circular 108, foreign institutional investors are exempted from VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in Mainland China bond market. Furthermore, pursuant to PN34, the aforesaid WIT and VAT exemption is extended to 31 December 2025. As this exemption granted under PN34 is temporary, it is uncertain whether such exemption policy would be extended after 31 December 2025.

Capital gains

Pursuant to Caishui [2016] No. 70 ("**Circular 70**"), capital gains derived trading of RMB denominated debt securities in the CIBM by the foreign institutional investors approved by PBOC should be exempt from PRC VAT.

However, there is no specific circular exempting non-PRC tax resident enterprises from VAT on gains derived from the trading of bonds issued by PRC tax resident enterprises via Bond-Connect. With that said, by making reference to the above circular and other related prevailing tax regulations for the VAT exemption granted to foreign institutional investors for the capital gains derived from trading of PRC debt securities, it is anticipated that capital gains derived by the Sub-Fund from the trading of RMB denominated bonds via Bond Connect should also be exempted from PRC VAT. In practice, the PRC tax authorities have not strictly enforced the collection of VAT on such gains.

(c) Stamp Duty

Stamp duty under Mainland China laws generally applies to the execution and receipt of all taxable documents listed in Mainland China's Stamp Duty Law. There is no specific guidance by Mainland China tax authorities on the treatment of CIT and other tax categories payable in respect of trading in the CIBM via Bond Connect.

General

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is no assurance that current tax exemptions or incentives will not be abolished in the future. It should also be noted that the actual applicable tax imposed by STA may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. There is also a possibility that the PRC tax authorities may change their view and interpretation of the provisions in the PRC tax rules and regulations. As such, any provision for taxation made by the Manager may be excessive or inadequate to meet final PRC tax liabilities. Consequently, Unitholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units.

If the actual applicable tax levied by STA is higher than that provided for by the Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Unitholders will be disadvantaged. On the other hand, if the actual applicable tax levied by STA is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Unitholders who have redeemed their Units before STA's ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Manager's overprovision. In this case, the then existing and new Unitholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax amount can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, Unitholders who have already redeemed their Units in the Sub-Fund before the return of any overprovision to the account of the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Unitholders should seek their own tax advice on their tax position with regard to their investment in the Sub-Fund.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than currently contemplated.

GENERAL INFORMATION

Trust Deed

The Trust was established under Hong Kong law by the Trust Deed. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager and their relief from liability in certain circumstances. Unitholders and prospective investors are advised to consult the terms of the Trust Deed. Nothing in the Trust Deed shall exempt either the Trustee or the Manager (as the case may be) from any liability to Unitholders imposed under the laws of Hong Kong or breaches of trust through fraud or negligence nor may they be indemnified against such liability by Unitholders or at Unitholders' expense.

Distribution policy

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividend in respect of any Sub-Fund, details of which are set out in the relevant Appendix in respect of each Sub-Fund. There is no guarantee of any distribution nor, where distribution is made, the amount being distributed.

The Manager may at its discretion pay dividends out of the capital of the Sub-Fund. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the relevant Sub-Fund are charged to/paid out of the capital of the relevant Sub-Fund, resulting in an increase in distributable income for the payment of dividends by such Sub-Fund and therefore, a Sub-Fund may effectively pay dividend out of 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 the Sub-Fund's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class.

Where payment of dividends is being made out of capital or effectively out of capital, the composition of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the Manager's website https://www.icbcamg.com (this website has not been reviewed by the SFC). Any changes regarding the policy on paying dividend out of capital or effectively out of capital will be subject to the SFC's prior approval and not less than one month's prior notice to the Unitholders.

If no distributions are payable by the relevant Sub-Fund, all income earned by the relevant Sub-Fund may be reinvested in the Sub-Funds and reflected in the value of the Units of the Sub-Fund.

Any payment of distributions in cash will normally be paid by direct transfer or telegraphic transfer in the Class Currency of the relevant Distribution Class to the pre-designated bank account of the Unitholder (at the Unitholder's risk and expense). No third party payments will be permitted.

The Manager may amend the distribution policy. Where required by the SFC or the Code, the Manager will obtain the SFC's prior approval and/or give prior notice to Unitholders of any such amendment.

Accounting periods and annual and interim reports

The financial year end of the Trust is 31 December of each year. The Manager, with the assistance of the Trustee or other service provider appointed by the Manager, shall cause to be prepared audited annual reports and unaudited half-yearly interim reports for the Trust and each Sub-Fund.

The first audited annual report for the Trust and ICBC Asset Management (Global) USD Money Market Fund will cover the period from the establishment of ICBC Asset Management (Global) USD Money Market Fund to 31 December 2024. The first unaudited interim report for the Trust and ICBC Asset Management (Global) USD Money Market Fund will cover the period from the establishment of ICBC Asset Management (Global) USD Money Market Fund to 30 June 2024. The first audited annual report for ICBC Asset Management (Global) China Central-SOEs Dividend Fund will cover the period from the establishment of ICBC Asset Management (Global) China Central-SOEs Dividend Fund to 31 December 2025. The first audited annual report for ICBC Asset Management (Global) HKD Money Market Fund will cover the period from the establishment of ICBC Asset Management (Global) HKD Money Market Fund to 31 December 2025. The first unaudited interim report for ICBC Asset Management (Global) HKD Money Market Fund will cover the period from the establishment of ICBC Asset Management (Global) HKD Money Market Fund to 30 June 2025.

Once the annual and interim reports for the Trust and each Sub-Fund are issued, Unitholders will be notified within the relevant timeframe. The audited annual reports and interim reports will be prepared in English only and will be posted online at https://www.icbcamg.com (this website has not been reviewed by the SFC) and available at the office of the Manager free of charge within four months of the end of each financial year and two months after the end of the semi-financial year-end respectively. Chinese annual reports and interim reports will not be prepared in respect of the Trust and the Sub-Fund(s).

At least one month's prior notice will be provided to Unitholders if there will be any change to the mode of distribution of the annual report and interim reports described above.

Communications with Unitholders

Communications with Unitholders may be effected by mail. Notice to Unitholders will also be published on https://www.icbcamg.com (this website has not been reviewed by the SFC). Unitholders should regularly visit the website, or request that their representatives do so on their behalf, to ensure that they obtain such information on a timely basis. The following information will be available at https://www.icbcamg.com (this website has not been reviewed by the SFC):

- the latest Net Asset Value of each Sub-Fund;
- the latest Net Asset Value per Unit of the Sub-Fund(s) in each of the Sub-Fund's trading currencies;
- the composition of dividends (if any) (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital for the last 12 months);
- Information on the intermediaries of each Sub-Fund;
- this Explanatory Memorandum, including the product key facts statements for each Sub-Fund (as revised from time to time);
- the Dealing Days for each Sub-Fund;
- the audited annual and unaudited interim reports of the Trust and the Sub-Fund(s) (available in English only);
- any announcements or notices made by the Trust and Sub-Funds, including information regarding the Sub-Fund(s), the suspension and resumption of subscription and redemption of Units, the suspension of the calculation of the Net Asset Value, changes in fees, and notices relating to material alterations or additions to this Explanatory Memorandum or the constitutive documents of the Trust; and
- the ongoing charges figure and the past performance information of the Sub-Fund(s).

Unitholders' meetings and voting rights

The Trust Deed provides that the Trustee or the Manager may (and the Trustee shall at the request in writing of Unitholders together registered as holding not less than one-tenth of the Units for the time being in issue) form a quorum for the transaction of business except for the passing of an Extraordinary Resolution. The quorum for passing an Extraordinary Resolution shall be one or more Unitholders present in person or by proxy and registered as holding in aggregate not less than one-quarter of the Units in respect of the relevant Sub-Fund or Sub-Funds for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

The Trustee (or the Manager, if the Manager convenes the meeting) shall give all Unitholders of the relevant Sub-Fund at least (i) 21 days' prior notice of every general meeting at which an Extraordinary

Resolution is to be proposed; and (ii) 14 days' prior notice of every general meeting at which an ordinary resolution is proposed, in accordance to the terms of the Trust Deed. These meetings may be used to sanction any modification, alteration or addition to the terms of the Trust Deed, to increase the maximum Management Fee or Trustee fee, to permit other types of fees or to approve termination of the Trust or any Sub-Fund. An ordinary resolution may be passed by a simple majority of the votes. A special or Extraordinary Resolution may only be passed by 75% or more of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting. Such matters must be considered by one or more Unitholders present in person or by proxy and registered as holding in aggregate at least 25% of the Units in issue for the relevant Sub-Fund and passed by at least 75% majority of the votes cast.

Proxies may be appointed. A Unitholder may appoint more than one proxy to attend and vote a prescribed number of his/her or its Units. Each of the Manager and the Trustee undertakes that either one of them shall nominate a chairman at any meeting of Unitholders, and shall ensure that such chairman shall demand a poll for any resolution put to the vote of the meeting.

The Trust Deed sets out procedures to be followed in respect of meetings of the Unitholders, including provisions as to the giving of notice, appointment of proxies and quorum.

Fax or electronic instructions

If applicants or Unitholders wish to give instructions for subscription, redemption or conversion by fax or any other electronic means, applicants or Unitholders may be required to first provide to the Registrar an original indemnity relating to fax or transmission via such other electronic means in the application or request.

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

Applicants or Unitholders should be reminded that if they choose to send the applications or requests for subscription, redemption or conversion by facsimile or any other electronic means, they bear the risk of such applications or requests not being received. Applicants or Unitholders should note that the Trust, the Sub-Funds, the Manager, the Trustee, the Registrar and their respective agents and delegates accept no responsibility for any loss caused as a result of non-receipt or illegibility of any application, or request sent by facsimile or any other electronic means, or any amendment of such application or request, or for any loss caused in respect of any action taken as a consequence of such faxed or any other electronic instruction believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile or any other electronic transmission report produced by the originator of such transmission discloses that such transmission was sent. Applicants or Unitholders should therefore for their own benefit confirm with the Manager, the Trustee or the Registrar safe receipt of an application or a request.

Documents Available for Inspection

Copies of the following documents may be inspected free of charge at the place of business of the Manager at Unit 2507-2510, 25/F, ICBC Tower, 3 Garden Road, Central, Hong Kong, during normal business hours on any Business Day:

(a) the Trust Deed and any supplemental deed;

(b) this Explanatory Memorandum, including the product key facts statements of the Sub-Fund(s); and

(c) any audited annual or unaudited interim reports of any Sub-Fund (available in English only).

