

This Announcement and Notice is important and requires your immediate attention and does not constitute an invitation or offer to acquire, purchase or subscribe for units of the exchange traded funds described below.

If you are in doubt about the contents of this Announcement and Notice, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your Units in any or both of the Sub-Funds (as defined below), you should at once hand this Announcement and Notice to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

IMPORTANT: The Stock Exchange of Hong Kong Limited (“SEHK”), Hong Kong Exchanges and Clearing Limited, the Securities and Futures Commission (“SFC”) and the Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this Announcement and Notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement and Notice.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice 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 misleading and that opinions expressed in this Announcement and Notice have been arrived at after due and careful consideration.

SFC authorization is not a recommendation or endorsement of the Trust (as defined below) and the Sub-Funds (as defined below) nor does it guarantee the commercial merits of the Trust and the Sub-Funds or their performance. It does not mean the Trust and the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

**W.I.S.E. – CSI HK Listed Mainland Consumption Tracker
(Stock Code: 02817) (the “Mainland Consumption Tracker”)
標智中證香港上市內地消費指數基金**

**W.I.S.E. – CSI HK Listed Mainland Real Estate Tracker
(Stock Code: 02839) (the “Mainland Real Estate Tracker”)
標智中證香港上市內地地產指數基金**

**sub-funds (collectively, the “Sub-Funds”, and individually, a “Sub-Fund”)
of the World Index Shares ETFs (the “Trust”)**

(a Hong Kong unit trust authorized under
section 104 of the Securities and Futures Ordinance
(Cap. 571 of the laws of the Hong Kong SAR))

**ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION
OF TRADING, TERMINATION, VOLUNTARY DELISTING,
DEAUTHORISATION AND WAIVER FROM STRICT COMPLIANCE
WITH CERTAIN PROVISIONS OF THE UT CODE**

IMPORTANT: Investors are strongly advised to consider the contents of this Announcement and Notice. This Announcement and Notice is important and requires your immediate attention. If in doubt, please seek professional advice. It concerns the proposed termination, proposed cessation of trading, proposed voluntarily delisting and proposed deauthorisation of the Sub-Funds and waivers from strict compliance with certain provisions of the UT Code. In particular, investors should note that:

- taking into account the relevant factors (see details of the factors in section 1 below), including, in particular, in respect of each Sub-Fund, the relatively small Net Asset Value of the Sub-Fund (which, as at 7 August 2017, was HK\$6,899,458.97 for the Mainland Consumption Tracker and HK\$11,736,017.68 for the Mainland Real Estate Tracker), the Manager has, by means of a resolution of the board of directors of the Manager dated 3 August 2017, decided to exercise its power under clause 24.03(a) of the Trust Deed to propose to terminate the Sub-Funds with effect from the Termination Date (as defined below). The Manager has given written notice to BOCI-Prudential Trustee Limited (the “Trustee”) notifying the Trustee of its proposal to terminate the Sub-Funds pursuant to clause 24.03(a) of the Trust Deed, and the Trustee does not object to this proposal;
- the term “Units” as referred to in this Announcement and Notice means the Units in each Sub-Fund unless otherwise specifies.
- immediately after this Announcement and Notice is published, a certain portion of the assets of the Sub-Funds, amounting to approximately HK\$180,000.00 for the Mainland Consumption Tracker and HK\$184,000.00 for the Mainland Real Estate Tracker (the “Provision”) will be set aside. This Provision is to discharge any future costs, charges, expenses, claims and demands (including but not limited to any legal costs, regulatory maintenance costs, termination related expenses and the fees payable to any service provider to the Sub-Funds, including the Trustee) that the Trustee and the Manager may incur or make, during the period from the time after this Announcement and Notice has been published up to the Termination Date, in connection with or arising out of the on-going charges and normal operating expenses of the Sub-Funds, and the termination process together with the Delisting and Deauthorisation (the “Future Costs”). The Trustee has confirmed that it has no objection to the amount of the Provision. As a result of the setting aside of the Provision immediately after this Announcement and Notice has been published, the Net Asset Value and the Net Asset Value per Unit of each Sub-Fund will be reduced before the commencement of the trading on the SEHK on 8 August 2017, as more particularly described below:

	Before setting aside the Provision		After setting aside the Provision	
	NAV (HK\$)	NAV per Unit (HK\$)	NAV (HK\$)	NAV per Unit (HK\$)
Mainland Consumption Tracker	6,899,458.97	9.1993	6,719,458.97	8.9593
Mainland Real Estate Tracker	11,736,017.68	9.3888	11,552,017.68	9.2416

- where the Provision is in excess of the actual amount of the Future Costs (when materialized), such excess will be refunded to the Relevant Investors as part of the Final Distribution in proportion to each Relevant Investor's interests in the relevant Sub-Fund(s) as at the Record Date. However, where the Provision is insufficient to cover any Future Costs, any shortfall will be borne by the Manager and no further provision will be made;
- the Last Trading Day of the Units will be 7 September 2017, i.e. the last day on which investors may buy or sell Units on the SEHK and the last day for redemption of Units in accordance

with the usual trading arrangements currently in place, but no creation of Units in the primary market through a Participating Dealer will be allowed following the publication of this Announcement and Notice;

- the Units will cease trading as from 8 September 2017 (the “Trading Cessation Date”); that means, no further buying or selling Units on the SEHK and no redemption of Units will be possible from the Trading Cessation Date onwards;
- all assets of each Sub-Fund will commence to be liquidated effective from the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards: (a) each Sub-Fund will mainly hold cash; (b) each Sub-Fund will cease to track the relevant Underlying Index (i.e. CSI Hong Kong Listed Tradable Mainland Consumption Index (in respect of the Mainland Consumption Tracker) and CSI Hong Kong Listed Tradable Mainland Real Estate Index (in respect of the Mainland Real Estate Tracker), and will not be able to meet its investment objective of tracking the performance of the relevant Underlying Index; (c) the Units will no longer be traded on the SEHK and no redemption of Units will be possible; (d) each Sub-Fund will no longer be marketed to the public in Hong Kong; and (e) each Sub-Fund will only be operated in a limited manner;
- with a view to minimising further costs, fees and expenses in managing the Sub-Funds following the Trading Cessation Date and in the best interest of investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the following provisions of the UT Code (as defined below) for the period from the Trading Cessation Date to the date of the Deauthorisation (as defined below): (i) Chapter 10.7 (with regard to publishing suspension announcements); (ii) paragraphs 4 and 17(a) and 17(b) of Appendix I (with regard to providing estimated Net Asset Value or R.U.P.V. (please see further in section 5.2.2 below) and last closing Net Asset Value on a real time or near-real time basis; and (iii) Chapters 6.1 and 11.1B (with regard to updating the Prospectus and product key facts statements (each, a “KFS”)), the details and the conditions on which such waiver is granted are described in section 5 below;
- apart from the particular provisions of the UT Code set out in section 5 below, the Manager will continue to comply with all the other applicable provisions of the UT Code, the applicable provisions in the Trust Deed and other applicable laws and regulations until the Deauthorisation Date;
- the Manager will, after having consulted with the Sub-Funds’ Auditors and Trustee, declare a final distribution to the investors who remain so as at close of business on 13 September 2017 (the “Record Date”), and the final distribution will be payable on or around 18 October 2017 (the “Distribution Date”). Based on the information available to the Manager as at the date of this Announcement and Notice, the Manager considers it unlikely there will be a further distribution after the Final Distribution. However, in the unlikely event there is a further distribution after the Final Distribution, the Manager will, in or around late October 2017, issue an announcement informing the Relevant Investors;
- by the date the Trustee and the Manager form an opinion that the Sub-Funds cease to have any outstanding contingent or actual assets or liabilities, the Trustee and the Manager will proceed with the completion of the termination of the Sub-Funds (such date being, the “Termination Date”);
- during the period from the Trading Cessation Date to, at least, the Termination Date, the Sub-Funds will remain listed on the SEHK and authorized by the SFC. Apart from certain provisions of the UT Code which the SFC has granted waivers from strict compliance, the Sub-Funds will continue to comply with all the applicable laws and regulations, albeit they will be operated in a limited manner;
- while the Manager will apply to the SEHK for Delisting of the Sub-Funds in or around August 2017, the Manager will maintain the Sub-Funds’ listing status, and, subject to the SEHK’s

approval, expects the Delisting to take effect at or around the same time as the Deauthorisation (please note that any product documentation for the Sub-Funds previously issued to investors, including the Prospectus and the KFS in respect of the Sub-Funds, should be retained for personal use only and not for public circulation);

- subject to the SFC's approval, the Manager will proceed with the Deauthorisation at such time on or after the Termination Date;
- investors should pay attention to the risk factors as set out in section 7.2 below (including liquidity risk, Units trading at a discount or premium risk / market maker's inefficiency risk, Net Asset Value downward adjustment risk, tracking error risks, failure to track the relevant Underlying Index risk and delay in distribution risk). Investors should exercise caution and consult with their professional and financial advisers before dealings in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Stockbrokers and financial intermediaries are urged to:

- ❖ forward a copy of this Announcement and Notice to their clients holding Units in any one or both of the Sub-Funds, and inform them of the contents of this Announcement and Notice as soon as possible;
- ❖ facilitate their clients who want to dispose of Units in any one or both of the Sub-Funds on or before the Last Trading Day;
- ❖ inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units.

If investors are in doubt about the contents of this Announcement and Notice, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager (for details, please refer to section 9 below).

Relevant Investors (as defined below) are reminded to contact their stockbrokers or financial intermediaries to check whether there will be any fees or charges including custody fees that they may need to bear with regard to their unitholding in the relevant Sub-Fund(s) during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Record Date. Also, further announcements will be made in due course to inform the investors of the Distribution Date, the Termination Date, as well as the dates for the Delisting and Deauthorisation and whether there is any further distribution after the Final Distribution, as and when appropriate in accordance with the applicable regulatory requirements.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice, 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 misleading.

BOCI-Prudential Asset Management Limited (the “**Manager**”), the manager of the Trust and the Sub-Funds which are listed on the SEHK, announces that the Manager has, by means of a resolution of the board of directors of the Manager dated 3 August 2017, decided to terminate the Sub-Funds and voluntarily seek the deauthorisation of the Sub-Funds from the SFC under section 106 of the Securities and Futures Ordinance (the “**Deauthorisation**”) and the delisting of the Sub-Funds from the SEHK (the “**Delisting**”). The proposed termination, Deauthorisation and Delisting will be subject to the final approval of the SFC and the SEHK, and will only take place after the Trustee and the Manager have formed an opinion that the Sub-Funds have no outstanding contingent or actual liabilities or assets.

Before the proposed termination, Delisting and Deauthorisation, the Units will cease trading on the SEHK as from 8 September 2017 (the “**Trading Cessation Date**”). Accordingly, the last day on which the Units can be traded on the SEHK will be 7 September 2017 (the “**Last Trading Day**”), and from the Trading Cessation Date onwards, no trading of Units on the SEHK will be allowed. Also, while investors may continue to trade Units on the SEHK on any trading day before the Trading Cessation Date, no creation of Units in the primary market through a Participating Dealer will be allowed immediately following the publication of this Announcement and Notice onwards.

The Manager has reached the above decisions in relation to each Sub-Fund after taking into account the relevant factors including interests of the investors as a whole, the relatively small Net Asset Value of the Sub-Funds (which, as at 7 August 2017, was HK\$6,899,458.97 for the Mainland Consumption Tracker and HK\$11,736,017.68 for the Mainland Real Estate Tracker) and the low trading volume of the Sub-Funds. Pursuant to clause 24.03(a) of the Trust Deed governing the Trust and the Sub-Funds, a Sub-Fund may be terminated on the ground that its Net Asset Value is less than HK\$100,000,000.

Following the Trading Cessation Date, the Manager will commence to liquidate all assets of each Sub-Fund. From the Trading Cessation Date onwards, each Sub-Fund will mainly hold cash and will cease to track the relevant Underlying Index; thus each Sub-Fund will not be able to meet its investment objective of tracking the performance of the relevant Underlying Index from the Trading Cessation Date. The Manager by this Announcement and Notice notifies the investors of the proposed termination of each Sub-Fund. Also, as required under Chapter 11.1A of the SFC’s Code on Unit Trusts and Mutual Funds (the “**UT Code**”), not less than one month’s notice is hereby given to the investors, notifying them that the Sub-Funds will cease to track the relevant Underlying Indices, and cease trading, from the Trading Cessation Date.

This Announcement and Notice sets out the details of the proposed cessation of trading, termination, voluntary Delisting, Deauthorisation, waiver from strict compliance with certain provisions of the UT Code and their consequences and effects on the investors. Terms not defined in this Announcement and Notice will have the meanings as are given to such terms in the Prospectus dated 26 April 2017 (as supplemented).

1. Proposed termination of the Sub-Funds, cessation of trading and liquidation of assets

1.1 Proposed termination of the Sub-Funds

According to clause 24.03(a) of the Trust Deed, at any time one year after the establishment of any sub-fund, in relation to such sub-fund, the aggregate Net Asset Value of all the Units of the sub-fund outstanding shall be less than HK\$100,000,000, the Manager may in its absolute discretion terminate the sub-fund. The Trust Deed does not require investors’ approval for terminating the Sub-Fund on the ground set out in clause 24.03(a).

The Net Asset Value of each Sub-Fund, as at 7 August 2017, was HK\$6,899,458.97 for the Mainland Consumption Tracker and HK\$11,736,017.68 for the Mainland Real Estate Tracker. The Net Asset Value per Unit of each Sub-Fund, as at 7 August 2017, was HK\$9.1993 for the Mainland Consumption Tracker and HK\$9.3888 for the Mainland Real Estate Tracker. Having taken into account the relevant factors including interests of the investors as a whole, the currently relatively small Net Asset Value, the low trading volume of the Sub-Funds, the Manager is of the view that, in respect of each Sub-Fund, the proposed termination of the Sub-Fund would be in the best interests of the investors in the Sub-Fund. Therefore, the Manager has decided to exercise its power under clause 24.03(a) to terminate the Sub-Funds on the date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any outstanding contingent or actual assets or liabilities. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the Sub-Funds pursuant to clause 24.03(a) of the Trust Deed, and the Trustee does not object to such proposal.

1.2 The proposed cessation of trading

The Manager will commence to liquidate all assets of each Sub-Fund effective from the Trading Cessation Date in exercise of its investment powers under clause 7.03 of the Trust Deed. Such liquidation will be at no additional cost compared to the costs associated with normal liquidation of assets.

In view of the above, the Manager will apply to the SEHK to have the Units cease trading on the SEHK with effect from the Trading Cessation Date, i.e. 8 September 2017, and proceed with the Final Distribution (as defined in section 3.2 below) of the assets of the Sub-Funds as soon as practicable (see details in section 2.2 below). As such, 7 September 2017 will be the Last Trading Day on which investors may buy or sell Units on the SEHK in accordance with the usual trading arrangements currently in place.

Also, in view of the proposed cessation of trading, no further creation of Units will be allowed immediately following the publication of this Announcement and Notice. In addition, from the Trading Cessation Date onwards, there will be no further redemption of Units. For the avoidance of doubt, investors should note that they cannot redeem Units directly from the Sub-Funds in the primary market. Application for redemption of Units can only be made by Participating Dealers and the Participating Dealer may have its own application procedures and cut-off times for its clients which may be earlier than those set out in the Prospectus. Investors are advised to check with Participating Dealers as to the relevant timing deadlines and client acceptance procedures and requirements.

1.3 Impacts on the proposed liquidation of the assets

After the liquidation of all the assets (as described in section 1.2 above), each Sub-Fund will only hold cash, primarily consisting of the proceeds from the liquidation of the assets of the Sub-Fund. It therefore follows that, from the Trading Cessation Date, each Sub-Fund will cease to track the relevant Underlying Index, and will not be able to meet its investment objective of tracking the performance of the relevant Underlying Index.

The on-going charges of the Sub-Funds over a year are 2.11% and 1.67% respectively for the Mainland Consumption Tracker and the Mainland Real Estate Tracker. The ongoing charges figures are based on expenses for the period ended 30 June 2017 for each Sub-Fund. The expenses include (without limitation) management fee and charges and payments deducted from the assets of the relevant Sub-Fund on a periodic basis but do not include certain items such as payments to third parties regarding costs incurred in relation to the acquisition or disposal of any assets of the relevant Sub-Fund and taxes (if applicable). These figures are expressed as a percentage of the Net Asset Value of each Sub-Fund.

2 What will happen after the Trading Cessation Date?

2.1 Immediately from the Trading Cessation Date

Effective from the Trading Cessation Date, the Units will cease trading on the SEHK and there will be no further redemption of Units. In other words, investors will only be allowed to buy or sell Units on the SEHK until (and including) the Last Trading Day and will not be allowed to do so from the Trading Cessation Date onwards.

2.2 During the period from the Trading Cessation Date until the Termination Date (as defined in section 2.3 below)

The Manager will, after having consulted the Sub-Funds' Auditors and the Trustee, declare a Final Distribution in respect of the Relevant Investors (i.e. those investors who do not sell their Units on or before the Last Trading Day). Such Final Distribution will be made on or around 18 October 2017 (the "**Distribution Date**"). Please refer to section 3.2 below for further details on the Final Distribution.

On the date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any outstanding contingent or actual assets or liabilities (the “**Termination Date**”), the Manager and the Trustee will commence the completion of the termination of the Sub-Funds.

During the period from the Trading Cessation Date until, at least, the Termination Date, the Sub-Funds will still have the listing status on the SEHK, and remain SFC authorized, albeit the Sub-Funds will be operated only in a limited manner (as described in section 4.2 below). The Manager will apply for the Deauthorisation on or after the Termination Date. The Manager has therefore applied to the SFC, and has been granted, a waiver from strict compliance with certain provisions of the UT Code for the period from the Trading Cessation Date to the date of the Deauthorisation. The details and the conditions on which such waiver is granted are described in section 5 below.

Also, while the Manager will apply to the SEHK in or around August 2017 for Delisting, the Manager expects, subject to the SEHK’s approval, that the Delisting will only take place at or around the same time of the Deauthorisation.

The proposed termination, Delisting and Deauthorisation will be subject to the payment of all outstanding fees and expenses and any other liabilities of the Sub-Funds, termination audit being prepared by the Sub-Funds’ Auditors, as well as the final approvals of the SFC and the SEHK.

Following the Deauthorisation, the Sub-Funds will no longer be subject to the regulations of the SFC and will not be marketed to the public in Hong Kong. Please note that any product documentation for the Sub-Funds previously issued to investors, including the Prospectus and the KFS in respect of the Sub-Funds, should be retained for personal use only and not for public circulation. Further, stockbrokers, financial intermediaries and investors must not circulate any marketing or other product information relating to the Sub-Funds to the public in Hong Kong as this may be in breach of the Securities and Futures Ordinance.

2.3 Important dates

Subject to the SFC’s and the SEHK’s respective approvals for the proposed arrangements set out in this Announcement and Notice, it is anticipated that the expected important dates in respect of the Sub-Funds will be as follows:

Last day for creation of Units in the primary market, the date on which this Announcement and Notice is published and the date for setting aside the Provision	7 August 2017
Last day for redemption of Units in the primary market.....	7 September 2017
Last day for dealings in the Units on the SEHK (the “Last Trading Day”)	7 September 2017
Dealings in the Units on the SEHK cease (the “Trading Cessation Date”), i.e. same date on which all assets of the Sub-Funds will commence to be liquidated and the Sub-Funds will cease to be able to track the relevant Underlying Indices	8 September 2017
The date as at which an investor is recorded by HKSCC as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to the Final Distribution and further distribution (if any) (the “Record Date”)	13 September 2017

The date on which the announcement regarding Final Distribution is issued.....	On or around 13 October 2017
Final Distribution (after the Manager having consulted with the Sub-Funds' Auditors and the Trustee) will be paid to the investors who are still holding Units as at the Record Date (the "Distribution Date").....	On or around 18 October 2017
Termination of the Sub-Funds (the "Termination Date")	On or around 7 November 2017, which is the date on which the Manager and the Trustee form an opinion that the Sub-Funds cease to have any outstanding contingent or actual assets or liabilities
Delisting and Deauthorisation of the Sub-Funds	On or around 7 November 2017, which is the date on which the SFC and SEHK approve the Deauthorisation and Delisting respectively The Manager expects that the Deauthorisation and Delisting will take place either on the Termination Date or shortly after the Termination Date

If there any changes to the important dates above, the Manager will inform the investors about the revised important dates as soon as possible.

The Manager will, on a weekly basis from the date of this Announcement and Notice until the Last Trading Day, issue reminder announcements to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Record Date. Also, the Manager will issue further announcements in due course to inform the investors of the Distribution Date, the Termination Date, as well as the dates for the Delisting and the Deauthorisation and whether there is any further distribution after the Final Distribution, as and when appropriate in accordance with the applicable regulatory requirements.

All stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice, together with any further announcements, to their clients investing in the Units, and inform them of the contents of this Announcement and Notice, and any further announcements, as soon as possible.

3. Potential actions to be taken by investors on or before the Last Trading Day

3.1 Trading on the SEHK on any trading day up to and including the Last Trading Day

On any trading day up to and including the Last Trading Day, an investor may continue to buy or sell its Units in any one or both of the Sub-Funds on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market prices. The market maker of the Sub-Funds (the “**Market Maker**”), will continue to perform its market making functions in accordance with the Trading Rules of the SEHK.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale or purchase of the Units on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units) and a trading fee (at 0.005% of the price of the Units) will be payable by the buyer and the seller of the Units. No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Units on the SEHK.

The trading price of Units may be below or above the Net Asset Value per Unit. Please see the “Units trading at a discount or premium risk / market maker’s inefficiency risk” in section 7.2 below.

3.2 Holding Units after the Last Trading Day

For investors who are still holding Units in CCASS as at the Record Date (the “**Relevant Investor**”), the Manager will, after having consulted with the Sub-Funds’ Auditors and the Trustee, declare a final distribution (the “**Final Distribution**”) in respect of such Relevant Investors. Each Relevant Investor will be entitled to a Final Distribution of an amount equal to the relevant Sub-Fund’s then Net Asset Value in proportion to the Relevant Investor’s interests in the Sub-Fund as at the Record Date. Each Sub-Fund’s then Net Asset Value will be the total value of the net proceeds from the liquidation of its assets as described in section 1.3 above, less the Provision (as defined in section 6 below).

The Final Distribution to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS on or around 18 October 2017. The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution, together with the amount of the Final Distribution per Unit, in due course. The Manager does not expect or anticipate there will be a further distribution after the Final Distribution. However, in the unlikely event there is a further distribution after the Final Distribution, the Manager will, in or around late October 2017, issue an announcement informing the Relevant Investors.

IMPORTANT NOTE: Investors should pay attention to the risk factors as set out in section 7.2 below and consult with their professional and financial advisers before disposing of the Units. If an investor disposes of its Units at any time on or before the Last Trading Day, such investor will not, in any circumstances, be entitled to any portion of the Final Distribution in respect of any Units so disposed and any further distribution (if any). Investors should therefore exercise caution and consult with their professional and financial advisers before dealing in their Units or otherwise deciding on any course of actions to be taken in relation to their Units.

4. Consequences of the commencement of the cessation of trading

4.1 Continued existence of the Sub-Funds

Each Sub-Fund will maintain its SEHK listing status and SFC authorisation status until the completion of the proposed termination, the Deauthorisation and the Delisting. Deauthorisation and Delisting will follow as soon as possible after the termination of the Sub-Funds.

On the date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any outstanding contingent or actual assets or liabilities, the Manager and the Trustee will complete the

proposed termination process, and the Manager will proceed with applying to the SFC for the Deauthorisation, and to the SEHK to complete the Delisting respectively.

4.2 Limited operation of the Sub-Funds

During the period from the Trading Cessation Date up till the Deauthorisation, the Sub-Funds will be operated in a limited manner as there will not be any trading of Units and the Sub-Funds will have no investment activities from the Trading Cessation Date onwards.

Relevant Investors are reminded to contact their stockbrokers or financial intermediaries to check whether there will be any fees or charges including custody fees that they may need to bear with regard to their unitholding in the Sub-Funds during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

5. Waiver

5.1 Background for seeking the waiver

As set out in section 2.2 above, while the Sub-Funds will cease trading effective from the Trading Cessation Date, because of certain outstanding actual or contingent assets or liabilities in relation to the Sub-Funds, the Sub-Funds remain in existence after the Trading Cessation Date until the Termination Date. During such period, the Sub-Funds will maintain their SFC authorisation status, and the Sub-Funds will maintain their SEHK listing status, until the completion of the proposed termination, Deauthorisation and Delisting.

However, immediately following the publication of this Announcement and Notice, there will be no further creation of Units, and from the Trading Cessation Date onwards: (i) there will be no further trading of Units and no further redemption of Units; (ii) the Manager will commence to liquidate all the assets of the Sub-Funds and the Sub-Funds will therefore cease to track the relevant Underlying Indices and will not be able to meet their investment objectives of tracking the performance of the Underlying Indices and the Sub-Funds are no longer marketed to the public; and (iii) the Sub-Funds are expected to mainly hold cash, the Sub-Funds will be operated only in a limited manner.

Accordingly, with a view to minimising further costs, fees and expenses in managing the Sub-Funds following the Trading Cessation Date in the best interest of investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with certain provisions of the UT Code for the period from the Trading Cessation Date to the date of the Deauthorisation.

The details of the waiver granted and the conditions on which such waiver was granted are set out in Section 5.2 below.

5.2. Details of the waiver

5.2.1 Publishing of the suspension of dealing

Under Chapter 10.7 of the UT Code, the Manager is required to: (a) immediately notify the SFC if dealing in Units ceases or is suspended; and (b) publish the fact that dealing is suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner (the requirements under (b) are referred to as the “**investor notification requirements**”).

The Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the investor notification requirements under Chapter 10.7 of the UT Code, subject to the conditions that a statement shall be posted in a prominent position of the Manager’s website from the Trading Cessation Date until the date of the Deauthorisation and Delisting to notify investors that the Units of the Sub-

Funds have ceased trading on the SEHK from 8 September 2017, and draw their attention to this Announcement and Notice and all other relevant announcements.

Because the Sub-Funds will retain their listing status after the Last Trading Day until the date of the Deauthorisation and Delisting, investors may continue to access further announcements in relation to the Sub-Funds via the SEHK's website and the Manager's website during such period.

5.2.2 Provision of estimated Net Asset Value or R.U.P.V.¹ and last closing Net Asset Value on a real time or near-real time basis

Under Paragraphs 4 and 17(a) and 17(b) of Appendix I to the UT Code, the Manager is required to provide estimated Net Asset Value or R.U.P.V. and last closing Net Asset Value of each Sub-Funds to the public on a real time or near-real time basis unless otherwise waived, via any suitable channels in paragraph 18 of Appendix I to the UT Code (which include the Sub-Funds' own website).