A copy of the Trust Deed and any supplemental deed may be supplied by the Manager on application at a reasonable fee.

Modification of Trust Deed

The Trustee and the Manager may jointly modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they may consider expedient for any purpose, provided that:

(a) unless the Trustee and the Manager each certifies in writing (in such form and manner agreed between the Trustee and the Manager) that in their reasonable opinion such proposed modification, alteration or addition:

 (i) is necessary to make possible compliance with any fiscal, other statutory, regulatory or official requirements;

 (ii) does not materially prejudice the interests of Unitholders in any Sub-Fund(s), does not to any material extent release the Trustee, the Manager or any other person from any liability to Unitholders under the Trust Deed does not result in any increase in the amount of costs and charges payable from the Fund Assets of any Sub-Fund; or

 (iii) is necessary to correct a manifest error,

 no such modification, alteration or addition to the Trust Deed may be made without an Extraordinary Resolution of Unitholders in each Sub-Fund or the approval of the SFC; and

(b) no such modification, alteration or addition (whether or not approved by an Extraordinary Resolution) shall impose upon any Unitholder any obligation to make any further payment in respect of his/her Units or to accept any liability in respect thereof.

Unitholders shall be given prior notice of the details of any modification, alteration or addition to the Trust Deed and their effects on existing Unitholders (if any). Any such modification, alteration or addition to the Trust Deed will be subject to prior approval by the SFC (where applicable).

Removal and Retirement of the Trustee and the Manager

The Trustee

Subject to requisite regulatory approvals (including the SFC's prior approval), the Trustee may retire from office voluntarily, subject to the Manager giving not less than one month's prior written notice to the Unitholders, and by giving not less than three months' notice to the Manager, upon and subject to the appointment of a new trustee in accordance with the provisions of the Trust Deed. The Manager shall be responsible for finding a new trustee approved by the SFC as trustee of the Trust. The retirement of the Trustee shall take effect at the same time as the appointment of the new trustee. The Trustee, the new trustee and the Manager shall by deed or deeds supplemental to the Trust Deed appoint such new trustee to be the Trustee in the place of the retiring Trustee.

If following a material breach of the Trustee's obligations under the Trust Deed which, if capable of remedy, and:

(a) the Trustee fails to remedy within 60 days (or such longer period as the Trustee and the Manager may agree) of being specifically required to do so by the Manager; and

(b) the Manager is of the opinion and so states in writing to the Trustee that a change of the Trustee is desirable and in the best interests of Unitholders as a whole,

the Manager shall be entitled to give not less than one month's notice in writing to the Trustee that it wishes the Trustee to retire and specify in such notice the name of a company eligible, in accordance with the Code and any other applicable laws and regulations, to be the trustee of the Trust and is acceptable to the SFC (and any other competent governmental authority as required by law), whereupon the Trustee shall, with effect on and from the date on which the appointment of such new Trustee takes effect, by deed supplemental to the Trust Deed retire as the Trustee.

The new Trustee shall as soon as practicable give notice to the Unitholders specifying the name and address of the office of the new Trustee.

The Trustee may be removed by prior notice in writing given by the Manager:

(a) if the Trustee goes into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms approved in writing by the Manager) or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a receiver shall be appointed in respect of the property or undertaking of the Trustee or any part thereof or a judicial manager is appointed in respect of the Trustee or the Trustee is the subject of any analogous proceedings or procedure in each case under such law as may be applicable in the circumstances;

(b) if the Manager acting in good faith and in the best interests of Unitholders, wishes to remove the Trustee, provided that no less than 3 month' prior notice in writing shall be given to the Trustee by the Manager;

(c) if a Unitholder or Unitholders who is or between them are registered as holding at least 50% in value of the Units outstanding, delivers or deliver to the Manager in writing a request to dismiss the Trustee; or

(d) if the SFC or any other competent governmental authority directs the Manager to remove the Trustee (including the circumstances where the SFC withdraws its approval of the Trustee as trustee of the Trust).

The Manager shall inform the SFC and any other competent governmental authority of any decision to remove the Trustee, if required by law. The Manager shall be responsible for finding a new trustee approved by the SFC as trustee of the Trust. The Trustee, the new trustee and the Manager shall by deed or deeds supplemental to the Trust Deed appoint such new trustee to be the Trustee in the place of the retiring Trustee.
The retiring Trustee shall, in respect of its period of trusteeship of the Trust and notwithstanding that it shall have retired continue to have the benefit of all indemnities, powers and privileges given to the Trustee of the Trust pursuant to the Trust Deed during such period in addition to the indemnities, powers and privileges given by law to a retiring Trustee.

The Manager

The Manager may retire from office by giving not less than one month's prior written notice to Unitholders, and upon giving three months' written notice to the Trustee, the Manager may retire in favour of some other person eligible to be the manager of the Trust in accordance with the Code and approved by the Trustee and the SFC (and any other governmental authority as required by law) upon and subject to such person entering into such deed or deeds (being a deed or deeds supplemental to the Trust Deed) as the Trustee may be advised to be necessary or desirable to be entered into by such person in order to secure the due performance of its duties as Manager. In the event that the Manager desires for any of its Connected Persons to assume its duties as the Manager, the retiring Manager shall be entitled to provide the Trustee and all Unitholders in the Sub-Fund(s) with at least one month written notice (or such other period as permitted under the Code), and the Trustee agrees to appoint such Connected Person to be the Manager in place of the retiring Manager, subject to the prior approval of the SFC.

The Manager shall be subject to removal by notice in writing given by the Trustee (but in no other circumstances):

(a) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation) or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or a judicial manager is appointed in respect of the Manager or the Manager is the subject of any analogous proceedings or procedure in each case under such law as may be applicable in the circumstances;

(b) if for good and sufficient reason the Trustee, acting in good faith, is of the reasonable opinion and so states in its written notice of removal to the Manager that a change of Manager is desirable in the interests of the Unitholders as a whole, provided that if the Manager shall be dissatisfied with such opinion and so states to the Trustee within seven days of receipt of the Trustee's written notice of removal the matter shall be referred to a third party mediator as agreed between the Trustee and the Manager for determination, and his/her determination shall be final and bind the Trustee and the Manager;

(c) if a Unitholder or Unitholders who is or between them are registered as holding at least 50% in value of the Units outstanding delivers or deliver to the Trustee in writing a request to dismiss the Manager;

(d) if the SFC or any other competent governmental authority directs the Trustee to remove the Manager (including the circumstances where the SFC withdraws its approval of the Manager as manager of the Trust); or

(e) following a material breach of the Manager's obligations under the Trust Deed which, if the breach is capable of remedy, the Manager fails to remedy within 60 days (or such longer period as the Trustee and the Manager may agree), and the Trustee acting in good faith is of the reasonable opinion and so states in writing to the Manager that a change of Manager is desirable and in the best interests of Unitholders as a whole.

The Trustee shall inform the SFC and any other competent governmental authority of any decision to remove the Manager, if required by law.

The Trustee shall by writing appoint as Manager some other person eligible to be the manager of the Trust and acceptable to the SFC (and any other competent governmental authority as required by law) and subject to such person entering into such deed or deeds (being a deed or deeds supplemental to the Trust Deed) as the Trustee may be advised to be necessary or desirable to be entered into by such person in order to secure the due performance of its duties as Manager. The Trustee shall also, as soon as practicable give notice to the Unitholders specifying the name and the address of the office of the new Manager.

Termination of the Trust or the Sub-Funds

Termination by the Trustee

The Trust or any Sub-Fund may be terminated by the Trustee in the following circumstances:

(a) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation) or is adjudged a bankrupt or insolvent or appoints liquidators or if a receiver is appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the laws of Hong Kong or such other laws as may be applicable in the circumstances where, after the expiration of a period of three months, the Trustee has not appointed a new Manager in accordance with the Trust Deed;

(b) if on the expiration of three months after notifying the Manager that in the Trustee's opinion a change of Manager is desirable in the interests of the Unitholders, the Trustee has not found another company ready to accept the office of manager of the Trust of which the Trustee and the SFC (and any other government authority required by law) shall approve;

(c) if the Manager shall fail to appoint a new trustee in place of the Trustee within such time as the Manager considers to be reasonable (which shall be not less than three months) after the date of the Trustee's written notice to retire in accordance with the Trust Deed;

(d) if, in the reasonable opinion of the Trustee acting in good faith, the Manager is incapable of performing its duties properly or has done any other thing which in the opinion of the Trustee is calculated to bring the Trust or any Sub-Fund into disrepute or to be harmful to the interests of the Unitholders or if the Manager is no longer licensed or authorised pursuant to applicable law or regulation to perform its duties hereunder, provided that if the Manager shall be dissatisfied with such opinion and so states to the Trustee in writing within seven days of receipt of the

Trustee's notice in writing hereunder the matter shall be referred to a third party mediator as agreed between the Trustee and the Manager for determination and his/her determination shall be final and bind the Trustee and the Manager;

(e) if any laws, rules and regulations imposed by any regulatory or supervisory, governmental, or quasi-governmental authority, any fiscal body or self-regulatory organisation (whether of a governmental nature or otherwise) render it illegal or in the reasonable opinion of the Trustee (in consultation with the Manager and if the Trustee deems necessary, upon advice from legal counsel) impracticable or inadvisable to continue the Trust or the relevant Sub-Fund(s);

(f) if the Manager has committed a material breach of any of the terms of the Trust Deed and has failed to remedy such breach within 60 days after service of a notice by the Trustee requiring such breach to be remedied provided that the Trustee certifies that in its opinion the proposed termination is necessary having regard to the interests of the Unitholders; or

(g) if the Trust or the relevant Sub-Fund ceases to be authorised by the SFC pursuant to the Securities and Futures Ordinance, or if the SFC directs under the Securities and Futures Ordinance or any other competent governmental authority directs that the Trust or a Sub-Fund be terminated.

Termination by the Manager

The Manager may terminate the Trust or a Sub-Fund, by notice in writing, in the following circumstances:

(a) on any date:

  (i) in relation to the Trust, if after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding hereunder shall be less than USD10 million; or

  (ii) in relation to any Sub-Fund, if after one year from the date of establishment of the relevant Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund outstanding shall be less than USD10 million or its equivalent or such other amount stated in the Trust Deed; or

(b) in the opinion of the Manager, it is impracticable or inadvisable to continue a Sub-Fund and/or any Class of Units of the Sub-Fund (as the case may be) (including without limitation, it is no longer economically viable to operate the Sub-Fund);

(c) if the Manager is unable to implement its investment strategy in respect of the Sub-Fund;

(d) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable in consultation with the SFC to continue the Trust and/or any Sub-Fund; or

(e) the occurrence of any other event(s) or in such other circumstance(s) as set out in the relevant Appendix.

The Trustee or Manager terminating the Trust or a Sub-Fund (as applicable) will give at least one month's prior written notice of termination of the Trust or a Sub-Fund to the Unitholders (such notice having been previously approved by the SFC, if necessary) containing information necessary to enable Unitholders to make an informed judgement of the proposed termination by the Manager, including the reasons for the termination, the relevant provisions under the Trust Deed that enable such termination, the consequences of the termination and their effects on existing Unitholders, the alternatives available to Unitholders, the estimated costs of the termination and who is expected to bear them. The Trustee or Manager (as applicable) shall by such notice fix the date at which such termination is to commence taking effect (where the Trust is terminated by reason of illegality, impracticality or inadvisability in which case termination may take effect forthwith, provided that at least one month's prior notice of termination shall be given to Unitholders).

Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may, at the expiration of twelve months from the date upon which the same became payable, be paid into a court of competent jurisdiction subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

Anti-Money Laundering Regulations

In order to comply with the responsibilities for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee, the Registrar, the Sub-Fund(s) or the Trust is subject to, the Manager, the Registrar or the Trustee may require a detailed verification of an investor's identity and the source of payment of any applications for Units at any time as they deem appropriate.

Depending on the circumstances of each application, a detailed verification might not be required where:

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

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

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

Each of the Manager, the Trustee and the Registrar reserves 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 information required for verification purposes, each of the Manager, the Trustee and the Registrar, as applicable, may refuse to accept the relevant application and the application monies. None of the Manager, the Trustee or the Registrar shall be liable to the applicant for any loss caused as a result of such delay or refusal to process applications.

No payment of subscription from, or redemptions to, any persons other than the Unitholder will be allowed.

Personal Data

Pursuant to the provisions of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong, "**PDPO**"), the Manager, the Trustee, the Registrar or any of their respective delegates (each a "**Data User**") may collect, hold and use personal data of individual investors in the Trust and the Sub-Funds 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 any 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.

APPENDIX 1

ICBC Asset Management (Global) USD Money Market Fund

*This Appendix (which forms part of, and should be read together with the rest of, the Explanatory Memorandum) relates to the ICBC Asset Management (Global) USD Money Market Fund (the "**Sub-Fund**"), a sub-fund of the Trust. All references in this Appendix to the Sub-Fund are to ICBC Asset Management (Global) USD Money Market Fund. Terms defined in the main body of this Explanatory Memorandum have the same meaning when used in this Appendix.*

Investment Objective

The Sub-Fund's objective is to achieve a return in US dollars in line with prevailing money market rates.

Investment Strategy and Policy

The Sub-Fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its Net Asset Value) in USD denominated short-term deposits and high-quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions. High-quality money market instruments include but are not limited to government bills, short term notes, bankers' acceptance, commercial papers, certificates of deposits, commercial bills and high-quality debt securities. The Sub-Fund may invest in debt securities which include but are not limited to government bonds, fixed and floating rate bonds, and such exposure will be less than 20% of its Net Asset Value.

The Sub-Fund may also invest not more than 10% of its Net Asset Value into money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. The money market funds invested into by the Sub-Fund may be denominated in any currency.

Non-USD denominated investments may account for up to 30% of the Sub-Fund's Net Asset Value.

There is no specific geographical allocation of the country of issue of the Sub-Fund's investments, except that the Sub-Fund may not invest in emerging markets other than Mainland China (for the purpose of considering emerging markets only, excludes Hong Kong, Taiwan and Macau), and such exposure will be less than 30% of its Net Asset Value. Countries or regions in which the Sub-Fund may invest in include but are not limited to the Greater China region (which includes Mainland China (onshore and offshore markets), Hong Kong, Taiwan and Macau), Singapore, developed markets within the European Union and the United States.

The Sub-Fund may invest in onshore and offshore RMB-denominated money market instruments, deposits or high-quality debt securities, and such exposure will be less than 30% of its Net Asset Value. The total exposure to onshore RMB denominated money market instruments, deposits and high-quality debt securities will be less than 20% of the Sub-Fund's Net Asset Value (accessed via the mutual bond market access between Hong Kong and Mainland China). Please refer to Schedule 2 of this Explanatory Memorandum for an overview of Bond Connect.

The Manager will assess the credit quality and the liquidity profile of instruments that may be acquired on behalf of the Sub-Fund to determine whether a money market instrument is of high quality. The Sub-Fund will only invest in instruments which have, or the issuers of which have, an investment grade rating, i.e. at least BBB-/Baa3 (rated by an internationally recognised credit agency such as Moody's, Standard & Poor's or Fitch) or AAA (rated by a Mainland Chinese domestic credit rating agency). Where the issue or the issuers have no credit rating, the Sub-Fund may invest into such instruments if they have a guarantor whose credit rating meets the requirements above. While these credit ratings provided by the relevant rating agencies serve as a point of reference, the Manager will conduct its own assessment on the credit quality based on various factors. The assessment by the Manager involves both quantitative and qualitative analyses of an issuer's credit fundamentals. Quantitative financial factors that are assessed may include, the issuer's leverage, operating margin, return on capital, interest coverage and operating cash flows. Qualitative factors that will be assessed may include, industry outlook, the firm's competitive position, corporate governance, and other non-financial factors. The Manager will assess the liquidity profile of instruments based on various factors, included but not limited to time to cash, liquidation horizon, price volatility, external liquidity classification, daily trading volume, yield volatility and bid-ask spread of such instruments. Only instruments with sufficient liquidity will be included in the portfolio of the Sub-Fund.

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 NAV of the Sub-Fund except: (i) where the entity is a substantial financial institution (as defined in the SFC's Code on Unit Trusts and Mutual Funds (the "**Code**")) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other public securities (as defined in the Code), 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.

The Sub-Fund will not invest in convertible bonds. It will not invest in instruments with loss-absorption features (i.e. instruments that may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s)).

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.

For the avoidance of doubt, the Sub-Fund will not (i) invest in any securities or other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such securities are regularly traded or (ii) make any short sales.

Financial Derivative Instruments ("**FDI**")

The Sub-Fund may invest in FDI for hedging purposes only but not for investment purposes. Any material currency risk from non-USD denominated investments will be appropriately hedged into USD.

Sale and Repurchase Transactions

The Sub-Fund may enter into sale and repurchase transactions only on a temporary basis mainly for the purpose of meeting redemption requests. The maximum proportion and expected proportion of the NAV of the Sub-Fund that can be subject to sale and repurchase transactions, when aggregated with the Sub-Fund's borrowing, are 10% and 10% respectively.

The Sub-Fund will not enter into securities lending and reverse repurchase transactions in respect of the Sub-Fund.

It is the intention of the Manager to sell the securities for cash equal to the market value of the securities provided in a sale and repurchase transaction, where cash obtained will not be re-invested. The Sub-fund will not receive any non-cash collateral.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's total Net Asset Value.

Borrowing restrictions

The Sub-Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

The Sub-Fund is subject to the borrowing restrictions as set out in the Explanatory Memorandum under "***Borrowing restrictions***".

Securities financing transactions

The Sub-Fund will also not engage in any securities lending activities and reverse repurchase transactions or other similar over-the-counter transactions. Prior approval will be sought from the SFC and not less than one month's notice will be given to Unitholders if there is a change in such practice.

SUB-FUND DETAILS

Classes of Units

Class A, Class B, and Class C Units are available for sale to the retail public in Hong Kong.

Class A Units are available for investment by retail investors who invest through any channel offered by Industrial and Commercial Bank of China (Asia) Limited as a distributor only.

Class B Units are available for investment by retail investors who invest through internet distribution channels selected by the Manager (other than Industrial and Commercial Bank of China (Asia) Limited).

Class C Units are available for investment by retail investors through distributors submitting dealing orders via traditional distribution channels selected by the Manager (other than Industrial and Commercial Bank of China (Asia) Limited).

Class M Units are available for subscription by funds and managed accounts managed by the Manager and/or other investors as determined by the Manager.

Class I Units are available to institutional investors and/or selected corporate investors as determined by the Manager.

Sub-Fund Details

Product Type	Money market fund
Fund Manager	ICBC Asset Management (Global) Company Limited
Trustee	ICBC (Asia) Trustee Company Limited
Initial Issue Price of Available Classes (per Unit)	Class A: USD100 Class B: USD100 Class C: USD100 Class M: USD100 Class I: USD100
Initial Issue Date	2 May 2024
Initial Offer Period	The period commencing 9:00 a.m. (Hong Kong time) on 29 April 2024 to 1:00 p.m. (Hong Kong time) on 2 May 2024
Base Currency	USD
Minimum Subscription Amount	Class A: USD1 Class B: USD1 Class C: USD1

	Class M: USD10,000 Class I: USD1,000
Minimum Holding Amount	Class A: USD1 Class B: USD1 Class C: USD1 Class M: USD100 Class I: USD10
Minimum Redemption Amount	Class A: USD1 Class B: USD1 Class C: USD1 Class M: USD100 Class I: USD10
Dealing Day	Each Business Day will be a Dealing Day or such other day as the Manager, in consultation with the Trustee, may determine from time to time
Dealing Deadline	1:00 p.m. (Hong Kong time) on each Dealing Day* *Please note that authorised distributors may set their own application cut-off times for their clients which are earlier than those set out in this Explanatory Memorandum. Investors are advised to consult with their distributors as to the relevant application deadlines.
Valuation Point	Close of business of the last relevant market to close on a Valuation Day or such other time on that day or such other date as determined by the Manager
Financial year end	31 December
Website (this website has not been reviewed by the SFC)	https://www.icbcamg.com
Distribution Frequency	No dividend distributions is to be declared or paid to Unitholders. All income of the Sub-Fund will be automatically reinvested and reflected in the value of the Units of the Sub-Fund.