As immediately following the publication of this Announcement and Notice, there will be no further creation of Units, and from the Trading Cessation Date onwards, there will be no further trading of Units and no further redemption of Units, and the Sub-Funds are expected to mainly hold cash and the Sub-Funds will only be operated in a limited manner, the Manager proposes that the Net Asset Value per Unit will be updated on the Manager's website only when there is any event which causes the Net Asset Value to change, and the Trustee does not object to such proposal. The Manager and the Trustee expect that the events which will cause the Net Asset Value per Unit to change will be: (i) the Final Distribution; (ii) further distribution (if any); (iii) any change in the market value of any scrip dividend receivable by the Sub-Funds; (iv) deduction of normal operating expenses or taxes in relation to realization of the assets of the Sub-Funds; and (v) the difference between the proceeds received for the disposal of the assets of the Sub-Funds and the prices used when valuing the Securities of the Sub-Funds.

Accordingly, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Paragraphs 4 and 17(a) and 17(b) of Appendix I to the UT Code for the period from the Trading Cessation Date to the date of the Deauthorisation, subject to the following conditions:

- (a) the Net Asset Value per Unit of each Sub-Fund as of 7 September 2017 (i.e. the Last Trading Day), which will be the latest available Net Asset Value per Unit of each Sub-Fund, will be published on the Manager's website;
- (b) the Manager shall update the latest available Net Asset Value per Unit of each Sub-Fund on the Manager's website as soon as practicable should there be any other change to the Net Asset Value of each Sub-Fund including but not limited to changes arising from (i) the Final Distribution; (ii) further distribution (if any); (iii) any change in the market value of any scrip dividend receivable by the Sub-Funds; (iv) deduction of normal operating expenses or taxes in relation to realization of the assets of the Sub-Funds; and (v) the difference between the proceeds received for the disposal of the assets of the Sub-Funds and the prices used when valuing the Securities of the Sub-Funds.

5.2.3 Updating of the Prospectus and KFS

Under Chapter 6.1 and 11.1B of the UT Code, the offering document must be up-to-date and must be updated to incorporate any relevant changes to the Sub-Funds.

¹ R.U.P.V. stands for "Reference Underlying Portfolio Value" which is updated at 15-second intervals during trading hours.

In view of the cessation of trading of Units from the Trading Cessation Date, and there being no further creation or redemption of Units, the Manager considers that it is not necessary to update the Prospectus or KFS of the Sub-Funds to reflect any future changes prior to the date of Deauthorisation.

As such, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Chapter 6.1 and 11.1B of the UT Code so that the Prospectus and the KFS of the Sub-Funds need not be updated from the Trading Cessation Date.

Without prejudice to the other obligations of the Manager under Chapter 11.1B of the UT Code, the Manager has undertaken and confirmed with the SFC that it shall:

- (a) promptly notify investors of any changes to the Sub-Funds or to the Prospectus or KFS of the relevant Sub-Fund(s) by means of publishing the announcement(s) on its and SEHK's websites (each, a "**relevant future announcement**"); and
- (b) ensure that each relevant future announcement shall include a statement to refer investors to read this Announcement and Notice, together with the Prospectus, KFS of the relevant Sub-Fund(s) and any other relevant future announcement(s).

5.3 Other related matter

The Manager confirms that, apart from the particular provisions of the UT Code set out in section 5.2 above, the Manager will continue to comply with all the other applicable provisions of the UT Code, the applicable provisions in the Trust Deed and other applicable laws and regulations.

6. Costs

As indicated in section 3.1 above, the stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units on or before the Last Trading Day.

All redemption of Units by Participating Dealers will be subject to the fees and costs as set out in the Prospectus. Participating Dealers may pass on to the relevant investors such fees and costs, and may also impose fees and charges in handling redemption requests which would increase the cost of redemption. Investors are advised to check with Participating Dealers as to their relevant fees, costs and charges.

Immediately after this Announcement and Notice is published, a certain portion of the assets of the Sub-Funds, amounting to approximately HK\$180,000.00 for the Mainland Consumption Tracker and HK\$184,000.00 for the Mainland Real Estate Tracker (the "**Provision**"), will be set aside. This Provision is to discharge any future costs, charges, expenses, claims and demands (including but not limited to any legal costs, regulatory maintenance costs, termination related expenses and the fees payable to any service provider to the Sub-Funds, including the Trustee) that the Trustee and the Manager may incur or make, during the period from the time after this Announcement and Notice has been published up to the Termination Date, in connection with or arising out of the on-going charges and normal operating expenses of the Sub-Funds, and the termination process together with the Delisting and Deauthorisation (the "**Future Costs**"). The Trustee has confirmed that it has no objection to the amount of the Provision. **As a result of the setting aside of the Provision immediately after this Announcement and Notice has been published, the Net Asset Value and the Net Asset Value per Unit of each Sub-Fund will be reduced to HK\$6,719,458.97 and HK\$8.9593 respectively for Mainland Consumption Tracker and HK\$11,552,017.68 and HK\$9.2416 respectively for the Mainland Real Estate Tracker before the commencement of the trading on the SEHK on 8 August 2017. Please note that the Manager will waive the Management Fee from the Trading Cessation Date.**

Where the Provision is in excess of the actual amount of the Future Costs (when materialized), such excess will be refunded to the Relevant Investors as part of the Final Distribution in proportion to each Relevant Investor's interests in the relevant Sub-Fund(s) as at the Record Date. However, where the Provision is insufficient to cover any Future Costs, any shortfall will be borne by the Manager and no further provision will be made.

The Sub-Funds do not have any unamortized preliminary expense and contingent liabilities as at the date of this Announcement and Notice.

7. Other matters

7.1 Termination audit

The Manager will appoint the Sub-Funds' Auditors to prepare a termination audit of the Sub-Funds as at the Termination Date. Following the issue of the termination audit report, the Manager and the Trustee will then proceed with completion of the termination process of the Sub-Funds.

7.2 Other implications of the proposed cessation of trading, the proposed termination of the Sub-Funds and the proposed Delisting and Deauthorisation

In consequence of this Announcement and Notice and the proposed cessation of trading, the proposed termination of the Sub-Funds and the proposed Delisting and Deauthorisation, investors should note the following:

Liquidity risk – Trading of Units on the SEHK from the date of this Announcement and Notice may become less liquid.

Units trading at a discount or premium risk / market maker's inefficiency risk – The Units of the Sub-Funds are currently trading at a discount. If investors dispose of their Units in the secondary market before the Trading Cessation Date, the trading price is likely to be below the Net Asset Value per Unit. Therefore, investors may consider not to dispose of their Units in the secondary market and wait for the Final Distribution after the liquidation of all assets of the Sub-Funds by the Manager. Further, although up to (and including) the Last Trading Day, the Market Maker will continue to perform its market making functions in accordance with the Trading Rules of the SEHK, Units may trade at a discount compared to their Net Asset Value in extreme market situations. This is because many investors may want to sell their Units in any one or both of the Sub-Funds after this Announcement and Notice has been published but there may not be many investors in the market who are willing to purchase such Units. On the other hand, it is also possible that the Units may trade at a premium because there will be no creation of new Units immediately following the publication of this Announcement and Notice and consequently the divergence between the supply of and demand for such Units may be larger than usual. The Market Maker may not be able to effectively perform its market making activities to provide liquidity of the trading of Units on the SEHK in these extreme market situations. As a result, the price volatility of the Units may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day.

Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day – The setting aside of the Provision (immediately after this Announcement and Notice has been published) will adversely affect the Net Asset Value per Unit. This reduction of Net Asset Value per Unit will cause a Sub-Fund's return to substantially deviate from the performance of the relevant Underlying Index so the Sub-Fund will not be able to properly track the performance of the relevant Underlying Index during the period from the date of this Announcement and Notice to the Last Trading Day; thus triggering significant tracking error. In the extreme situation where the size of a Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the Sub-Fund into cash or deposits in order to protect the interest of the investors of the Sub-Fund.

Net Asset Value downward adjustment risk – Changes in economic environment, consumption pattern and investors’ expectations may have significant impact on the value of the investments and there may be significant drop in value of the assets of the Sub-Funds. Also, the Net Asset Value of a Sub-Fund will be reduced as some of the Sub-Fund’s assets will be set aside as Provision on the date on which this Announcement and Notice is published. Such market movements and the setting aside of the Provision may result in substantial downward adjustment of the Net Asset Value per Unit before the Last Trading Day.

Failure to track the relevant Underlying Index – All assets of the Sub-Funds will commence to be liquidated with effect from the Trading Cessation Date. Thereafter, the Sub-Funds’ assets will be cash and the Sub-Funds will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, each Sub-Fund will cease to track the relevant Underlying Index, and will not be able to meet its investment objective of tracking the performance of the relevant Underlying Index.

Delay in distribution risk – The Manager will aim to realise all of the assets of the Sub-Funds and then proceed with the Final Distribution as soon as practicable. However, the Manager may not be able to realise all the assets of the Sub-Funds in a timely manner during certain periods of time, for example, when the trading on the relevant stock exchanges is restricted or suspended or when the official clearing and settlement depository of the relevant market is closed. In this case, the payment of the Final Distribution to the Relevant Investors may be delayed.

For details of other risk factors in relation to the Sub-Funds, investors can refer to the Prospectus.

7.3 Tax implications

Based on the Manager’s understanding of the law and practice in force at the date of this Announcement and Notice, as the Sub-Funds are collective investment schemes authorised under section 104 of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong), profits of the Sub-Funds derived from realisation of its assets are exempt from Hong Kong profits tax.

No tax will be payable by investors in Hong Kong in respect of the Final Distribution, except that Hong Kong profits tax may arise where the transactions giving rise to such distribution or refund form part of a trade, profession or business carried on in Hong Kong. Investors should consult their professional financial advisers for tax advice.

7.4 Documents available for inspection

Copies of the Trust Deed, Prospectus and KFS of the Sub-Funds, Conversion Agency Service Agreement, Participation Agreements and the latest annual and semi-annual reports (if any) are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager as set out in section 9 below. Copies of the Trust Deed can be purchased from the Manager on payment of a reasonable fee.

8. Connected party transactions

BOCI Securities Ltd (“**BOCIS**”), a Participating Dealer and market maker of the Sub-Funds, is a Connected Person of the Manager and the Trustee and may hold a substantial amount of Units in any or both of the Sub-Funds from time to time. Also, Bank of China (Hong Kong) Ltd (“**BOCHK**”), which is also a Connected Person of the Manager and the Trustee, currently holds Units in the Mainland Real Estate Tracker. Each of BOCIS and BOCHK is referred to as a “**Relevant Connected Person**”.

A Relevant Connected Person may decide to dispose of all or part of its Units in the relevant Sub-Fund, either by selling them on the SEHK or, in the case of BOCIS in its capacity as a Participating Dealer of the Sub-Funds, by redeeming them in the primary market, after being informed of the proposed

termination of the Sub-Funds via this Announcement and Notice. Any disposal of Units in the relevant Sub-Fund by a Relevant Connected Person, which is beyond the control of the Manager, may reduce the size of the relevant Sub-Fund and impair the Manager's ability to fulfil the investment objective of the relevant Sub-Fund and result in significant tracking error. Please refer to risk factor "Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day" in section 7.2.

Subject to the above provisions of this section 8, no other Connected Person of the Manager and/or the Trustee holds any interest in the Sub-Funds or is involved in any transaction with the Sub-Funds.

9. Enquiries

If you have any queries in relation to the contents of this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Manager at 27/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong or call: (852) 2280 8697, or visit the Manager's website: www.boci-pru.com.hk/english/etf/intro.aspx².

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice, 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 misleading.

BOCI-Prudential Asset Management Limited

as Manager of the Trust and the Sub-Funds

Hong Kong

7 August 2017

² The Manager's website has not been reviewed by the SFC.

W.I.S.E. – CSI HK Listed Mainland Consumption Tracker (Stock Code: 02817)

W.I.S.E. – CSI HK Listed Mainland Real Estate Tracker (Stock Code: 02839)

Sub-funds of the World Index Shares ETFs

PROSPECTUS

**Listing Agent and Manager
BOCI-Prudential Asset Management Limited**

26 April 2017

IMPORTANT: If you are in any doubt about the contents of this prospectus (this “Prospectus”), you should seek independent professional financial advice.

The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission (the “SFC”) and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

IMPORTANT INFORMATION FOR INVESTORS

Investors should note that an investment in the Thematic Funds is not the same as an investment in the constituent securities of the Underlying Indices. The returns of each Thematic Fund may deviate from the Underlying Index due to factors such as the fees and expenses of the fund, and the need for the Manager to adopt a representative sampling strategy. Investors' attention is drawn to the "Investment Strategy of Thematic Funds" section on pages 10 to 11. Investors should also read the "Risk Factors" sections on pages 19 to 27 carefully.

It is possible that the Units in the Thematic Funds may trade at a premium or at a discount to the Net Asset Value of the Units. Investors' attention is drawn to paragraph (q) of the "Risk Factors" section on page 23.

This Prospectus has been prepared in connection with the offer in Hong Kong of Units in the Thematic Funds, which are sub-funds under the umbrella fund, World Index Shares ETFs (the "Fund"), and managed by **BOCI-Prudential Asset Management Limited** (the "Manager").

The Manager accepts full responsibility for the information contained in this Prospectus as being accurate at the date of publication, and confirms having made all reasonable enquiries, that, to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement in this Prospectus misleading.

Neither the delivery of this Prospectus or the latest available Product Key Facts Statements of the Thematic Funds nor the offer or issue of Units in the Thematic Funds shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to such date. This Prospectus and the Product Key Facts Statements of the Thematic Funds may from time to time be updated. Intending applicants for Units of the Thematic Funds should ask the Manager if any supplements to this Prospectus or any later Prospectus or later Product Key Facts Statements for the Thematic Funds have been issued. Investors should note that any amendment or addendum to this Prospectus and/or the Product Key Facts Statements for the Thematic Funds will only be posted on the Manager's website (www.boci-pru.com.hk/english/etf/intro.aspx (for English), or www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)).