FEES AND EXPENSES

Management Fee	Class A: up to 0.30% per annum of the Net Asset Value of the Sub-Fund Class B: 0.60% per annum of the Net Asset Value of the Sub-Fund Class C: up to 0.30% per annum of the Net Asset Value of the Sub-Fund Class M: 0.20% per annum of the Net Asset Value of the Sub-Fund Class I: 0.05% per annum of the Net Asset Value of the Sub-Fund. The Management Fee may be adjusted upward from time to time up to a maximum of 2% per annum of the Net Asset Value of the Sub-Fund.
Trustee Fee	Class A, Class B, Class C, Class M and Class I: 0.04% per annum of the Net Asset Value of the Sub-Fund.* The Trustee Fee may be adjusted upward from time to time up to a maximum of 1% per annum of the Net Asset Value of the Sub-Fund. *Please note that the Trustee Fee and the Custodian Fee together are subject to a monthly minimum fee of USD3,000.
Custodian Fee	Class A, Class B, Class C, Class M and Class I: 0.01% per annum of each month-end market value of the Sub-Fund's investments in custody.* The Custodian Fee may be adjusted upward from time to time up to a maximum of 0.5% per annum of the Net Asset Value of the Sub-Fund. *Please note that the Trustee Fee and the Custodian Fee together are subject to a monthly minimum fee of USD3,000.
Performance Fee	Nil
Subscription Fee	Class A, Class B, Class C, Class M and Class I: up to 3% of the total subscription amount
Redemption Fee	Class A, Class B, Class C, Class M and Class I: Nil
Switching Fee	Class A, Class B, Class C, Class M and Class I: Nil
Fiscal charges	In calculating the Issue Price and Redemption Price of the Sub-Fund, the Manager may make adjustments including adding fiscal charges. For details of the fiscal charges policy of the Sub-Fund, please refer to the sub-section entitled "Fiscal Charges" under the section headed "**Fees and Expenses**" above.
Establishment costs	The costs of establishing the Trust and this Sub-Fund is approximately USD95,256. These costs are charged to the Sub-Fund and are being amortised evenly over the first 5 years

	of the launch of the Sub-Fund (or such other period as determined by the Manager).

ADDITIONAL RISKS RELATING TO THE SUB-FUND

*Investors should refer to the relevant risks under the section headed "**Risk Factors**" in the main body of the Explanatory Memorandum and the following specific risk factors in respect of the Sub-Fund.*

General investment risk

The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore Unitholders' investment in the Sub-Fund may suffer losses. The Sub-Fund does not have a constant Net Asset Value and does not guarantee of the repayment of principal. Furthermore, there is no guarantee that the investment objective of the Sub-Fund can be achieved. The Manager has no obligation to redeem Units at the offer value.

Investors should note that purchase of a Unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Please also refer to the risk factor headed "*General investment risk*" in the main body of the Explanatory Memorandum.

Risk relating to money market instruments / fixed income securities

Short-term instruments risk

As the Sub-Fund invests significantly in short-term instruments with short maturities, it means 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 instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund.

Credit / counterparty risk

The Sub-Fund is exposed to the credit or default risk of issuers of the money market instruments and fixed income securities that it invests in. Such securities are typically unsecured debt obligations and are not supported by collateral. It 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 the fixed income securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/default risk of its counterparties as an unsecured creditor.

The Sub-Fund is exposed to risk that a counterparty in a transaction may default in its obligation to settle the transaction, or may be unable or unwilling to make timely payments on principal and/or interest. Where its counterparty does not perform its obligations under a transaction, the Sub-Fund may also encounter difficulties or delays in enforcing its rights against issuers incorporated outside Hong Kong and subject to foreign laws.

Please also refer to the risk factor headed "*Credit risk"* in the main body of the Explanatory Memorandum.

Interest rate risk

Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise. Changes in monetary policies, such as interest rates policies, may have an adverse impact on the pricing of fixed income securities, and thus the return of the Sub-Fund.

Please also refer to the risk factor headed "*Interest rate risk"* in the main body of the Explanatory Memorandum.

Downgrading risk

The credit rating of a fixed income security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded. If the Sub-Fund continues to hold the relevant securities, it will be subject to additional risk of loss.

Please also refer to the risk factor headed "*Downgrading risk*" in the main body of the Explanatory Memorandum.

Valuation risk

Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

The value of fixed income securities may be affected by changing market conditions or other significant market events affecting valuation. In adverse market conditions or where an adverse event happens to the issuer (e.g. credit rating downgrading), the value of lower rated securities may decline in value due to investors' perception over credit quality.

Volatility and liquidity risk

The fixed income securities in some of the markets that the Sub-Fund invests in (e.g. Mainland China) 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 fluctuations. The price at which the fixed income securities are traded may be higher or lower than the initial subscription price due to many factors include the prevailing interest rates. The bid and offer spreads of the prices of such securities may be large and the Sub-Fund may incur significant trading costs.

There may not be an active secondary market for the fixed income securities that the Sub-Fund invests in. The Sub-Fund is therefore subject to liquidity risks and may suffer losses in trading such instruments. Even if the fixed income securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the Sub-Fund may need to hold the fixed income securities until their maturity date.

There is a risk that if the Sub-Fund is required to meet sizeable redemption requests, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and it may incur significant trading and realisation costs and suffer losses accordingly.

The offshore RMB-denominated fixed income securities markets are at a developing stage and the trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume in the RMB denominated fixed income securities market may result in prices of fixed income securities traded on such markets fluctuating significantly and may affect the volatility of the Sub-Fund's Net Asset Value.

Please also refer to the risk factor headed "*Volatility and liquidity risk*" in the main body of the Explanatory Memorandum. For details in relation to the Trust's liquidity risk management process, please refer to the sub-section headed "**Liquidity risk management**" in the main body of the Explanatory Memorandum.

Sovereign debt risk

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

Credit rating risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Investors should note that even if a security may be assigned a certain credit rating at the time the Sub-Fund acquires the security, there is no assurance that (a) it will not be downgraded or (b) it will continue to be rated in the future. Whilst the Manager may use credit ratings for reference in its investment process, it will primarily refer to its internal assessments to evaluate the credit quality of debt securities, for example, when it believes that the credit rating given by credit rating agencies does not adequately reflect the credit risks.

Please also refer to the risk factor headed "*Credit rating risk*" in the main body of the Explanatory Memorandum.

Mainland China credit rating agency risk

The Sub-Fund may invest in Onshore RMB Securities with credit ratings assigned by Mainland Chinese domestic credit rating agencies. 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 China rating agencies may therefore not be directly comparable with those given by other international rating agencies. In particular, the perceived lack of independent and transparency in the rating process has led market participants to treat Mainland China local credit rating agencies as having lower authority and reliability than international credit rating agencies.

Risks associated with bank deposits

Bank deposits are subject to the credit risks of the relevant financial institutions. The 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 Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

Currency and conversion risks

Currency risk

Underlying investments of the Sub-Fund may be denominated in currencies other than the Base Currency of the Sub-Fund. Also, a Class of units may be designated in a currency other than the Base Currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

Please also refer to the risk factor headed *"Currency risk"* in the main body of the Explanatory Memorandum.

RMB currency risk and conversion risk

The Sub-Fund may have exposure to investments denominated in RMB. The RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. As RMB is not freely convertible, currency conversion is subject to availability of RMB at the relevant time. Any depreciation of the value of RMB could adversely affect the value of investors' investments in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Please also refer to the risk factor headed "*RMB currency and conversion risks*" in the main body of the Explanatory Memorandum.

Concentration risk

The Sub-Fund's investments are concentrated in USD denominated deposits and money market instruments. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Please refer to the risk factor headed "*Concentration risk*" in the main body of the Explanatory Memorandum.

Eurozone risk

In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Sub-Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of European Union members from the Eurozone, may have a negative impact on the value of the Sub-Fund.

Emerging market risk

The Sub-Fund invests in Mainland China which is an emerging market and such investments may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

Please refer to the risk factor headed "*Emerging market risk*" in the main body of the Explanatory Memorandum".

Risks associated with CIBM via Bond Connect

Investing in the CIBM via Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to fixed income securities. Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain fixed income securities traded on such market fluctuating significantly. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. To the extent that the Sub-Fund transact in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via Bond Connect, the relevant account opening procedures have to be carried out via an offshore custody agent. As such, the Sub-Fund is subject to the risks of default or errors in the account opening process.

Investing in the CIBM via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM via Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Mainland China authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Sub-Fund invests in Onshore RMB Securities issued through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Mainland China tax risk

Investments in the Sub-Fund may be subject to risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of the Sub-Fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund. Based on professional and independent tax advice, the Sub-Fund will not make any provision on the gross unrealised and realised capital gains derived from the trading of Mainland China fixed income securities. For further details, please refer to the section headed "**Taxation**" above.

Mainland China market risk

The Sub-Fund may invest in offshore RMB-denominated securities issued by issuers which have their main operations in, or have a majority of their income derived from Mainland China. This may result in increased risks and the value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Mainland China. Since 1978, Mainland China government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in Mainland China's political, social or economic policies may have a negative impact on investments in Mainland China market.

Mainland China sovereign debt risk

The Sub-Fund's investments may include sovereign debt Securities and such investments involve special risks. The Chinese governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A Chinese governmental entity's willingness or ability 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, the relative size of the debt service burden to the economy as a whole, the Chinese governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Chinese governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a Chinese governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the Chinese governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of Mainland China sovereign debt, including the Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Explanatory Memorandum, there is no bankruptcy proceeding by which sovereign debt on which a Chinese governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign is limited.

In addition, a lowering of the credit rating of the Chinese government may also affect the liquidity of its sovereign debt Securities, making it more difficult to sell. In general, debt instruments that have a lower credit rating or that are non-rated will be more susceptible to the credit risk of the issuers. In the event of a credit rating downgrade of the Chinese government, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result.

Risks relating to sale and repurchase agreements

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

Under a sales and repurchase transaction, the Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price if that pre-determined price is higher than the value of the securities at the time of repurchase.

Risk of investing in FDIs

The Sub-Fund may use FDIs for investment, hedging, risk management, and efficient portfolio management purpose. The use of such FDIs exposes the Sub-Fund to additional risks, including counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Moreover, the use of FDIs for hedging may become ineffective, and the Sub-Fund may suffer substantial loss. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

The Manager may for hedging purposes invest in FDIs subject to the investment restrictions applicable to the Sub-Fund as set out in the section headed "**Investment Objectives and Strategies of the Sub-Funds**". These instruments can be highly volatile and expose investors to increased risk of loss.

Please also refer to "*FDI risks*" in the main body of this Explanatory Memorandum.

Hedging risk

Insofar as the Sub-Fund acquires derivative instruments for hedging, it will be subject to additional risks. There can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund.

Derivative instruments may be illiquid and are complex in nature. In adverse situations, the Sub-Fund's use of derivatives for hedging may become ineffective and the Sub-Fund may suffer significant losses. The price of a derivative instrument can be volatile which may result in losses in excess of the amount invested in the derivative instruments by the Sub-Fund. A derivative instrument is subject to the risk that the counterparty of the instrument will not fulfil its obligations to the Sub-Fund, and this may result in losses to the Sub-Fund.