Distribution of this Prospectus must be accompanied by a copy of the latest available Product Key Facts Statements of the Thematic Funds, the latest available annual report and accounts of the Thematic Funds and any subsequent interim report. Units are offered on the basis only of the information contained in this Prospectus, the latest available Product Key Facts Statements of the Thematic Funds, and (where applicable) the above-mentioned annual reports and accounts and interim reports. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained in this Prospectus or the latest available Product Key Facts Statements of the Thematic Funds should be regarded as unauthorized and accordingly must not be relied upon.

The Thematic Funds have been authorized by the SFC in Hong Kong. Authorization by the SFC is not a recommendation or endorsement of the Thematic Funds nor does it guarantee the commercial merits of the Thematic Funds or their performance. It does not mean the Thematic Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. The SFC takes no responsibility for the financial

soundness of the Fund and the Thematic Funds or for the accuracy of any of the statements made or opinions expressed in this Prospectus.

No action has been taken to permit an offering of units or the distribution of this Prospectus (or any Product Key Facts Statement of the Thematic Funds) in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Prospectus and the Product Key Facts Statements of the Thematic Funds may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized.

In particular:

- (a) Units in the Thematic Funds have not been registered under the United States Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under such Act).
- (b) The Thematic Funds have not been and will not be registered under the United States Investment Company Act of 1940 as amended.
- (c) Units in the Thematic Funds may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan. An “ERISA Plan” is any retirement plan subject to Title 1 of the United States Employee Retirement Income Securities Act of 1974, as amended or any individual retirement account plan subject to section 4975 of the United States Internal Revenue Code of 1986, as amended.
- (d) Units in the Thematic Funds may not be acquired by any person who is not eligible to do so under the relevant rules issued by the United States Commodity Futures Trading Commission.

The Manager shall have the power to impose such restrictions as the Manager may think necessary for the purpose of ensuring that no Units in the Thematic Funds are acquired or held by an Unqualified Person (as defined in the “Definitions” section on page 9).

US Person restrictions

The Manager has determined that a US Person for FATCA purpose (as defined below) is not permitted to own Units.

What is Foreign Account Tax Compliance Act (FATCA)?

FATCA was enacted by the US in March 2010 aiming to combat tax evasion by US taxpayers. The intention of FATCA is to require Foreign Financial Institutions to report details of US Unitholders holding assets to the US Internal Revenue Services (the “IRS”), as a safeguard against US tax evasion. The regulations will become effective in phases commencing 1 July 2014. To discourage “Foreign Financial Institutions” (“FFIs”) from choosing to remain outside of the regulations, on or after 1 July 2014, a FFI that does not enter the relevant agreement and comply with the FATCA regulations will be subject to a US

tax withholding of 30% on their income from US investments and on their gross proceeds from US investments and also potentially revenues from other non-US investments ("FATCA Withholding"). Through Notice 2015-66, the Department of Treasury and the IRS announced their intention to amend the regulations under chapter 4 (section 1473) to extend the start date of withholding on gross proceeds from 1 January 2017 to 1 January 2019, and to amend the regulations under chapter 4 (section 1471) to extend the start date of withholding of foreign passthru payments to provide that a participating FFI will not be required to withhold on a foreign passthru payment before the later of 1 January 2019 or the date of publication in the Federal Register of final regulations defining the term "foreign passthru payment".

Each Thematic Fund is a Registered Deemed Compliant FFI and therefore falls within the scope of the FATCA regulations. In order to protect Unitholders from the effect of any penalty withholding, it is the intention of the Thematic Funds to be compliant with the FATCA regulations.

Intergovernmental Agreement ("IGA")

On 13 November 2014, the Hong Kong Government and US signed a Model 2 Intergovernmental Agreement ("IGA") for implementation of the FATCA. The Sub-Fund intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations.

Under the terms of the IGA the Thematic Funds will be obliged to comply with the provisions of FATCA and abide by the requirements provided in the FFI agreement.

In order to comply with their FATCA obligations, the Thematic Funds will be required to obtain certain information from their Unitholders so as to ascertain the US tax status of the Unitholders. If the Unitholder is a specified US person, US owned non-US entity, non-participating FFI ("NPFFI") or does not provide the requisite documentation, the Thematic Funds may need to report information on these Unitholders to the appropriate tax authority, as far as legally permitted.

Other intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the United States. Unitholders holding investments via distributors or custodians that are not in Hong Kong or another IGA country should check with such distributor or custodian as to the distributor's or custodian's intention to comply with FATCA.

Additional information may be required by the Thematic Funds, the Custodian or any other service provider from certain Unitholders in order to comply with their necessary obligations under FATCA or under an applicable IGA. The scope and application of FATCA withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, Hong Kong and other IGA governments, and the rules may change. Unitholders should contact their own tax advisers regarding the application of FATCA to their particular circumstances. For further information of FATCA you can visit the US IRS website at www.irs.gov/FATCA.

For this purpose, a "**US Person**" ("**US Person for FATCA purpose**") is defined as follows:

1. An individual who is a citizen of the US or a resident alien for US federal income tax

purposes. In general, the term “resident alien” is defined for this purpose to include any individual who (i) holds an Alien Registration Card (a “green card”) issued by the US Citizenship and Immigration Service or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any calendar year if (a) the individual was present in the US on at least 31 days during such year and (b) the sum of the number of days in which such individual was present in the US during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days; or

2. A corporation, an entity taxable as a corporation or a partnership created or organized in or under the laws of the US or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a US person under Treasury Regulations); or
3. An estate the income of which is subject to US federal income tax regardless of the source thereof; or
4. A trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on 20 August 1996 and were treated as domestic trusts on 19 August 1996; or
5. A Passive Non-Financial Foreign Entity (“Passive NFFE”) with “substantial US owner(s)” that are “Specified US Person(s)” (within the meaning of Treasury Regulations under the FATCA as set forth in Sections 1471 through 1474 of the US Internal Revenue Code (“IRC”)), where the country in which the relevant entity is formed or resident has not signed an IGA. A Passive NFFE is generally a non-US and non-financial institution entity that is neither a “publicly traded corporation” nor an “active NFFE” (within the meaning of Treasury Regulations under FATCA). A substantial US owner is generally a US Person (as described above under paragraphs 1 through 4) that owns, directly or indirectly, a more-than-10 percent interest in the Passive NFFE; however there are generally a number of exemptions with specified requirements including, but not limited to, the following types of entities: i) a regularly traded corporation on an established securities market or an affiliate; ii) an organization exempt from US tax under IRC Section 501(a); iii) an IRC Section 581 US bank; and iv) an IRC Section 851 regulated investment company; or
6. A “Non-U.S. Entity” with one or more “Controlling Persons” (within the meaning of an applicable IGA) that is a US Person (as described above under paragraph 1).

All parties meeting the above definition of US Person should note the requirements of FATCA. If Unitholders are in any doubt as to their status, they should consult their financial or other professional adviser.

If, subsequent to a Unitholder’s investment, the Unitholder becomes the aforementioned US Person or Unqualified Person, such Unitholder (i) will be restricted from making any additional subscriptions and (ii) as soon as practicable have its Units compulsorily redeemed (subject to the requirements of applicable law).

It should be noted that the Thematic Funds may exercise their right to:

- (a) completely redeem the holding of an affected Unitholder (at any time upon any or no notice) ; or
- (b) reject the investors' application; or
- (c) withhold on amounts otherwise distributable to the investor; or
- (d) compel the Unitholders to sell their interest

if the Unitholders fail to provide the Thematic Funds with the necessary information upon request to satisfy relevant requirements under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA obligations.

To comply with FATCA, the Thematic Funds may need to disclose the name, address, taxpayer identification number and investment information relating to certain US investors who are US Persons that own, directly or indirectly, an interest in certain entities, as well as certain other information relating to such interest, to the US Internal Revenue Service (IRS).

The extent to which the Thematic Funds are able to report to the US IRS will depend on each affected Unitholder in the Thematic Funds providing the Thematic Funds or their delegate with any information and consent that the Thematic Funds determine is necessary to satisfy such obligations.

Potential applicants for Units in the Thematic Funds should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units in the Thematic Fund. Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers in advance of any acquisition, holding or disposal of Units.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the “**Amendment Ordinance**”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FI**”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and exchange such information with the jurisdiction(s) in which that account holder is a resident for tax purpose. Further information regarding AEOI is available on the website of the Hong Kong Inland Revenue Department (“**IRD**”) (http://www.ird.gov.hk/eng/tax/dta_aeoi.htm).

Generally, tax information will be exchanged only with AEOI partner jurisdictions with which Hong Kong has a Competent Authority Agreement (“**CAA**”); however, the Thematic Funds and/or the Manager, the Trustee and their associated or affiliated companies, connected persons, delegates, contractors, authorised agents or service providers (collectively,

the “**Relevant Agents**”) may further collect information on the tax residence of account holders (irrespective of whether or not that account holder is a reportable person) of other jurisdictions (in which a person is tax resident irrespective of whether that territory is a reportable jurisdiction).

The Thematic Funds are required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Thematic Funds and/or the Relevant Agents shall collect and provide to IRD tax information relating to the Unitholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the Thematic Funds to, amongst other things: (i) register each of the Thematic Funds’ status as a “Reporting Financial Institution” with the IRD; (ii) conduct due diligence on its accounts (i.e. the Unitholders) to identify whether any such accounts are considered “Reportable Accounts” for AEOI purposes; and (iii) report to the IRD 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. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Amendment Ordinance, details of the Unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, 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 jurisdictions of tax residence.

By investing in the Thematic Funds or continuing to invest in the Thematic Funds, the Unitholders acknowledge that they may be required to provide additional information to the Thematic Funds and/or the Relevant Agents in order for the Thematic Funds to comply with AEOI. The Unitholders’ information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons), may be transmitted by the IRD to authorities in other jurisdictions.

For the purposes herein, “AEOI” includes:

- (a) the Organization for Economic Co-operation and Development (“**OECD**”) Standard for Automatic Exchange of Financial Account Information in Tax Matters –the Common Reporting Standard (the “**CRS**”) and any associated guidance;
- (b) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Hong Kong government (or any government body in Hong Kong) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in (a) above; and
- (c) any legislation, regulations or guidance in Hong Kong that give effect to the matters outlined in (a) to (b) above.

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 Thematic Funds.

Personal Data or Confidential Information

- (1) Personal Data or Confidential Information (including information necessary to ascertain tax status, information for reporting of tax withholding and details of transaction) provided by a Unitholder (in any form or certification or otherwise) will be used, shared, stored, processed, transferred and disclosed (within or outside Hong Kong) so that the Relevant Agents can carry out their obligations in respect of the Fund and/or the Thematic Funds or for other purposes including but not limited to (a) processing the subscription and redemption of Units, completing the information on the Register of Unitholders, carrying out instructions or responding to Unitholders' enquiries, verifying data and providing administrative or other relevant services to the Unitholder (including the mailing of reports, notices or newsletters); (b) in compliance with any applicable law, regulation, statute, ordinance, rule, judgment, decree, code, guidelines, directive, circulars, sanctions regime, court order issued by other regulatory authorities of relevant jurisdiction, exchange or market, whether legal, regulatory, governmental, tax, law enforcement, self-regulatory, industry or others which apply in respect of the Fund and/or the Thematic Funds or the Unitholders' investments and/or bind or apply to the Relevant Agents from time to time or any agreement with any tax or fiscal authority in any jurisdiction and meeting any demands, disclosure, notification or reporting requirements to which any recipient of the data is subject under applicable laws and regulations, including but not limited to compliance with obligations pursuant to the FATCA, verifying the identity of a Unitholder or establishing whether a Unitholder is a US Person for the purposes of FATCA and compliance with reporting or other obligations under the IRC and the United States Treasury Regulations promulgated under the IRC or any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including under AEOI), including reporting obligations that may be imposed by future legislation (collectively, the "**Regulatory Requirements**"); (c) prevention, detection, sanction or investigation of crime, fraud, money laundering, corruption, tax evasion, terrorist financing and any other violation of laws or unlawful activities and fulfilling related Regulatory Requirements; (d) enforcing or defending the rights of the Fund and/or the Thematic Funds and/or the Relevant Agents; (e) fulfilling internal operational or compliance requirements of the Relevant Agents; and (f) maintenance or continuation of overall relationship with the Unitholder.
- (2) Failure to provide information may result in the Manager or the Trustee being unable to open/ maintain an account or provide/ continue to provide services to the Unitholder or taking appropriate action or reporting to the relevant authorities.
- (3) Unitholder has the right to request access to and correction of any personal data or to request the personal data not to be used for direct marketing purposes. Collection and use of personal data will be subject to the terms of the Personal Data (Privacy) Ordinance of Hong Kong.