Please also refer to the relevant risk factors headed "*Counterparty risk", "Over-the-counter market risk" and "Hedging risk"* in the main body of the Explanatory Memorandum.

ADDITIONAL INFORMATION

You may generally buy and redeem units at the Sub-Fund's next determined Net Asset Value after the Registrar receives your request in good order on or before 1:00 p.m. (Hong Kong time) on the relevant Dealing Day.

The Net Asset Value of the Sub-Fund is calculated based on the calculations set out in the section "**Valuation**".

Investors may obtain further information on the Sub-Fund from the website at https://www.icbcamg.com (this website has not been reviewed by the SFC) or by calling +852 3510 0800.

If you are in doubt, you should seek professional advice.

APPENDIX 2
ICBC Asset Management (Global) China Central-SOEs Dividend Fund

*This Appendix (which forms part of, and should be read together with the rest of, the Explanatory Memorandum) relates to the ICBC Asset Management (Global) China Central-SOEs Dividend Fund (the "**Sub-Fund**"), a sub-fund of the Trust. All references in this Appendix to the Sub-Fund are to ICBC Asset Management (Global) China Central-SOEs Dividend Fund. Terms defined in the main body of this Explanatory Memorandum have the same meaning when used in this Appendix.*

Investment Objective

The Sub-Fund's objective is to seek income and long term return from its investments in Hong Kong listed companies which are China Central-SOEs (as defined below) and have higher dividend yields.

Investment Strategy and Policy

The Sub-Fund aims to meet its investment objective by investing primarily (i.e. at least 70% of its Net Asset Value) in stocks which are (i) listed on the Main Board of The Stock Exchange of Hong Kong Limited; and (ii) issued by entities where (a) the company itself, (b) the actual controlling shareholder of such a company, or (c) the ultimate largest shareholder (direct or indirect) of such a company, is the China State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Finance of the People's Republic of China, Central Huijin Investment Ltd, or the Central People's Government of the People's Republic of China ("**China Central SOEs**").

China Central-SOEs which satisfy the following criteria (the "Criteria") will be selected by the Sub-Fund:

1. **Choosing high dividend yield stocks**: Screening is conducted to identify individual stock with both a historical dividend yield and a forward dividend yield exceeding 3% for the preceding and upcoming year. The top 50 stocks with the highest two-year weighted average dividend yield are then chosen.

2. **Excluding high-risk stocks:** After applying step 1 above, in order to mitigate market risk, liquidity risk, and drawdown risk of individual stocks, the following stocks will be excluded from the portfolio of the Sub-Fund: (i) stocks with market capitalisation below HKD 10 billion; (ii) stocks with average daily turnover below HKD 30 million over the past 12 months; and (iii) stocks ranked as top 20% in terms of one-year price volatility, i.e. the annualised standard deviation of day-to-day logarithmic historical price changes for the 360 most recent trading days' closing price.

3. **Capping individual stocks at 5%**: After applying step 2 above, each remaining stock will be ranked by market capitalisation. To prevent severe fluctuations on the Sub-Fund's performance from an overly concentrated stock position, the weight of any individual stock to be included in the portfolio of the Sub-Fund is capped at 5%. Where the 5% cap is reached for a stock, the remaining holding in excess of 5% for such a stock is redistributed among the other stocks in the portfolio of the Sub-Fund in proportion to their market capitalisation.

4. **Industry allocation limits (2%-20%)**: To diminish the risks associated with industry allocation, the weight of each industry to be included in the portfolio of the Sub-Fund will be maintained between 2% to 20%. Any proportion exceeding 20% in this regard is reallocated evenly across other industries, which aims to bolster the Sub-Fund's performance during market recoveries. In cases where an industry's weight is zero, such a weight will be augmented by including the enterprise, which (i) is a China Central SOE and (ii) has the largest market capitalisation among the China Central SOEs within such an industry, into the portfolio of the Sub-Fund.

The portfolio of the Sub-Fund may be reviewed and adjusted on an ongoing basis as follows:

1. Portfolio adjustment: The Sub-Fund adopts an actively managed investment strategy. The Manager will review the investment portfolio of the Sub-Fund on a quarterly basis, or at the Manager's discretion if deemed necessary by the Manager upon taking into account relevant factors such as market conditions and the performance of the Sub-Fund. The Manager may make adjustments to the investment portfolio of the Sub-Fund in accordance with the Criteria which aim to remove stocks that no longer satisfy the Criteria and include new stocks which qualify under the Criteria, or at the Manager's discretion, as soon as practicable and within a reasonable period of time after the review by the Manager.

   In addition, under exceptional circumstances such as market crash or the occurrence of significant events affecting any China Central-SOEs invested by the Sub-Fund, the Manager may adjust the portfolio of the Sub-Fund as appropriate.

2. Criteria adjustment: The Manager will review and assess the suitability of the Criteria regularly and at least on a semi-annual basis. Adjustments to the Criteria may be made if deemed necessary by the Manager, subject to the SFC's approval (if required). The Manager will provide the unitholders and the Trustee with reasonable prior notice or inform the unitholders and the Trustee as soon as reasonably practicable (as applicable) of such adjustments.

The Manager is solely responsible for carrying out the on-going review of the investment portfolio of the Sub-Fund and performing portfolio adjustments to the Sub-Fund. The Trustee shall not be liable for any portfolio adjustments to the Sub-Fund which are made in accordance with the Criteria.

<u>Other investments</u>

The Sub-Fund may invest less than 30% of its Net Asset Value in US Treasury notes and US Treasury bonds. Under exceptional circumstances (e.g. market crash or major crisis), the Sub-Fund may be invested temporarily up to 100% in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

<u>Financial Derivative Instruments ("**FDI**")</u>

The Sub-Fund may invest in FDI for hedging purposes only but not for investment purposes.

<u>Securities financing transactions</u>

The Sub-Fund will not enter into securities lending and reverse repurchase transactions in respect of the Sub-Fund. Prior approval will be sought from the SFC and not less than one month's notice will be given to Unitholders if there is a change in such practice.

The Sub-Fund may enter into sale and repurchase transactions only on a temporary basis mainly for the purpose of meeting redemption requests. The maximum proportion and expected proportion of the Net Asset Value of the Sub-Fund that can be subject to sale and repurchase transactions, when aggregated with the Sub-Fund's borrowing, are both 10%.

It is the intention of the Manager to sell the securities for cash equal to the market value of the securities provided in a sale and repurchase transaction, where cash obtained will not be re-invested. The Sub-Fund will not receive any non-cash collateral.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's total Net Asset Value.

Borrowing restrictions

The Sub-Fund is subject to the borrowing restrictions as set out in the Explanatory Memorandum under "***Borrowing restrictions***".

SUB-FUND DETAILS

<u>Classes of Units</u>

Class A Units are available for sale to the retail public in Hong Kong.

Class I Units are available to institutional investors and/or selected corporate investors as determined by the Manager.

Sub-Fund Details

Product Type	Equity fund
Fund Manager	ICBC Asset Management (Global) Company Limited
Trustee	ICBC (Asia) Trustee Company Limited
Initial Issue Price of Available Classes (per Unit)	Class A (HKD): HKD10 Class A (USD): USD10 Class A (RMB): RMB10 Class I (HKD): HKD10 Class I (USD): USD10 Class I (RMB): RMB10
Initial Issue Date	2 July 2025
Initial Offer Period	The period commencing 9:00 a.m. (Hong Kong time) on 2 July 2025 to 4:00 p.m. (Hong Kong time) on 10 July 2025
Base Currency	HKD
Minimum Subscription Amount	Class A (HKD): HKD10,000 Class A (USD): USD1,000 Class A (RMB): RMB8,000 Class I (HKD): HKD1,000,000 Class I (USD): USD100,000 Class I (RMB): RMB800,000
Minimum Holding Amount	Class A (HKD): HKD10,000 Class A (USD): USD1,000 Class A (RMB): RMB8,000 Class I (HKD): HKD1,000,000 Class I (USD): USD100,000 Class I (RMB): RMB800,000
Minimum Redemption Amount	Class A (HKD): HKD10,000

	Class A (USD): USD1,000 Class A (RMB): RMB8,000 Class I (HKD): HKD1,000,000 Class I (USD): USD100,000 Class I (RMB): RMB800,000
Dealing Day	Each Business Day will be a Dealing Day or such other day as the Manager, in consultation with the Trustee, may determine from time to time
Dealing Deadline	4:00 p.m. (Hong Kong time) on each Dealing Day* *Please note that authorised distributors may set their own application cut-off times for their clients which are earlier than those set out in this Explanatory Memorandum. Investors are advised to consult with their distributors as to the relevant application deadlines.
Valuation Point	Close of business of the last relevant market to close on a Valuation Day or such other time on that day or such other date as determined by the Manager
Financial year end	31 December
Website (this website has not been reviewed by the SFC)	https://www.icbcamg.com
Distribution Frequency	On a semi-annual basis (i.e. March and September each year in HKD), subject to the Manager's discretion. Dividends may, at the Manager's discretion, be paid out of capital or effectively out of capital as well as out of gross stock cash dividend income of the Sub-Fund.

FEES AND EXPENSES

Management Fee	Class A: 0.80% per annum of the Net Asset Value of the Sub-Fund Class I: 0.60% per annum of the Net Asset Value of the Sub-Fund. The Management Fee may be adjusted upward from time to time up to a maximum of 2% per annum of the Net Asset Value of the Sub-Fund.
Trustee Fee	Class A and Class I: 0.08% per annum of the Net Asset Value of the Sub-Fund.* The Trustee Fee may be adjusted upward from time to time up to a maximum of 1% per annum of the Net Asset Value of the Sub-Fund. *Please note that the Trustee Fee and the Custodian Fee together are subject to a monthly minimum fee of USD3,000.

Custodian Fee	Class A and Class I: 0.02% per annum of each month-end market value of the Sub-Fund's investments in custody.* The Custodian Fee may be adjusted upward from time to time up to a maximum of 0.5% per annum of the Net Asset Value of the Sub-Fund. *Please note that the Trustee Fee and the Custodian Fee together are subject to a monthly minimum fee of USD3,000.
Performance Fee	Nil
Subscription Fee	Class A and Class I: up to 3% of the total subscription amount
Redemption Fee	Class A and Class I: current rate is 0%, up to maximum level of 5% of the Redemption Price Per Unit
Switching Fee	Class A and Class I: Nil
Fiscal charges	In calculating the Issue Price and Redemption Price of the Sub-Fund, the Manager may make adjustments including adding fiscal charges. For details of the fiscal charges policy of the Sub-Fund, please refer to the sub-section entitled "Fiscal Charges" under the section headed "**Fees and Expenses**" above.
Establishment costs	The costs of establishing this Sub-Fund is approximately HKD489,200. These costs are charged to the Sub-Fund and are being amortised evenly over the first 5 years of the launch of the Sub-Fund (or such other period as determined by the Manager).

ADDITIONAL RISKS RELATING TO THE SUB-FUND

*Investors should refer to the relevant risks under the section headed "**Risk Factors**" in the main body of the Explanatory Memorandum and the following specific risk factors in respect of the Sub-Fund.*

General investment risk

The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore Unitholders' investment in the Sub-Fund may suffer losses. The Sub-Fund does not have a constant Net Asset Value and does not guarantee of the repayment of principal. Furthermore, there is no guarantee that the investment objective of the Sub-Fund can be achieved. The Manager has no obligation to redeem Units at the offer value.

Please also refer to the risk factor headed "*General investment risk*" in the main body of the Explanatory Memorandum.

Active investment management risk

The Sub-Fund employs an actively managed investment strategy. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to other index tracking funds with a similar objective. Furthermore, upon the Manager's review, the Manager may make adjustments to the investment portfolio of the Sub-Fund and the Criteria quarterly and on a semi-annual basis respectively or if deemed necessary by the Manager upon taking into account relevant factors such as market conditions and the performance of the Sub-Fund, rather than on a day-to-day and continuous basis. Under exceptional circumstances, the Manager may adjust the portfolio of the Sub-Fund as appropriate. Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective of the Sub-Fund, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques.

Equity market risk

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

Concentration risk in China state-owned enterprises

The Sub-Fund's investments are concentrated in China state-owned enterprises. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of the Sub-Fund may be susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting mainland China and/or Hong Kong markets.

Please refer to the risk factor headed "*Concentration risk*" in the main body of the Explanatory Memorandum.

Emerging market risk

The Sub-Fund invests in Mainland China which is an emerging market and such investments may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

Please refer to the risk factor headed "*Emerging market risk*" in the main body of the Explanatory Memorandum".

Mainland China market risk

The Sub-Fund may invest in securities issued by issuers which have their main operations in, or have a majority of their income derived from Mainland China. This may result in increased risks and the value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Mainland China. Since 1978, Mainland China government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in Mainland China's political, social or economic policies may have a negative impact on investments in Mainland China market.

US Treasury risk

US Treasury securities may differ from other securities in their interest rates, maturities, times of issuance and other characteristics and may provide relatively lower returns than those of other securities. Similar to other issuers, changes to the financial condition or credit rating of the US government may affect the value of the US Treasury notes and/or US Treasury bonds held by the Sub-Fund.

Risk relating to fixed income securities

Credit / counterparty risk

The Sub-Fund is exposed to the credit or default risk of issuers of the fixed income securities that it invests in. Such securities are typically unsecured debt obligations and are not supported by collateral.

It 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 the fixed income securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/default risk of its counterparties as an unsecured creditor.

The Sub-Fund is exposed to risk that a counterparty in a transaction may default in its obligation to settle the transaction, or may be unable or unwilling to make timely payments on principal and/or interest. Where its counterparty does not perform its obligations under a transaction, the Sub-Fund may also encounter difficulties or delays in enforcing its rights against issuers incorporated outside Hong Kong and subject to foreign laws.

Please also refer to the risk factor headed "*Credit risk"* in the main body of the Explanatory Memorandum.

Interest rate risk

Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise. Changes in monetary policies, such as interest rates policies, may have an adverse impact on the pricing of fixed income securities, and thus the return of the Sub-Fund.

Please also refer to the risk factor headed "*Interest rate risk"* in the main body of the Explanatory Memorandum.

Downgrading risk

The credit rating of a fixed income security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded. If the Sub-Fund continues to hold the relevant securities, it will be subject to additional risk of loss.

Please also refer to the risk factor headed "*Downgrading risk"* in the main body of the Explanatory Memorandum.

Valuation risk

Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

The value of fixed income securities may be affected by changing market conditions or other significant market events affecting valuation. In adverse market conditions or where an adverse event happens to the issuer (e.g. credit rating downgrading), the value of lower rated securities may decline in value due to investors' perception over credit quality.

Sovereign debt risk

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

Credit rating risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Investors should note that even if a security may be assigned a certain credit rating at the time the Sub-Fund acquires the security, there is no assurance that (a) it will not be downgraded or (b) it will continue to be rated in the future. Whilst the Manager may use credit ratings for reference in its investment process, it will primarily refer to its internal assessments to evaluate the credit quality of debt securities, for example, when it believes that the credit rating given by credit rating agencies does not adequately reflect the credit risks.

Please also refer to the risk factor headed "*Credit rating risk*" in the main body of the Explanatory Memorandum.

Risks associated with bank deposits

Bank deposits are subject to the credit risks of the relevant financial institutions. The 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 Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

Currency and conversion risks

Currency risk

Underlying investments of the Sub-Fund may be denominated in currencies other than the Base Currency of the Sub-Fund. Also, a Class of units may be designated in a currency other than the Base Currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

Please also refer to the risk factor headed "*Currency risk*" in the main body of the Explanatory Memorandum.

RMB currency risk and conversion risk

The Sub-Fund may have exposure to investments denominated in RMB. The RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. As RMB is not freely convertible, currency conversion is subject to availability of RMB at the relevant time. Any depreciation of the value of RMB could adversely affect the value of investors' investments in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Please also refer to the risk factor headed "*RMB currency and conversion risks*" in the main body of the Explanatory Memorandum.

Risks relating to sale and repurchase agreements

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

Under a sales and repurchase transaction, the Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price if that pre-determined price is higher than the value of the securities at the time of repurchase.

Risk of investing in FDIs

The Sub-Fund may use FDIs for investment, hedging, risk management, and efficient portfolio management purpose. The use of such FDIs exposes the Sub-Fund to additional risks, including counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk.

The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Moreover, the use of FDIs for hedging may become ineffective, and the Sub-Fund may suffer substantial loss. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

The Manager may for hedging purposes invest in FDIs subject to the investment restrictions applicable to the Sub-Fund as set out in the section headed "**Investment Objectives and Strategies of the Sub-Funds**". These instruments can be highly volatile and expose investors to increased risk of loss.

Please also refer to "*FDI risks*" in the main body of this Explanatory Memorandum.

Hedging risk

Insofar as the Sub-Fund acquires derivative instruments for hedging, it will be subject to additional risks. There can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund.

Derivative instruments may be illiquid and are complex in nature. In adverse situations, the Sub-Fund's use of derivatives for hedging may become ineffective and the Sub-Fund may suffer significant losses. The price of a derivative instrument can be volatile which may result in losses in excess of the amount invested in the derivative instruments by the Sub-Fund. A derivative instrument is subject to the risk that the counterparty of the instrument will not fulfil its obligations to the Sub-Fund, and this may result in losses to the Sub-Fund.

Please also refer to the relevant risk factors headed "*Counterparty risk", "Over-the-counter market risk" and "Hedging risk"* in the main body of the Explanatory Memorandum.

Distributions payable out of capital or effectively out of capital risk

In circumstances where the net distributable income of a class is insufficient to pay for any dividend which may be declared, the Manager may, at its discretion, (i) pay dividend out of capital of the Sub-Fund; or (ii) pay dividend out of gross income of the Sub-Fund (that is, income before taking into account any fees or expenses) while charging all or part of such 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 dividend out of capital. Payment of dividends out of capital or effectively out of capital may require the Manager to sell the assets of the Sub-Fund and 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 capital or effectively out of capital of the Sub Fund (as the case may be) may result in an immediate reduction of the Net Asset Value per Unit of the relevant class.

ADDITIONAL INFORMATION

You may generally buy and redeem units at the Sub-Fund's next determined Net Asset Value after the Registrar receives your request in good order on or before 4:00 p.m. (Hong Kong time) on the relevant Dealing Day.

The Net Asset Value of the Sub-Fund is calculated based on the calculations set out in the section "**Valuation**".

Investors may obtain further information on the Sub-Fund from the website at https://www.icbcamg.com (this website has not been reviewed by the SFC) or by calling +852 3510 0800.

If you are in doubt, you should seek professional advice.

APPENDIX 3

ICBC Asset Management (Global) HKD Money Market Fund

*This Appendix (which forms part of, and should be read together with the rest of, the Explanatory Memorandum) relates to the ICBC Asset Management (Global) HKD Money Market Fund (the "**Sub-Fund**"), a sub-fund of the Trust. All references in this Appendix to the Sub-Fund are to ICBC Asset Management (Global) HKD Money Market Fund. Terms defined in the main body of this Explanatory Memorandum have the same meaning when used in this Appendix.*

Investment Objective

The Sub-Fund's objective is to achieve a return in HK dollars in line with prevailing money market rates.

Investment Strategy and Policy

The Sub-Fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its Net Asset Value) in HKD denominated short-term deposits and high-quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions. High-quality money market instruments include but are not limited to government bills, short term notes, bankers' acceptance, commercial papers, certificates of deposits, commercial bills and high-quality debt securities. The Sub-Fund may invest in debt securities which include but are not limited to government bonds, fixed and floating rate bonds, and such exposure will be less than 20% of its Net Asset Value.

The Sub-Fund may also invest not more than 10% of its Net Asset Value into money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. The money market funds invested into by the Sub-Fund may be denominated in any currency.

Non-HKD denominated investments may account for up to 30% of the Sub-Fund's Net Asset Value.

There is no specific geographical allocation of the country of issue of the Sub-Fund's investments. Countries or regions in which the Sub-Fund may invest in include but are not limited to the Greater China region (which includes Mainland China (onshore and offshore markets), Hong Kong, Taiwan and Macau), Singapore, developed markets within the European Union and the United States. The Sub-Fund may not invest in emerging markets other than Mainland China (for the purpose of considering emerging markets only, excludes Hong Kong, Taiwan and Macau), and such exposure will be less than 30% of its Net Asset Value.

The Sub-Fund may invest in onshore and offshore RMB-denominated money market instruments, deposits or high-quality debt securities, and such exposure will be less than 30% of its Net Asset Value. The total exposure to onshore RMB denominated money market instruments, deposits and high-quality debt securities will be less than 20% of the Sub-Fund's Net Asset Value (accessed via the mutual bond market access between Hong Kong and Mainland China). Please refer to Schedule 2 of this Explanatory Memorandum for an overview of Bond Connect.