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PARTIES

Listing Agent and Manager

BOCI-Prudential Asset Management Limited
27/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Trustee and Custodian

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Conversion and Service Agent

HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Legal Advisers to the Manager

Baker & McKenzie
23rd Floor, One Pacific Place
88 Queensway
Hong Kong

Auditors

Ernst & Young
22/F., CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Directors of the Manager

Wang Zhongze
Mak Tat Cheung
Tse Yung Hoi
Guy Robert Strapp
Julian Christopher Vivian Pull

DEFINITIONS

“Application”	means a Creation Application and a Redemption Application;
“Application Cancellation Fee”	means the fee payable by a Participating Dealer or an Eligible Investor (as the case may be) in respect of cancellation of an Application as set out in the Trust Deed;
“Application Unit”	means such number of Units of a class or whole multiples thereof as specified in the Prospectus or such other multiple of Units of a class from time to time determined by the Manager, the Trustee and the Participating Dealer, either generally or for a particular class or classes of Units;
“Associate”	in relation to a body corporate, means an associated company as defined in the Companies Ordinance;
“Auditors”	means the auditor or auditors of the Thematic Funds from time to time appointed by the Manager with the prior approval of the Trustee pursuant to the provisions of the Trust Deed;
“Base Currency”	means the currency of account of the Thematic Funds as specified by the Manager with the approval of the Trustee from time to time;
“Basket”	in respect of a Thematic Fund, means a portfolio of Index Securities, which seeks to benchmark the relevant Underlying Index by representative sampling strategy or otherwise and/or such other Securities as designated by the Manager provided that such portfolio shall comprise only whole numbers of Index Securities and/or such other Securities and no fraction or, if the Manager determines, shall comprise only round lots and not any odd lots;
“Business Day”	in respect of a Thematic Fund, means, unless the Manager, the Trustee and the Participating Dealer(s) otherwise agree, a day on which (a) the SEHK is open for normal trading, and (b) the relevant Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to

time provided that if on any such day, the period during which the SEHK is open for normal trading is reduced as a result of typhoon, rainstorm or other similar event, such day shall not be a Business Day unless the Manager, the Trustee and the Participating Dealer(s) otherwise agree;

“Cancellation Compensation”

means an amount payable by a Participating Dealer or an Eligible Investor (as the case may be) in respect of cancellation of an Application pursuant to the Trust Deed;

“Cash Component”

means the aggregate Net Asset Value of all the Units in connection with an Application less the value of the relevant Basket(s);

“CCASS”

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

“Collective Investment Scheme”

has the meaning given to such term in Section 1 of Part I of Schedule 1 of the Securities and Futures Ordinance;

“Companies Ordinance”

means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

“Connected Person”

in relation to a company, means:

- (a) any person or company beneficially owning, directly or indirectly, twenty per cent (20%) or more of the ordinary share capital of that company or able to exercise, directly or indirectly, twenty per cent (20%) or more of the total votes in that company;
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a) above;
- (c) any member of the group of which that company forms part; or
- (d) any director or other officer of that company or of any of its Connected Persons as defined in (a), (b) or (c) above;

“Conversion and Service Agent”	means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as conversion agent and service agent in relation to the Thematic Fund;
“Creation Application”	means (a) an application by a Participating Dealer for the creation of Units in accordance with the relevant procedures set out in the Trust Deed and the relevant Participation Agreement or (b) an application by an Eligible Investor for the creation of units in accordance with the relevant procedures set out in the Trust Deed and/or this Prospectus (where applicable);
“Dealing Day”	means each Business Day or such Business Day or Business Days as the Manager may from time to time, with the approval of the Trustee, determine either generally or in respect of a particular class or classes of Units, provided that if the SEHK is on any day not open for trading, the Manager may without notice to the Unitholders of the relevant Thematic Fund determine that such day shall not be a Dealing Day in relation to the Thematic Fund;
“Dealing Deadline”	in relation to any Dealing Day, shall be such time as the Manager may from time to time with the approval of the Trustee determine generally or in relation to a particular class or classes of Units or any particular place for submission of Application(s) by a Participating Dealer or the Eligible Investor (as the case may be);
“Deposited Property”	means all the assets (including cash) received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts of the Trust Deed for the account of the Thematic Fund excluding (i) the Income Property and (ii) any amount for the time being standing to the credit of the Distribution Account;
“Distribution Account”	means the notional account to which amount available for distribution to the Unitholders is credited;
“Eligible Investor”	means a person who has opened an account with the Manager, having satisfied the client intake procedures of the Manager and provided such documents, undertakings and confirmations as the Manager may require;

“Extraordinary Resolution”	means a resolution proposed as such and passed by seventy five per cent (75%) or more of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting of Unitholders of a relevant class or classes and held pursuant to the provisions of the Trust Deed;
“Fund”	means the World Index Shares ETFs or such other name as the Trustee and the Manager may from time to time determine;
“Government and other public securities”	means any investment issued by, or the payment of principal and interest on, which is guaranteed by the government of any member state of the Organization for Economic Co-operation and Development (“ OECD ”) or any fixed interest investment issued in any OECD country by a public or local authority or nationalized industry or any OECD country or anywhere in the world by any other body which is, in the opinion of the Trustee, of similar standing;
“HK\$” or “Hong Kong dollars” or “HKD”	means the lawful currency of Hong Kong;
“HKSCC”	means the Hong Kong Securities Clearing Company Limited or its successors;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Income Property”	in respect of a Thematic Fund means (a) all interest, dividends and other sums deemed by the Manager (after consulting the Auditors) to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the Thematic Fund (whether in cash or, without limitation, by cheque, money, credit or otherwise or the proceeds of sale of any Income Property received in a form other than cash); (b) all Cash Component payments received or receivable by the Trustee for the account of the Thematic Fund; (c) all Cancellation Compensation received by the Trustee for the account of the Thematic Fund; and (d) all interest and other sums received or receivable by the Trustee in respect of (a), (b) or (c) of this definition, but excluding (i) the Deposited

Property of the Thematic Fund; (ii) any amount for the time being standing to the credit of the Distribution Account for the account of the Thematic Fund or previously distributed to Unitholders; (iii) gains for the account of the Thematic Fund arising from the realization of Securities; and (iv) any sums applied towards the payment of the fees, costs and expenses payable by the Fund from the Income Property of the Thematic Fund;

“Index Provider”

in respect of the Underlying Indices, means the China Securities Index Co., Ltd. or any other person responsible for managing and compiling the Underlying Indices and who has the right to grant the licence to use the Underlying Indices;

“Index Securities”

in respect of each Underlying Index means the constituent securities of that Underlying Index;

“Initial Offer Period”

means in relation to a class of Units such period as may be agreed between the Trustee and the Manager for the purpose of making an initial offer of Units of such class;

“Issue Price”

means the issue price per Unit of a particular class during the Initial Offer Period as determined by the Manager in respect of such class of Units and thereafter the issue price per Unit calculated pursuant to the Trust Deed at which Units are from time to time issued or to be issued;

“Manager”

means BOCI-Prudential Asset Management Limited or any other person (or persons) who for the time being is duly appointed as manager (or managers) of the Fund and being accepted by the SFC as qualified to act as such for the purposes of the UTMF Code;

“month”

means calendar month;

“Net Asset Value”

in relation to a Thematic Fund, means the net asset value of the Thematic Fund or, as the context may require, of a Unit of any class relating to the Thematic Fund calculated pursuant to the provisions of the Trust Deed;

“Operating Guidelines”

means operating guidelines governing the Participating Dealers, including without

	limitation, the procedures for creation and redemption of Units;
“Participation Agreement”	means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, amongst other things, the arrangements in respect of the Applications made by a Participating Dealer;
“Participating Dealer”	means a broker or dealer who has entered into a Participation Agreement in form and substance acceptable to the Manager and Trustee;
“PRC”	means the People’s Republic of China;
“Redemption Application”	means (a) an application by a Participating Dealer for the redemption of Units in accordance with the relevant procedures set out in the Trust Deed and the relevant Participation Agreement; or (b) an application by an Eligible Investor for the redemption of Units in accordance with the relevant procedures set out in the Trust Deed and/or this Prospectus (where applicable);
“Redemption Price”	means the redemption price per Unit of a particular class calculated in accordance with the Trust Deed at which Units are from time to time redeemed;
“Register”	means the register of Unitholders to be kept pursuant to the Trust Deed;
“Registrar”	means such person as may from time to time, with the prior written approval of the Trustee, be appointed by the Manager to keep the Register and in default of any such appointment shall mean the Trustee;
“Securities”	has the meaning given to such term in Section 1 of Part I of Schedule 1 of the Securities and Futures Ordinance;
“Securities and Futures Ordinance”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SEHK”	means The Stock Exchange of Hong Kong Limited or its successors;

“Settlement Day”	means the Business Day which is two (2) Business Days after the relevant Dealing Day (or such later Business Day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines in respect of settlement with Participating Dealers) or such other number of Business Days after the relevant Dealing Day as the Manager and the Trustee may from time to time agree and notify to the relevant Participating Dealers or Eligible Investors (as the case may be), either generally or for a particular class or classes of Units;
“SFC”	means the Hong Kong Securities and Futures Commission;
“subsidiary” and “holding company”	have the meaning given to them in the Companies Ordinance;
“Thematic Fund”	means each of the: W.I.S.E. – CSI HK Listed Mainland Consumption Tracker; W.I.S.E. – CSI HK Listed Mainland Real Estate Tracker; or such other name as the Trustee and the Manager may from time to time determine;
“Transaction Fee”	means the fee which may at the discretion of the Manager be charged to each Participating Dealer or Eligible Investor (as the case may be) under the Trust Deed, the maximum level of which shall be determined by the Manager from time to time and set out in this Prospectus;
“Trust Deed”	means the trust deed dated 11 July 2007 constituting the Fund, as amended from time to time in accordance with the terms thereof;
“Trustee”	means BOCI-Prudential Trustee Limited or such other person (or persons) who for the time being is duly appointed to be trustee (or trustees) of the Fund;
“Underlying Index”	means the CSI Hong Kong Listed Tradable Mainland Consumption Index (in respect of the W.I.S.E. – CSI HK Listed Mainland Consumption Tracker) and CSI Hong Kong Listed Tradable Mainland Real Estate Index (in respect of the W.I.S.E. – CSI HK Listed Mainland Real Estate Tracker);

“Unit”	means such number of undivided shares or such fraction of an undivided share of a Thematic Fund to which a Unit relates as is represented by a Unit of the relevant class and except where used in relation to a particular class of Unit a reference to Units means and includes Units of all classes;
“Unitholder”	means the 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;
“Unqualified Person”	<p>means:</p> <ul style="list-style-type: none"> <li data-bbox="767 741 1414 1323">(a) a person who by virtue of any law or requirement of any country or governmental authority is not qualified to hold a Unit or who would be in breach of any such law or regulation in acquiring or holding a Unit or if, in the opinion of the Manager, the holding of a Unit by such person might result in the Fund incurring any liability to taxation or suffering a pecuniary disadvantage which the Fund might not otherwise have incurred or suffered, or might result in the Fund, the Manager or the Trustee or any of their Connected Persons being exposed to any liability, penalty or regulatory action; or <li data-bbox="767 1359 1414 1912">(b) any person if the holding of a Unit by such person might, due to any circumstances whether directly affecting such person and whether relating to such person alone or to any other person in conjunction therewith (whether such persons are connected or not), in the opinion of the Manager, result in the Fund incurring any liability to taxation or suffering a pecuniary disadvantage which the Fund might not otherwise have incurred or suffered, or in the Fund, the Manager or the Trustee or any of their Connected Persons being exposed to any liability, penalty or regulatory action;
“US\$ or US dollars”	means the lawful currency of the United States of America;

“UTMF Code”	means the SFC’s Code on Unit Trusts and Mutual Funds, as amended or supplemented from time to time; and
“Valuation Point”	means the official close of trading on the SEHK, or such other time or times as determined by the Trustee, the Manager and the Participating Dealers from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of determination of the Net Asset Value of the Thematic Fund pursuant to provisions of the Trust Deed.

THE FUND

The Fund is a unit trust established by a trust deed dated 11 July 2007 (as may be amended, modified or supplemented from time to time) with BOCI-Prudential Asset Management Limited as the manager and BOCI-Prudential Trustee Limited as the trustee of the Fund. The Fund is established under and governed by the laws of Hong Kong.

The Fund is an umbrella fund under which index-tracking sub-funds will be established. The Thematic Funds are sub-funds of the Fund. Only one (1) class of Units is currently available in relation to the each Thematic Fund.

INVESTMENT STRATEGY OF THEMATIC FUNDS

Indexing investment strategies are used by an index-tracking fund to fulfil the index-tracking investment objective. Replication strategy and representative sampling strategy are the two most common strategies.

Replication Strategy

An index-tracking fund which uses a replication strategy invests in substantially all the constituent securities of the underlying index in substantially the same weightings (i.e. proportions) as these stocks have in the underlying index. When a stock ceases to be a constituent security of the underlying index, rebalancing occurs which involves selling the outgoing stock and using the proceeds to acquire the incoming stock.

Representative Sampling Strategy

An index-tracking fund which uses a representative sampling strategy invests in a representative sample of constituent securities of the underlying index selected by the manager using quantitative analytical models in a technique known as “portfolio optimisation”, under which each stock is considered for inclusion in the index-tracking fund based on its capitalisation, industry and fundamental investment characteristics. The manager seeks to construct the portfolio of the index-tracking fund so that, its overall

capitalisation, industry and fundamental investment characteristics as well as risk characteristics are like those of the underlying index.

Investment Strategy Used by the Thematic Funds

The Manager intends to pursue a representative sampling strategy for each of the Thematic Funds. As a result, each Thematic Fund will not hold all the Index Securities of the relevant Underlying Index and the Manager may overweight certain Index Security relative its weightings in Underlying Index, on the condition that the maximum extra weighting in any Index Security will not normally exceed four per cent (4%), and disclosure will be made in the annual report and interim report of the Thematic Funds as to whether such limit has been complied with, and any non-compliance with this limit will be reported to the SFC on a timely basis. In addition, the Manager may also invest in securities which are not Index Securities as the Manager considers appropriate to achieve the investment objective. However, investors should note that the representative sampling strategy is associated with certain additional risks, in particular a possible increased tracking error at the time of the switch as well as a possible increased tracking error in general, and investors should read the “Risk Factors” section below carefully.

THE W.I.S.E. - CSI HK LISTED MAINLAND CONSUMPTION TRACKER

Key Information

The following table is only a summary of key information of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker, and should be read in conjunction with the full text of this Prospectus.

Underlying Index	CSI Hong Kong Listed Tradable Mainland Consumption Index Inception Date: 2 June 2010 Number of constituent stocks: 53 (as of 21 April 2017) Base Currency: Hong Kong dollars	
Listing Date	11 January 2011	
Exchange Listing	SEHK - Main Board	
Stock Code	02817	
Trading Board Lot Size	500 Units	
Base Currency	Hong Kong dollars (HK\$)	
Trading Currency	Hong Kong dollars (HK\$)	
Distribution Policy	Annually (if any) at the discretion of the Manager	
Parties	Manager	BOCI-Prudential Asset Management Limited
	Trustee and Custodian	BOCI-Prudential Trustee Limited
	Registrar	Computershare Hong Kong Investor Services Limited
	Participating Dealers	Goldman Sachs (Asia) Securities Limited Citigroup Global Markets Asia Limited BOCI Securities Limited UBS Securities Hong Kong Limited Macquarie Bank Limited
Application Unit size for Creation/Redemption by the Participating Dealers or Eligible Investors	Minimum 750,000 Units (or multiples thereof)	
Management Fees	0.5% p.a. of NAV	
Web Site	www.boci-pru.com.hk/english/etf/intro.aspx (for English), or www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)	

Investment Objectives and Policies

The W.I.S.E. - CSI HK Listed Mainland Consumption Tracker is an index-tracking exchange traded fund which seeks to provide investment returns, before fees and expenses, that closely correspond to the performance of the CSI Hong Kong Listed Tradable Mainland Consumption Index. In order to achieve the investment objective, the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker will adopt a representative sampling strategy and, under normal circumstances, will invest in at least 70% of the number of Index Securities in the Underlying Index. In the event of market disruption, a suspension of trading of the relevant Index Securities, index rebalancing or other events resulting in an increase in the number of constituent stocks in the Underlying Index, the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker may hold less than 70% of the number of Index Securities. The W.I.S.E. - CSI HK Listed Mainland Consumption Tracker may also invest in non-Index Securities which are listed on the SEHK, such as other listed stocks relating to the theme of the CSI Hong Kong Listed Tradable Mainland Consumption Index, and listed securities which were past constituent stocks of the CSI Hong Kong Listed Tradable Mainland Consumption Index as the Manager considers appropriate. The W.I.S.E. - CSI HK Listed Mainland Consumption Tracker will not invest in derivatives for investment or efficient portfolio management purposes. However, the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker may passively acquire interests in derivatives, for example as a result of right issues of companies it invests in.

Given the high equity content, the Manager considers that the risk profile of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker is generally regarded as high.

Underlying Index

The CSI Hong Kong Listed Tradable Mainland Consumption Index is a stock index consisting of 53 constituent securities listed on the SEHK as at 21 April 2017 and is compiled and managed by China Securities Index Co., Ltd.

Please refer to Appendix I for information on the Underlying Index.

Specific Risks

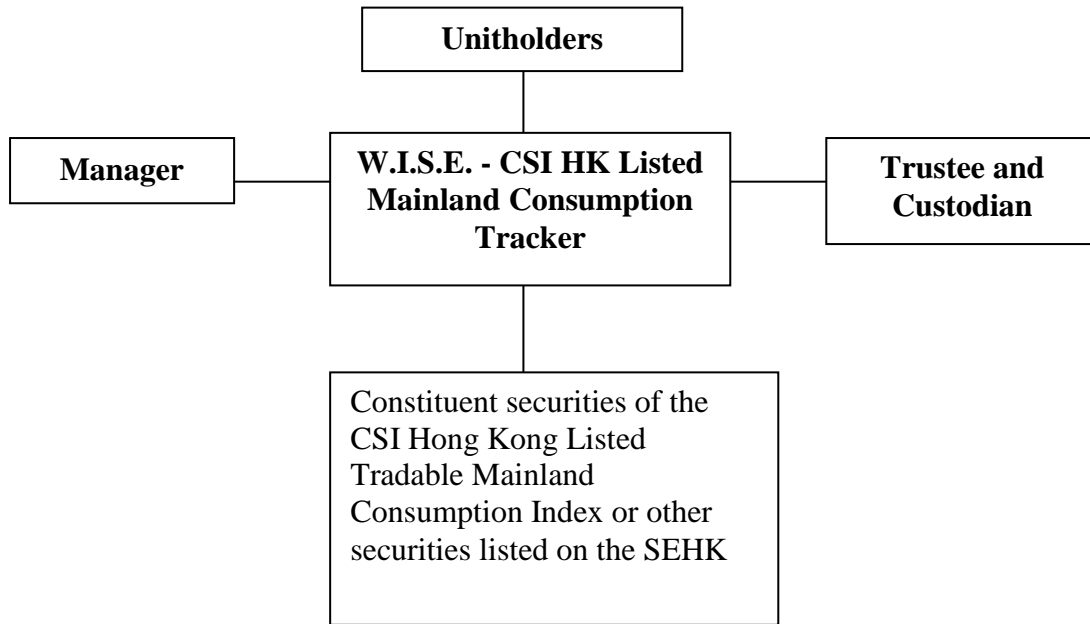
In addition to the general risks described in the “Risk Factors” section below, the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker is subject to the following additional special risks.

- (a) *Portfolio concentration risk* – As at 21 April 2017, the CSI Hong Kong Listed Tradable Mainland Consumption Index consists of 53 constituent securities listed on the SEHK. The W.I.S.E. - CSI HK Listed Mainland Consumption Tracker is therefore relatively concentrated in a limited number of stocks. The W.I.S.E. - CSI HK Listed Mainland Consumption Tracker is likely to be more volatile than a fund tracking an index with a greater number of constituent stocks, as the adverse performance of a constituent stock will have a greater impact on the value of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker.
- (b) *Sector concentration risk* – In order to track the CSI Hong Kong Listed Tradable Mainland Consumption Index, investments made by the W.I.S.E. - CSI HK Listed

Mainland Consumption Tracker may be concentrated in securities that are closely related to the consumer discretionary sector and consumer staples sector (see definition of the terms “consumer discretionary” sector and “consumer staples” sector in Appendix I at page 63) in the PRC Mainland. The W.I.S.E. - CSI HK Listed Mainland Consumption Tracker may therefore be subject to the volatility of the consumer staple market and consumer discretionary market in the PRC Mainland. In the event that such market is adversely affected by economic, political, regulatory or other factor, the performance of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker may also be adversely affected.

- (c) *Consumer discretionary sector risk* – The performance of companies active in the consumer discretionary sector in the PRC Mainland are correlated to the growth rate of the PRC Mainland consumer market, individual income levels and their impact on level of domestic consumer spending in the PRC Mainland which in turn depend on the worldwide economic conditions. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. There is no assurance that historic growth rates of the PRC Mainland economy and the PRC Mainland consumer economy will continue. Any future slowdown or decline in the PRC Mainland economy and consumer spending may materially and adversely affect the business of companies in the consumer discretionary sector and as a result the performance of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker, to the extent the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker invests in companies in the PRC Mainland consumer discretionary sector.
- (d) *Consumer staples sector risk* – Companies in the consumer staples sector are subject to government regulation affecting the permissibility of using various food additives and production methods, which regulations could affect company profitability. The success of food, beverage, household and personal products companies may be strongly affected by marketing campaigns, performance of the overall domestic and international economy, interest rates, competition and consumer confidence and spending. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. There can be no assurance that historical growth rates of the economy of the PRC Mainland and the PRC Mainland consumer market will continue. Any future slowdowns or declines in the PRC Mainland economy or consumer spending may materially and adversely affect the business of the companies in the consumer staples sector and as a result the performance of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker, to the extent the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker invests in companies in the PRC Mainland consumer staples sector.

Structure of the W.I.S.E. - CSI HK Listed Mainland Consumption Tracker



THE W.I.S.E. - CSI HK LISTED MAINLAND REAL ESTATE TRACKER

Key Information

The following table is only a summary of key information of the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker, and should be read in conjunction with the full text of this Prospectus.

Underlying Index	CSI Hong Kong Listed Tradable Mainland Real Estate Index Inception Date: 2 June 2010 Number of constituent stocks: 24 (as of 21 April 2017) Base Currency: Hong Kong dollars	
Listing Date	11 January 2011	
Exchange Listing	SEHK - Main Board	
Stock Code	02839	
Trading Board Lot Size	500 Units	
Base Currency	Hong Kong dollars (HK\$)	
Trading Currency	Hong Kong dollars (HK\$)	
Distribution Policy	Annually (if any) at the discretion of the Manager	
Parties	Manager	BOCI-Prudential Asset Management Limited
	Trustee and Custodian	BOCI-Prudential Trustee Limited
	Registrar	Computershare Hong Kong Investor Services Limited
	Participating Dealers	Goldman Sachs (Asia) Securities Limited Citigroup Global Markets Asia Limited BOCI Securities Limited UBS Securities Hong Kong Limited Macquarie Bank Limited
Application Unit size for Creation/Redemption by the Participating Dealers or Eligible Investors	Minimum 1,250,000 Units (or multiples thereof)	
Management Fees	0.5% p.a. of NAV	
Web Site	www.boci-pru.com.hk/english/etf/intro.aspx (for English), or www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)	

Investment Objectives and Policies

The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker is an index-tracking exchange traded fund which seeks to provide investment returns, before fees and expenses, that closely correspond to the performance of the CSI Hong Kong Listed Tradable Mainland Real Estate Index. In order to achieve the investment objective, the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker will adopt a representative sampling strategy and, under normal circumstances, will invest in at least 70% of the number of Index Securities in the Underlying Index. In the event of market disruption, a suspension of trading of the relevant Index Securities, index rebalancing or other events resulting in an increase in the number of constituent stocks, the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker may hold less than 70% of the number of Index Securities. The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker may also invest in non-Index Securities which are listed on the SEHK, such as other listed stocks relating to the theme of the CSI Hong Kong Listed Tradable Mainland Real Estate Index, and securities which were past constituent stocks of the CSI Hong Kong Listed Tradable Mainland Real Estate Index, as the Manager considers appropriate. The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker will not invest in derivatives for investment or efficient portfolio management purposes. However, the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker may passively acquire interests in derivatives, for example as a result of right issues of companies it invests in.

Given the high equity content, the Manager considers that the risk profile of the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker is generally regarded as high.

The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker is not authorized by the SFC under the Code on Real Estate Investment Trusts.

Underlying Index

The CSI Hong Kong Listed Tradable Mainland Real Estate Index is a stock index consisting of 24 constituent securities listed on the SEHK as at 21 April 2017 and is compiled and managed by the China Securities Index Co., Ltd.

Please refer to Appendix I for information on the Underlying Index.

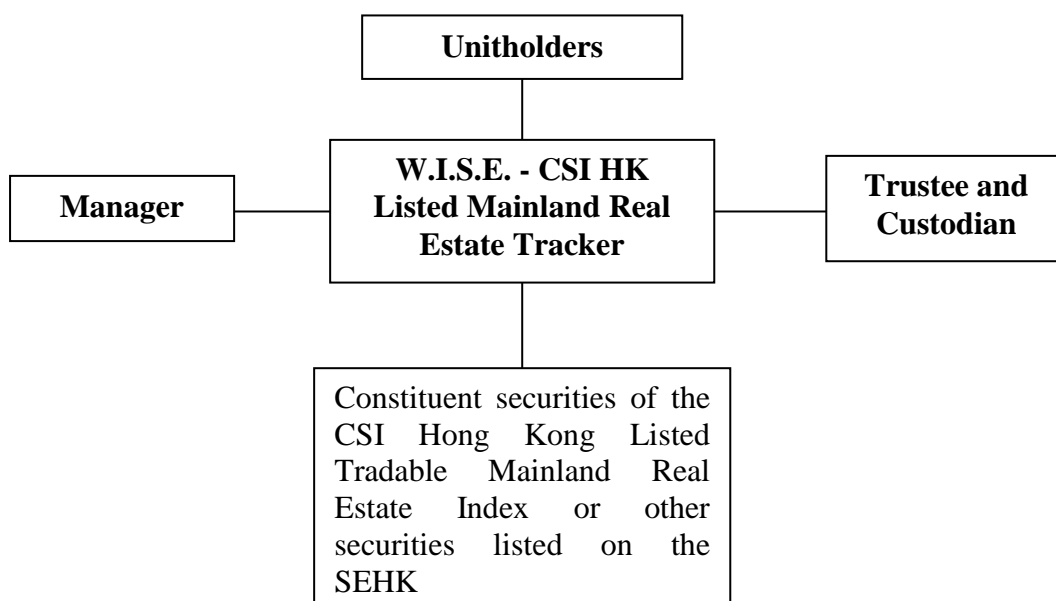
Specific Risks

In addition to the general risks described in the “Risk Factors” section below, the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker is subject to the following additional special risks.

- (a) *Portfolio concentration risk* – As at 21 April 2017, the CSI Hong Kong Listed Tradable Mainland Real Estate Index consists of 24 constituent securities listed on the SEHK. The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker is therefore relatively concentrated in a limited number of stocks. The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker is likely to be more volatile than a fund tracking an index with a greater number of constituent stocks, as the adverse performance of a constituent stock will have a greater impact on the value of the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker.

- (b) *Sector concentration risk* – In order to track the CSI Hong Kong Listed Tradable Mainland Real Estate Index, investments made by the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker may be concentrated in securities that are closely related to the real estate market in the PRC Mainland. The W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker may therefore be subject to the volatility of and government policies concerning the real estate market in the PRC Mainland. In the event that such market is adversely affected by economic, political, regulatory or other factor, the performance of the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker may also be adversely affected.

Structure of the W.I.S.E. - CSI HK Listed Mainland Real Estate Tracker



RISK FACTORS

Investments involve risks. Each Thematic Fund is subject to market fluctuations and to the risks inherent in all investments. The price of Units of each Thematic Fund and the income from them may go down as well as up. Investment in each Thematic Fund is not the same as investment in the constituent stocks of the Underlying Index.