The Manager will assess the credit quality and the liquidity profile of instruments that may be acquired on behalf of the Sub-Fund to determine whether a money market instrument is of high quality. The Sub-Fund will only invest in instruments which have, or the issuers of which have, an investment grade rating, i.e. at least BBB-/Baa3 (rated by an internationally recognised credit agency such as Moody's, Standard & Poor's or Fitch) or AAA (rated by a Mainland Chinese domestic credit rating agency). Where the issue or the issuers have no credit rating, the Sub-Fund may invest into such instruments if they have a guarantor whose credit rating meets the requirements above. While these credit ratings provided by the relevant rating agencies serve as a point of reference, the Manager will conduct its own assessment on the credit quality based on various factors. The assessment by the Manager involves both quantitative and qualitative analyses of an issuer's credit fundamentals. Quantitative financial factors that are assessed may include, the issuer's leverage, operating margin, return on capital, interest coverage and operating cash flows. Qualitative factors that will be assessed may include, industry outlook, the firm's competitive position, corporate governance, and other non-financial factors. The Manager will assess the liquidity profile of instruments based on various factors, included but not limited to time to cash, liquidation horizon, price volatility, external liquidity classification, daily trading volume, yield volatility and bid-ask spread of such instruments. Only instruments with sufficient liquidity will be included in the portfolio of the Sub-Fund. In any event, the Sub-Fund will invest in money market instruments which are of high quality and the Sub-Fund will generally not invest in unrated or low investment grade money market instruments.

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 NAV of the Sub-Fund except: (i) where the entity is a substantial financial institution (as defined in the SFC's Code on Unit Trusts and Mutual Funds (the "**Code**")) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other public securities (as defined in the Code), up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000 or its equivalent in the Base Currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund will not invest in convertible bonds. It will not invest in instruments with loss-absorption features (i.e. instruments that may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s)).

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.

For the avoidance of doubt, the Sub-Fund will not (i) invest in any securities or other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such securities are regularly traded or (ii) make any short sales.

Financial Derivative Instruments ("**FDI**")

The Sub-Fund may invest in FDI for hedging purposes only but not for investment purposes. Any material currency risk from non-HKD denominated investments will be appropriately hedged into HKD.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's total Net Asset Value.

Borrowing restrictions

The Sub-Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

The Sub-Fund is subject to the borrowing restrictions as set out in the Explanatory Memorandum under "***Borrowing restrictions***".

Sale and Repurchase Transactions

The Sub-Fund may enter into sale and repurchase transactions only on a temporary basis mainly for the purpose of meeting redemption requests. The maximum proportion and expected proportion of the NAV of the Sub-Fund that can be subject to sale and repurchase transactions, when aggregated with the Sub-Fund's borrowing, are 10% and 10% respectively.

It is the intention of the Manager to sell the securities for cash equal to the market value of the securities provided in a sale and repurchase transaction, where cash obtained will not be re-invested. The Sub-Fund will not receive any non-cash collateral.

Securities financing transactions

The Sub-Fund will also not engage in any securities lending activities and reverse repurchase transactions. Prior approval will be sought from the SFC and not less than one month's notice will be given to Unitholders if there is a change in such practice.

SUB-FUND DETAILS

Classes of Units

Class A, Class B, and Class C Units are available for sale to the retail public in Hong Kong.

Class A Units are available for investment by retail investors who invest through any channel offered by Industrial and Commercial Bank of China (Asia) Limited as a distributor only.

Class B Units are available for investment by retail investors who invest through internet distribution channels selected by the Manager (other than Industrial and Commercial Bank of China (Asia) Limited).

Class C Units are available for investment by retail investors through distributors submitting dealing orders via traditional distribution channels selected by the Manager (other than Industrial and Commercial Bank of China (Asia) Limited).

Class M Units are available for subscription by funds and managed accounts managed by the Manager and/or other investors as determined by the Manager.

Class I Units are available to institutional investors and/or selected corporate investors as determined by the Manager.

Sub-Fund Details

Product Type	Money market fund
Fund Manager	ICBC Asset Management (Global) Company Limited
Trustee	ICBC (Asia) Trustee Company Limited
Initial Issue Price of Available Classes (per Unit)	Class A: HKD100 Class B: HKD100 Class C: HKD100 Class M: HKD100 Class I: HKD100
Initial Issue Date	28 April 2025
Initial Offer Period	The period commencing 9:00 a.m. (Hong Kong time) on 22 April 2025 to 1:00 p.m. (Hong Kong time) on 28 April 2025
Base Currency	HKD
Minimum Subscription Amount	Class A: HKD1 Class B: HKD1 Class C: HKD1 Class M: HKD10,000 Class I: HKD1,000
Minimum Holding Amount	Class A: HKD1

	Class B: HKD1 Class C: HKD1 Class M: HKD100 Class I: HKD10
Minimum Redemption Amount	Class A: HKD1 Class B: HKD1 Class C: HKD1 Class M: HKD100 Class I: HKD10
Dealing Day	Each Business Day will be a Dealing Day or such other day as the Manager, in consultation with the Trustee, may determine from time to time
Dealing Deadline	1:00 p.m. (Hong Kong time) on each Dealing Day* *Please note that authorised distributors may set their own application cut-off times for their clients which are earlier than those set out in this Explanatory Memorandum. Investors are advised to consult with their distributors as to the relevant application deadlines.
Valuation Point	Close of business of the last relevant market to close on a Valuation Day or such other time on that day or such other date as determined by the Manager
Financial year end	31 December
Website (this website has not been reviewed by the SFC)	https://www.icbcamg.com
Distribution Frequency	No dividend distribution is to be declared or paid to Unitholders. All income of the Sub-Fund will be automatically reinvested and reflected in the value of the Units of the Sub-Fund.

FEES AND EXPENSES

Management Fee	Class A: up to 0.30% per annum of the Net Asset Value of the Sub-Fund Class B: up to 0.60% per annum of the Net Asset Value of the Sub-Fund Class C: up to 0.30% per annum of the Net Asset Value of the Sub-Fund Class M: 0.20% per annum of the Net Asset Value of the Sub-Fund Class I: 0.05% per annum of the Net Asset Value of the Sub-Fund. The Management Fee may be adjusted upward from time to time up to a maximum of 2% per annum of the Net Asset Value of the Sub-Fund.
Trustee Fee	Class A, Class B, Class C, Class M and Class I: 0.04% per annum of the Net Asset Value of the Sub-Fund.* The Trustee Fee may be adjusted upward from time to time up to a maximum of 1% per annum of the Net Asset Value of the Sub-Fund. *Please note that the Trustee Fee and the Custodian Fee together are subject to a monthly minimum fee of HKD23,000. This fee will be waived until 31 December 2025.
Custodian Fee	Class A, Class B, Class C, Class M and Class I: 0.01% per annum of each month-end market value of the Sub-Fund's investments in custody.* The Custodian Fee may be adjusted upward from time to time up to a maximum of 0.5% per annum of the Net Asset Value of the Sub-Fund. *Please note that the Trustee Fee and the Custodian Fee together are subject to a monthly minimum fee of HKD23,000. This fee will be waived until 31 December 2025.
Performance Fee	Nil
Subscription Fee	Class A, Class B, Class C, Class M and Class I: up to 3% of the total subscription amount
Redemption Fee	Class A, Class B, Class C, Class M and Class I: up to 5% of the total redemption price per unit
Switching Fee	Class A, Class B, Class C, Class M and Class I: Nil

Fiscal charges	In calculating the Issue Price and Redemption Price of the Sub-Fund, the Manager may make adjustments including adding fiscal charges. For details of the fiscal charges policy of the Sub-Fund, please refer to the sub-section entitled "Fiscal Charges" under the section headed "**Fees and Expenses**" above.
Establishment costs	The costs of establishing the Sub-Fund is approximately HKD400,000. These costs are charged to the Sub-Fund and are being amortised evenly over the first 5 years of the launch of the Sub-Fund (or such other period as determined by the Manager).

ADDITIONAL RISKS RELATING TO THE SUB-FUND

*Investors should refer to the relevant risks under the section headed "**Risk Factors**" in the main body of the Explanatory Memorandum and the following specific risk factors in respect of the Sub-Fund.*

General investment risk

The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore Unitholders' investment in the Sub-Fund may suffer losses. The Sub-Fund does not have a constant Net Asset Value and does not guarantee of the repayment of principal. Furthermore, there is no guarantee that the investment objective of the Sub-Fund can be achieved. The Manager has no obligation to redeem Units at the offer value.

Investors should note that purchase of a Unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Please also refer to the risk factor headed "*General investment risk*" in the main body of the Explanatory Memorandum.

Risk relating to money market instruments / fixed income securities

Short-term instruments risk

As the Sub-Fund invests significantly in short-term instruments with short maturities, it means 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 instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund.

Credit / counterparty risk

The Sub-Fund is exposed to the credit or default risk of issuers of the money market instruments and fixed income securities that it invests in. Such securities are typically unsecured debt obligations and are not supported by collateral. It 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 the fixed income securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/default risk of its counterparties as an unsecured creditor.

The Sub-Fund is exposed to risk that a counterparty in a transaction may default in its obligation to settle the transaction, or may be unable or unwilling to make timely payments on principal and/or interest. Where its counterparty does not perform its obligations under a transaction, the Sub-Fund may also encounter difficulties or delays in enforcing its rights against issuers incorporated outside Hong Kong and subject to foreign laws.

Please also refer to the risk factor headed "*Credit risk*" in the main body of the Explanatory Memorandum.

Interest rate risk

Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise. Changes in monetary policies, such as interest rates policies, may have an adverse impact on the pricing of fixed income securities, and thus the return of the Sub-Fund.

Please also refer to the risk factor headed "*Interest rate risk"* in the main body of the Explanatory Memorandum.

Downgrading risk

The credit rating of a fixed income security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded. If the Sub-Fund continues to hold the relevant securities, it will be subject to additional risk of loss.

Please also refer to the risk factor headed "*Downgrading risk"* in the main body of the Explanatory Memorandum.

Valuation risk

Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

The value of fixed income securities may be affected by changing market conditions or other significant market events affecting valuation. In adverse market conditions or where an adverse event happens to the issuer (e.g. credit rating downgrading), the value of lower rated securities may decline in value due to investors' perception over credit quality.