The performance of each Thematic Fund will be affected by the following risk factors, including those set out below. Some or all of the risk factors may adversely affect each Thematic Fund's Net Asset Value, yield, total return and/or its ability to achieve its investment objective. There is no assurance that each Thematic Fund will achieve its investment objective. Investors should note that the following list does not purport to be an exhaustive list of the risk factors relating to an investment in each Thematic Fund. Investors should carefully consider the risks of investing in each Thematic Fund in light of their financial circumstances, knowledge, experience and other circumstances, and should seek independent professional advice as appropriate.

- (a) General investment risk – Each Thematic Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Thematic Funds may suffer losses. There is no guarantee in respect of repayment of principal.
- (b) Market risk – Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectations etc. which may have significant impact on the value of the investments. Any options and warrants in the Thematic Fund may also expose the Thematic Fund to the fluctuations in the market. Market movements may therefore result in substantial fluctuations in the Net Asset Value per Unit of the Thematic Fund.
- (c) Emerging market risk – Investing in emerging markets, such as the PRC, 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. Investors should be aware that the PRC is still a developing country and the legal and regulatory framework of the PRC is still undergoing development and there is a degree of legal uncertainty both for local and overseas market participants. Many economic reforms of the PRC are unprecedented or experimental and are subject to modification and adjustment, and such modification and adjustment may not always have a positive effect on the performance of PRC companies. Usually, emerging markets tend to be more volatile than developed markets and may experience substantial price volatility.
- (d) Single country / region / concentration risk – In tracking the Underlying Index, each Thematic Fund will invest in securities of PRC companies listed on the SEHK. Such companies may have substantial exposure to the risks in Hong Kong and/or the PRC. As a result, the value of each Thematic Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Thematic Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong and/or PRC market.

- (e) Sector concentration risk – To the extent that the Underlying Index concentrates in securities which belong to a particular industry or group of industries, the Manager may similarly concentrate the Thematic Fund’s investments. The performance of the Thematic Fund could then depend heavily on the performance of that sector industry or group of industries, and could be more volatile than the performance of other more diversified funds.
- (f) Equity market risk – Each Thematic 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.
- (g) Securities risk – Each company has its unique factors affecting the value of its securities. These factors include the company’s management capability, capital structure, liquidity position, product composition and others.
- (h) Passive investment risk – Each Thematic Fund is passively managed. Due to the inherent nature of the Thematic Fund, the Manager will not have the discretion to adapt to market changes and may not take an active role in defending the position of the Thematic Fund in declining markets. Hence, any fall in the Underlying Index will result in a corresponding fall in the value of the Thematic Fund.
- (i) Tracking error risk – Each Thematic Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. The Thematic Fund’s returns may deviate from the Underlying Index due to a number of factors. For example, the fees and expenses of the Thematic Fund, the investment strategy used (the need for the Manager to adopt a representative sampling strategy), rounding of share prices, changes to the Underlying Index and regulatory policies may affect the Manager’s ability to achieve close correlation with the Underlying Index. Further, each Thematic Fund may receive income (such as interests and dividends) from its assets while the Underlying Index does not have such sources of income. To the extent the Manager (in the case of a Participating Dealer) accepts a Creation Application in cash in lieu of Index Securities and (in the case of an Eligible Investor) accepts a Creation Application and does not use the cash in relation to the Creation Application to acquire Index Securities, such as where an Index Security is unavailable or available in insufficient quantity to be included in the Basket, there is a risk the Net Asset Value of the Thematic Fund will not correlate exactly with the Underlying Index.

The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

- (j) Portfolio management risk – Since each Thematic Fund will not fully replicate the Underlying Index and may hold securities which are not Index Securities, there is a risk that as the implementation of the Manager’s investment strategy is subject to a number of constraints, the investment strategy may not produce the intended results.
- (k) Risks relating to the Underlying Index – Each Thematic Fund may be subject to the following risks in relation to the Underlying Index:

(i) The Manager is granted a licence by the Index Provider to use the Underlying Index for each Thematic Fund. If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the SFC's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. For the avoidance of doubt, index-tracking will remain the Thematic Fund's investment objective. The Manager's licence from the Index Provider may be terminated if the Index Provider ceases to calculate and publish the Underlying Index and the Index Provider should give written notice to the Manager (i) not less than ninety (90) days before such cessation or the notice period stipulated by the relevant regulatory authorities, whichever is longer, or (ii) such shorter notice period as agreed between the Manager and the Index Provider. Unless otherwise agreed between the Manager and the Index Provider, the Index Provider may terminate the Manager's licence by written notice under the following circumstances:

- if the Manager ceases to develop and manage the Thematic Fund which tracks the Underlying Index and the Manager should give written notice to the Index Provider of not less than ninety (90) days before such cessation or such shorter notice period as agreed between the Manager and the Index Provider;
- if the Thematic Fund which tracks the Underlying Index managed by the Manager ceases to be listed;
- if the Manager breaches the licence agreement for the Underlying Index and fails to rectify the breach within thirty (30) after the Index Provider has notified the Manager in writing of the breach;
- if the size of the Thematic Fund which tracks the Underlying Index managed by the Manager is less than RMB100 million or its equivalent in foreign currencies;
- if any of the SFC and SEHK requests the Manager to cease developing and managing the Thematic Fund which tracks the Underlying Index;
- if the Manager commits a serious breach of the applicable national laws or violates the rules of the stock exchanges; or
- other circumstances specified by laws.

Either the Manager or the Index Provider may terminate the licence agreement by written notice under the following circumstances:

- if the licence agreement cannot be performed due to force majeure events;
- if the Index Provider loses the relevant rights in the Underlying Index; or
- if the Manager ceases business operations is revoked or liquidated, or declares bankruptcy.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, the shares of a constituent company may be delisted or a new eligible company may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the Thematic Fund, the Manager may change the weighting or composition of the Basket(s) held by the Thematic Fund. The price of the Units may rise or fall as a result of these changes.

- (iii) The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent companies and factors may also be changed or altered by the Index Provider at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Underlying Index, its computation or any information related thereto.
- (l) Risk relating to listing – If the Units are delisted from the SEHK, the Manager may, in consultation with the Trustee, seek the SFC’s prior approval to operate the Thematic Fund as an unlisted index fund (subject to any necessary amendments to the rules of the Thematic Fund) or terminate the Thematic Fund and will notify investors accordingly.
- (m) Trading in Units on the SEHK may be suspended – Investors will not be able to purchase or sell Units on the SEHK during any period that the SEHK suspends trading in the Units. The SEHK may suspend the trading of Units whenever the SEHK determines that it is appropriate in the interest of a fair and orderly market to protect investors. The creation and redemption of Units may also be suspended in the event that the trading of Units on the SEHK is suspended.
- (n) No assurance on continued listing status – There is no assurance that the Units of each Thematic Fund will continue to meet the listing requirements of the SEHK. If the Units of a Thematic Fund are delisted, the Manager may, in consultation with the Trustee, seek the SFC’s approval to operate the Thematic Fund as an unlisted index fund (subject to any necessary amendments to the rules of the Thematic Fund) or terminate the Thematic Fund and will notify investors accordingly.
- (o) Restrictions on creation and redemption of Units – Investors should note that the Thematic Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units can generally be purchased and redeemed in cash directly from the manager at a relatively smaller lot size). Units of each Thematic Fund may only be created and redeemed in Application Unit sizes either directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer), or, after the Initial Offer Period, directly by an Eligible Investor.

A Participating Dealer reserves the right to refuse to accept a request from an investor to create or to redeem Units under exceptional circumstances (such as (i) where the investor fails to comply with the client intake procedures of the Participating Dealer; (ii) suspension of creation or redemption of Units or determination of Net Asset Value of the Thematic Fund; (iii) market and operational restraints (such as the occurrence of a market disruption event), (iv) the Participating Dealer is not able to acquire further investments due to trading restrictions or limits in the relevant market (if applicable); or (v) circumstances where the Manager considers that acceptance of the Application will have an adverse effect on the Thematic Fund) provided that the relevant Participating Dealer must act reasonably and in good faith. The Participating Dealer can charge such fees as it may reasonably determine from time to time.

The Manager reserves the absolute discretion to accept or reject a Creation Application by an Eligible Investor, though the Manager's rejection of a Creation Application by an Eligible Investor shall not affect the Eligible Investor's right to make an Application through a Participating Dealer. The Manager reserves the right to accept or reject a Redemption Application by an Eligible Investor under exceptional circumstances having regard to the interest of Unitholders as a whole, provided that the Manager must act reasonably and in good faith. The Eligible Investor will bear all transactional costs, duties and expenses, and the market risk in constituting or liquidating the relevant Basket(s). In each case, the Manager may also charge such fees as the Manager may in its absolute discretion determine.

Further, no Creation or Redemption Applications may be made during any period when, amongst other things, dealings on the SEHK are restricted or suspended, when clearing of securities through the CCASS is disrupted, or when the Underlying Index is not compiled or published, or when determination of the Net Asset Value of the Thematic Fund is suspended, or if the securities underlying the Thematic Fund cannot be disposed. There is a risk that the investors (including Eligible Investors) may not always be able to create or redeem Units freely. Alternatively investors may realize the value of their Units by selling their Units through an intermediary such as a stockbroker on the SEHK, and there is a risk that dealings on the SEHK may be suspended.

- (p) Suspension of creation and redemption – Dealings of Units on the SEHK may not necessarily be suspended when there is a temporary suspension of the creation and redemption of Units under the terms of the Trust Deed. If the creation and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of any Thematic Fund's underlying assets.
- (q) Trading risk / risk related to divergence between the market price of the Units and the Net Asset Value of each Thematic Fund – Investors should note that unlike a typical retail investment fund offered to the public in Hong Kong (the trading price of the units of which is determined by the net asset value of the investment fund), the trading price of the Units traded on the SEHK is determined not only by the Net Asset Value of the Thematic Fund but also by other market factors such as the supply of and demand for the Units in the SEHK. Therefore, there is a risk that the Units may trade at a substantial premium or discount to each Thematic Fund's Net Asset Value and the trading price of the Units traded on the SEHK may diverge significantly from the Net Asset Value of the Thematic Fund or there may be a higher bid-ask spread (i.e. the difference between the highest price a buyer is willing to buy a Unit, and the lowest price a Seller is willing to sell a Unit).

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

- (r) Risk of absence of active market – There can be no assurance that an active or liquid trading market in respect of the Units in each Thematic Fund will be developed or maintained. There is no certain basis for predicting the actual price levels at which, or

the sizes in which, the Units in the Thematic Fund may trade. There can be no assurance that the Units in the Thematic Fund will experience trading or pricing patterns similar to those since inception of the Thematic Fund or to those of other exchange traded funds traded on the SEHK.

- (s) Termination risk – A Thematic Fund may be terminated under certain circumstances. These may include (i) the SFC withdrawing its authorisation of the Thematic Fund (for example, if it considers the Underlying Index to be no longer acceptable); (ii) if any law is passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Thematic Fund; (iii) the retirement or removal of the Manager where no replacement manager can be found which is acceptable; (iv) the retirement or removal of the Trustee where no replacement trustee can be found which is acceptable; (v) at any time one year after the establishment of the Thematic Fund, the Net Asset Value of that Thematic Fund falls below HK\$100,000,000; (vi) the Thematic Fund is no longer available for benchmarking; or (vii) in other circumstance described in this Prospectus. If a Thematic Fund is terminated for whatever reason, it may suffer declines in its net asset value. Accordingly, investors may not be able to recover their investments and suffer a loss when the Thematic Funds are terminated.
- (t) Risk of withdrawal of authorization – Each Thematic Fund has been authorized as a collective investment scheme under the UTMF Code by the SFC pursuant to section 104 of the Securities and Futures Ordinance. SFC authorization is not a recommendation or endorsement of the Thematic Fund nor does it guarantee the commercial merits of the Thematic Fund or its performance. It does not mean the Thematic Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorization of the Thematic Fund, for example, if the SFC considers the Underlying Index no longer acceptable.
- (u) No assurance on performance – Past performance is not indicative of future returns of each Thematic Fund. There can be no assurance that a Thematic Fund’s investment objectives will be met. The level of fees and expenses payable by a Thematic Fund may fluctuate. Although the amounts of certain ordinary expenses of each Thematic Fund may be estimated, the returns of each Thematic Fund and its Net Asset Value cannot be estimated. Accordingly no assurance can be given as to the performance of each Thematic Fund or its level of expenses.
- (v) Liquidity risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Investments made by each Thematic Fund may become illiquid or less liquid in response to market developments or adverse investor perceptions. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and more difficult to value. Certain securities may also be illiquid due to limited trading markets or contractual restrictions on their resale. Each Thematic Fund is exposed to the risk that a particular investment or position cannot be unwound or offset easily.

To meet redemption requests, each Thematic Fund may be forced to sell securities, at an unfavorable time and/or under unfavorable conditions. This can have an impact on the value of the Thematic Fund.

- (w) Country, political and sovereign risk – Investors should note that investment closely related to a particular country may be subject to the country’s political and sovereign risks. This may include any act of war, terrorism, riot, insurrection in the country, the imposition of any investment, repatriation or exchange control restrictions by the government authority, the confiscation, expropriation or nationalization of any property by the government authority. Any economic downturn may adversely affect the investment sentiment and domestic economy of the country and affect the value of related investments. Devaluation or revaluation of the local currency, sovereign government’s own capacity to repay external debt or any other political or economic risks incurred or experienced by a country may adversely affect the value of related investments.
- (x) Tax risk – Dividends and certain interests or other income paid to each Thematic Fund may be subject to tax on trading profits or on certain securities transaction, transfer or stamp duty or withholding tax which may negatively impact on the Thematic Fund’s performance and distributions (if applicable) that the Unitholders may receive from the Thematic Fund.
- (y) Risks relating to obligations to comply with AEOI

The Unitholders shall be required to, (i) upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for each Thematic Fund to satisfy reporting or other obligations under AEOI or to satisfy any obligations relating to any applicable laws and regulations or any agreements with any tax or fiscal authority in any jurisdictions, (ii) update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) otherwise comply with any reporting obligations imposed under AEOI, including reporting obligations that may be imposed by future legislation. The information provided by the Unitholders may be transmitted by the IRD to authorities in other jurisdictions.