Volatility and liquidity risk

The fixed income securities in some of the markets that the Sub-Fund invests in (e.g. Mainland China) 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 fluctuations. The price at which the fixed income securities are traded may be higher or lower than the initial subscription price due to many factors include the prevailing interest rates. The bid and offer spreads of the prices of such securities may be large and the Sub-Fund may incur significant trading costs.

There may not be an active secondary market for the fixed income securities that the Sub-Fund invests in. The Sub-Fund is therefore subject to liquidity risks and may suffer losses in trading such instruments. Even if the fixed income securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the Sub-Fund may need to hold the fixed income securities until their maturity date.

There is a risk that if the Sub-Fund is required to meet sizeable redemption requests, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and it may incur significant trading and realisation costs and suffer losses accordingly.

The offshore RMB-denominated fixed income securities markets are at a developing stage and the trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume in the RMB denominated fixed income securities market may result in prices of fixed income securities traded on such markets fluctuating significantly and may affect the volatility of the Sub-Fund's Net Asset Value.

Please also refer to the risk factor headed "*Volatility and liquidity risk"* in the main body of the Explanatory Memorandum. For details in relation to the Trust's liquidity risk management process, please refer to the sub-section headed "**Liquidity risk management**" in the main body of the Explanatory Memorandum.

Sovereign debt risk

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

Credit rating risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Investors should note that even if a security may be assigned a certain credit rating at the time the Sub-Fund acquires the security, there is no assurance that (a) it will not be downgraded or (b) it will continue to be rated in the future. Whilst the Manager may use credit ratings for reference in its investment process, it will primarily refer to its internal assessments to evaluate the credit quality of debt securities, for example, when it believes that the credit rating given by credit rating agencies does not adequately reflect the credit risks.

Please also refer to the risk factor headed "*Credit rating risk*" in the main body of the Explanatory Memorandum.

Mainland China credit rating agency risk

The Sub-Fund may invest in Onshore RMB Securities with credit ratings assigned by Mainland Chinese domestic credit rating agencies. 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 China rating agencies may therefore not be directly comparable with those given by other international rating agencies. In particular, the perceived lack of independent and transparency in the rating process has led market participants to treat Mainland China local credit rating agencies as having lower authority and reliability than international credit rating agencies.

Risks associated with bank deposits

Bank deposits are subject to the credit risks of the relevant financial institutions. The 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 Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

Currency and conversion risks

Currency risk

Underlying investments of the Sub-Fund may be denominated in currencies other than the Base Currency of the Sub-Fund. Also, a Class of units may be designated in a currency other than the Base Currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

Please also refer to the risk factor headed *"Currency risk"* in the main body of the Explanatory Memorandum.

RMB currency risk and conversion risk

The Sub-Fund may have exposure to investments denominated in RMB. The RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. As RMB is not freely convertible, currency conversion is subject to availability of RMB at the relevant time. Any depreciation of the value of RMB could adversely affect the value of investors' investments in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Please also refer to the risk factor headed "*RMB currency and conversion risks*" in the main body of the Explanatory Memorandum.

Concentration risk

The Sub-Fund's investments are concentrated in HKD denominated deposits and money market instruments. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Please refer to the risk factor headed "*Concentration risk*" in the main body of the Explanatory Memorandum.

Emerging market risk

The Sub-Fund invests in Mainland China which is an emerging market and such investments may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

Please refer to the risk factor headed "*Emerging market risk*" in the main body of the Explanatory Memorandum".

Risks associated with CIBM via Bond Connect

Investing in the CIBM via Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to fixed income securities. Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain fixed income securities traded on such market fluctuating significantly. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. To the extent that the Sub-Fund transact in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via Bond Connect, the relevant account opening procedures have to be carried out via an offshore custody agent. As such, the Sub-Fund is subject to the risks of default or errors in the account opening process.

Investing in the CIBM via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM via Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Mainland China authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Sub-Fund invests in Onshore RMB Securities issued through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Mainland China tax risk

Investments in the Sub-Fund may be subject to risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of the Sub-Fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund. Based on professional and independent tax advice, the Sub-Fund will not make any provision on the gross unrealised and realised capital gains derived from the trading of Mainland China fixed income securities. For further details, please refer to the section headed "**Taxation**" above.

Mainland China market risk

The Sub-Fund may invest in offshore RMB-denominated securities issued by issuers which have their main operations in, or have a majority of their income derived from Mainland China. This may result in increased risks and the value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Mainland China. Since 1978, Mainland China government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in Mainland China's political, social or economic policies may have a negative impact on investments in Mainland China market.

Mainland China sovereign debt risk

The Sub-Fund's investments may include sovereign debt Securities and such investments involve special risks. The Chinese governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A Chinese governmental entity's willingness or ability 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, the relative size of the debt service burden to the economy as a whole, the Chinese governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Chinese governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a Chinese governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the Chinese governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of Mainland China sovereign debt, including the Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Explanatory Memorandum, there is no bankruptcy proceeding by which sovereign debt on which a Chinese governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign is limited.

In addition, a lowering of the credit rating of the Chinese government may also affect the liquidity of its sovereign debt Securities, making it more difficult to sell. In general, debt instruments that have a lower credit rating or that are non-rated will be more susceptible to the credit risk of the issuers. In the event of a credit rating downgrade of the Chinese government, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result.

Risks relating to sale and repurchase agreements

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

Under a sales and repurchase transaction, the Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price if that pre-determined price is higher than the value of the securities at the time of repurchase.

Risk of investing in FDIs

The Sub-Fund may use FDIs for hedging purposes only. The use of such FDIs exposes the Sub-Fund to additional risks, including counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Moreover, the use of FDIs for hedging may become ineffective, and the Sub-Fund may suffer substantial loss. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

The Manager may for hedging purposes invest in FDIs subject to the investment restrictions applicable to the Sub-Fund as set out in the section headed "**Investment Objectives and Strategies of the Sub-Funds**". These instruments can be highly volatile and expose investors to increased risk of loss.

Please also refer to "*FDI risks*" in the main body of this Explanatory Memorandum.

Hedging risk

Insofar as the Sub-Fund acquires derivative instruments for hedging, it will be subject to additional risks. There can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund.

Derivative instruments may be illiquid and are complex in nature. In adverse situations, the Sub-Fund's use of derivatives for hedging may become ineffective and the Sub-Fund may suffer significant losses. The price of a derivative instrument can be volatile which may result in losses in excess of the amount invested in the derivative instruments by the Sub-Fund. A derivative instrument is subject to the risk that the counterparty of the instrument will not fulfil its obligations to the Sub-Fund, and this may result in losses to the Sub-Fund.

Please also refer to the relevant risk factors headed "*Counterparty risk", "Over-the-counter market risk" and "Hedging risk"* in the main body of the Explanatory Memorandum.

ADDITIONAL INFORMATION

You may generally buy and redeem units at the Sub-Fund's next determined Net Asset Value after the Registrar receives your request in good order on or before 1:00 p.m. (Hong Kong time) on the relevant Dealing Day.

The Net Asset Value of the Sub-Fund is calculated based on the calculations set out in the section "**Valuation**".

Investors may obtain further information on the Sub-Fund from the website at https://www.icbcamg.com (this website has not been reviewed by the SFC) or by calling +852 3510 0800.

If you are in doubt, you should seek professional advice.

SCHEDULE 1
Collateral valuation and management policy

The Manager employs a collateral management policy in relation to collateral received in respect of over-the-counter ("**OTC**") FDI transactions and securities financing transactions entered into in respect of a Sub-Fund.

A Sub-Fund may receive collateral from a counterparty in order to reduce its counterparty risk exposure, subject to the investment restrictions and requirements applicable to securities financing transactions under section "**Securities financing transaction**" and collateral under the section headed "**Collateral**".

Nature and quality of the collateral

A Sub-Fund may receive both cash and non-cash collateral from a counterparty. Cash collateral may include cash, cash equivalents and money market instruments. Cash collateral may include cash, cash equivalents and money market instruments. Non-cash collateral may comprise of assets listed or traded in a regulated market, including government or corporate bonds whether investment grade/non-investment grade/unrated, long/short term bonds, listed or traded in any regulated markets.

Criteria for selecting counterparties

The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties 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, minimum 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. In particular:

- The counterparty of securities financing transactions must be financial institutions which are subject to ongoing prudential regulation and supervision.

- The counterparties 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.

- The counterparty to a securities financing transaction and an OTC FDI transaction must have a minimum credit rating as determined by the Manager from time to time. The Manager will also monitor and conduct periodic review on the counterparties' ability and strength in the specific market (e.g. by reference to the counterparties' share capital).

Valuation of collateral

The collateral received is valued daily by an entity that is independent from the counterparty on a mark-to market basis.

Enforceability of collateral

Collateral (subject to any net-off or set-off, if applicable) is capable of being fully enforced by the Trustee at any time without further recourse to the counterparty.

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 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.

Diversification and correlation of collateral

Collateral must be sufficiently diversified. The exposures of a Sub-Fund to the collateral issuers are monitored in accordance with the relevant restrictions on exposure to a single entity and/or entities within the same group as set out in the section headed "**Investment Restrictions**". Collateral received must be issued by an entity that is independent from the relevant counterparty.

The Manager will ensure the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty, in such a way that would undermine the effectiveness of the collateral. As such securities issued by the counterparty, or any of their related entities should not be used as collaterals.

Cash collateral reinvestment policy

A Sub-Fund shall not sell, pledge or re-invest any non-cash collateral received by it.

Subject to the applicable restrictions in respect of collateral in the section headed "**Investment Restrictions**", cash collateral received by a Sub-Fund may be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

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

Safe-keeping of collateral

Any non-cash assets received by a Sub-Fund from a counterparty on a title transfer basis (whether in respect of a securities financing transaction or an OTC FDI transaction) should be held by the Trustee 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 Trustee or a Correspondent.

SCHEDULE 2
Bond Connect

Investment in the CIBM via Northbound Trading Link under Bond Connect

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by CFETS, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Bond Connect is governed by rules and regulations as promulgated by Mainland China authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])" （内地與香港債券市場互聯互通合作管理暫行辦法(中国人民银行令(2017)第 1 号)） issued by the PBOC on 21 June 2017;
- the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" (中國人民銀行上海總部"債券通"北向通境外投資者准入備案業務指引) issued by the Shanghai Head Office of PBOC on 22 June 2017; and
- any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the Mainland inter-bank bond market through the northbound trading of Bond Connect ("**Northbound Trading Link**"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the CSDCC and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.