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 each Thematic Fund.

- (z) Risks relating to obligations under FATCA regulations

The Unitholders shall be required to, (i) upon demand by the Trustee or the Manager provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for each Thematic Fund (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA as more particularly described in paragraph (aa) below) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Thematic Fund receives payments, and/or (B) to satisfy reporting or other obligations under the IRC and the United States Treasury Regulations promulgated

under the IRC, or to satisfy any obligations relating to any applicable laws and regulations or any agreements with any tax or fiscal authority in any jurisdictions, (ii) update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) otherwise comply with any reporting obligations imposed under the FATCA regulations.

Each Thematic Fund will endeavour to satisfy any obligations imposed under the FATCA regulations so as to avoid the imposition of FATCA withholding, however, no assurance can be given that each Thematic Fund will be able to satisfy those obligations. If the Thematic Fund becomes subject to FATCA withholding, the value of the Units held by the Unitholders may suffer material losses.

If the Unitholder or an intermediary through which it holds interest in the Thematic Fund fails to provide the Thematic Fund, its agents or authorised representatives with complete and accurate information that may be required by the Thematic Fund to comply with FATCA, the Unitholder may be subject to withholding on amounts otherwise distributable to the Unitholder, may be compelled to sell his interest in the Thematic Fund, or in certain situations, the Unitholders' interest in the Thematic Fund may be sold involuntarily (provided that the Thematic Fund observes applicable laws and regulations, act in good faith and on reasonable grounds).

In cases where Unitholders invest in the Thematic Fund through an intermediary, Unitholders are reminded to check whether such intermediary is FATCA compliant. If Unitholders are in any doubt, they should consult their tax advisor, stockbroker, bank manager, solicitor, accountant and other financial adviser regarding the possible implications of FATCA on the Unitholders and the Thematic Fund.

Unitholders, and intermediaries acting for Unitholders, should therefore take note that if they meet the definition of US Person for FATCA purpose then they will need to declare this to the Thematic Fund and submit any mandatory documentation.

(aa) Withholding tax risk under FATCA regime

Investors should note that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) each Thematic Fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. The FATCA rules generally impose a 30% withholding tax on (a) certain US source payments (including interest and dividends) and gross proceeds from the sale or other disposition of property that can produce US source interest or dividends (such as bonds or shares issued by a US issuer) ("withholdable payments"), and (b) "foreign passthru payments" (generally, payments that are attributable to withholdable payments) made by certain non-US entities (collectively referred to as "passthru payments"). Under the FATCA rules, if the Thematic Fund does not or cannot report to the IRS information regarding a US Person that indirectly holds interests in the Thematic Fund, and to comply with certain other reporting, verification, due diligence and other requirements, the Thematic Fund generally would be subject to 30% withholding tax on passthru payments received by the

Thematic Fund, which would reduce the Thematic Fund's value. Although the Thematic Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Thematic Fund will be able to satisfy those obligations. If the Thematic Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material losses.

Even if each Thematic Fund is able to comply with the requirements under the FATCA rules, Unitholders that fail to comply with information requests (including information requests from certain non-US entities through which payments from the Thematic Funds may be made) or otherwise comply with the requirements of the FATCA rules may be subject to a 30% withholding tax on passthru payments made by the Thematic Fund. Additionally, a Thematic Fund may be required to withhold tax on passthru payments made by the Thematic Fund to certain non-US entities (for example, a Unitholder's Hong Kong investment dealer) that are not in compliance with the FATCA rules, including certain non-US financial institutions through which distributions on the Units may be made.

The imposition of the 30% withholding tax under the FATCA rules could result in materially reduced investment returns for the Unitholders, including in circumstances where the withholding tax is imposed on passthru payments received by the Thematic Fund from the portfolio. The administrative costs arising from compliance with the FATCA rules may also cause an increase in the operating expenses of the Thematic Fund, thereby further reducing returns to Unitholders.

Unitholders should consult their independent tax advisor regarding the potential effect of the FATCA rules to an investment in each Thematic Fund.

- (bb) Reliance on market maker risks – Although the Manager will ensure that at least one market maker will maintain a market for the Units and at least one market maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the Units may be adversely affected if there is no or only one market maker for the Units. There is also no guarantee that any market making activity will be effective.
- (cc) Potential conflict of interest risk – The Manager and the Trustee and Custodian or their Connected Persons may, from time to time, act as manager, investment adviser, trustee or as custodian or in such other capacity in connection with or be otherwise involved in or with any other collective investment schemes separate and distinct from the Fund and each Thematic Fund. It is possible that any of the Manager and the Trustee and Custodian or their Connected Persons may, in the course of business, have potential conflicts of interest with each Thematic Fund. Each of the Manager and the Trustee and Custodian or their Connected Persons will, at all times, have regard in such event to its obligations to the Thematic Fund and the investors and will endeavour to ensure that such conflicts are resolved fairly. Please refer to the section on "Potential Conflict of Interest, Transactions with Connected Persons and Soft Commissions" on pages 51 to 53 for details.

INVESTMENT AND BORROWING RESTRICTIONS

Investment Restrictions

The Trust Deed imposes a number of restrictions and prohibitions on investment of the Thematic Funds. So long as the Thematic Funds are authorized by the SFC pursuant to the UTMF Code, the assets of the Thematic Funds may be invested only in the investments permitted under and in accordance with Chapters 7 and 8 of the UTMF Code issued by the SFC (as applicable).

A summary of the investment restrictions of each Thematic Fund is as follows:

- (1) No investment shall be purchased, made or added to if as a result thereof:
 - (a) the value of the Thematic Fund's latest holding of securities issued by any single issuer would exceed ten per cent (10%) of the total Net Asset Value of the Thematic Fund unless:
 - i. it is limited to a particular constituent security of the Underlying Index that accounts for more than ten per cent (10%) of the weighting of the Underlying Index and unless otherwise approved by the SFC, the weighting of that constituent security may not exceed that constituent security's weighting in the Underlying Index, except where the weightings are exceeded as a result of changes in the composition of the Underlying Index and the excess is only transitional and temporary in nature; or
 - ii. where the Thematic Fund adopts a representative sampling strategy which does not involve the full replication of the constituent securities of the Underlying Index in the exact weightings of the Underlying Index, the Thematic Fund may overweight the underlying holdings of a particular constituent security's weighting in the Underlying Index provided that any such excess of weightings is subject to a maximum limit of 4% or such other percentage as determined by the Manager after consultation with the SFC. In determining this limit, the Manager will consider the characteristics of the constituent security, its weighting, the investment objectives of the Underlying Index and any other suitable factors;
 - (b) the nominal amount of the Thematic Fund's holding of ordinary shares in the capital of any single issuer, when aggregated with the holdings of such ordinary shares held by all other sub-funds of the Fund, would exceed 10 per cent (10%) of the total nominal amount of all the ordinary shares in the capital of that issuer in issue;
 - (c) the value of the Thematic Fund's holding of units in Collective Investment Schemes would in aggregate exceed 10 per cent (10%) of the latest available Net Asset Value of the Thematic Fund as at the time investment is made PROVIDED THAT no investment may be made in any Collective Investment

Scheme managed by the Manager or by a Connected Person of the Manager if such investment would result in an increase in the overall total of Manager' fees and other costs and charges borne by the Unitholders or by the Thematic Fund; and

- (d) the value of the Thematic Fund's latest holding of securities neither listed nor quoted on a securities market would exceed fifteen per cent (15%) of the latest available Net Asset Value of the Thematic Fund as at the time the investment is made.
- (2) Notwithstanding 1(a) and 1(b) above, up to thirty per cent (30%) of the latest available Net Asset Value of the Thematic Fund may be invested in Government and other public securities (as defined under Chapter 7 of the UTMF Code) of the same issue. Further, subject to the restriction aforementioned, the Manager may invest all of the assets of the Thematic Fund in Government and other public securities in any number of different issues.
- (3) The Manager shall not on behalf of the Thematic Fund:
- (a) invest in a Security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5 per cent (0.5%) of the total nominal amount of all the issued securities of that class, or collectively the directors and officers of the Manager own more than five per cent (5%) of those securities;
 - (b) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts that are listed on a stock exchange);
 - (c) make short sales if it results in the Thematic Fund's liability to deliver Securities exceeding ten (10) per cent of the latest available Net Asset Value of the Thematic Fund or if the Security which is to be sold short is not actively traded on a market where short selling activity is permitted;
 - (d) write uncovered options;
 - (e) write a call option on investments if the aggregate exercise price of such call option and of all other unexpired call options written for the account of the Thematic Fund would exceed twenty five per cent (25%) of the latest available Net Asset Value of the Thematic Fund in terms of exercise price as at the time the investment is made;
 - (f) without the prior written consent of the Trustee, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
 - (g) enter into any obligation or acquire any asset which involves the assumption of any liability by the Trustee (in the capacity of the trustee of the Thematic Fund) which is unlimited;

- (h) invest in options and warrants for purposes other than hedging if the aggregate amount of premium paid exceeds fifteen per cent (15%) of the latest available Net Asset Value of the Thematic Fund as at the time the investment is made;
 - (i) enter into futures contract on an unhedged basis if the net total aggregate value of contract prices, whether payable to or by the Thematic Fund under all outstanding futures contracts, together with the aggregate value of holdings of physical commodities and commodity based investments exceed twenty per cent (20%) of the latest available Net Asset Value of the Thematic Fund as at the time the investment is made; or
 - (j) invest in any Security where a call is to be made, unless the call could be met in full out of cash or near cash from the Thematic Fund.
- (4) The Thematic Funds will not engage in any stock lending or stock borrowing.

Borrowing Restrictions

The Manager may borrow up to 25% of the latest available net asset value of the Thematic Fund as at the time the investment is made for the following purposes:

- facilitating the creation or redemption of Units or defraying operating expenses;
- enabling the Manager to acquire investments for the account of the Thematic Fund; or
- any other purpose as may be agreed by the Manager and the Trustee from time to time.

The assets of the Thematic Fund may be charged or pledged as security for any such borrowings. For the avoidance of doubt, back-to-back loans will not be taken into account when determining whether or not the 25% limit mentioned above has been breached by the Thematic Fund.

General

If any of the investment and borrowing restrictions are breached, the Manager shall as a priority objective take all steps necessary as soon as practicable to remedy the situation, having due regard to the interests of the Unitholders.

MANAGEMENT AND ADMINISTRATION

Manager and Listing Agent

BOCI-Prudential Asset Management Limited is the manager and the listing agent of the Thematic Fund. BOCI-Prudential Asset Management Limited is a joint venture between BOCI Asset Management Limited and Prudential Corporation Holdings Limited. BOCI Asset Management Limited is a wholly owned subsidiary of BOC International Holdings Limited which in turn is a wholly owned subsidiary of Bank of China Limited. BOCI-Prudential Asset Management Limited is specialized in security-based portfolio management business. Teaming up with elite investment professionals, BOCI-Prudential Asset

Management Limited is devoted to providing advanced and quality services to its clients and is committed to be a professional, prudent and reliable fund management house.

BOCI-Prudential Asset Management Limited is licensed by the SFC in Hong Kong for types 1, 4, 5, 6 and 9 regulated activities under the Securities and Futures Ordinance.

Trustee and Custodian

The trustee and custodian of the Thematic Fund is BOCI-Prudential Trustee Limited, which is a registered trust company in Hong Kong.

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

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Thematic Fund. The Trustee may, however, appoint any person or persons to be custodian of such assets. The Trustee is required to exercise reasonable skill, care and diligence in the selection, appointment and monitoring of such persons and, during the term of their appointment, must satisfy itself as to the ongoing suitability of such persons to provide custodial services to the Fund, having regard to the market or markets for which such persons are appointed to act as custodian. The Trustee will remain responsible for the acts or omissions of such persons in the same manner as if such acts or omissions were those of the Trustee, except where such persons are appointed in respect of a market or markets which the Trustee has determined by notice to the Manager to be emerging markets. Notwithstanding the above, the Trustee will remain responsible for the acts or omissions of any associate of the Trustee appointed in respect of an emerging market. Currently, the Trustee has not, and does not intend to appoint any custodian or sub-custodian in markets which they consider as being emerging markets. In the event that the Trustee intends to appoint any custodian or sub-custodian in emerging markets, the Trustee must first notify the Manager and the Manager will submit details of the proposed custody arrangements to the SFC for their prior approval.

Registrar

Computershare Hong Kong Investor Services Limited is the registrar of the Thematic Fund. The registrar provides services in respect of the establishment and maintenance of the Register of the Unitholders of the Thematic Fund.

Conversion and Service Agent

HK Conversion Agency Services Limited is the conversion agent and service agent of the Thematic Fund. The HK Conversion Agency Services Limited will perform certain services in connection with the creation and redemption of Units by the Participating Dealers and/or by the Managers on behalf of Eligible Investors.

CREATION AND REDEMPTION OF UNITS

Creation or Redemption of Units by a Participating Dealer

A Participating Dealer may apply to directly create or redeem Units of a Thematic Fund, and the creation or redemption will be in kind whereby the relevant Basket(s) and the Cash Component will be delivered by the Participating Dealer to the Manager (in case of creation) or delivered by the Manager to the Participating Dealers (in case of redemption). Any investor, other than a Participating Dealer, may make a request to create or redeem Units through a Participating Dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with the Participating Dealer. However, investors should note that a Participating Dealer reserves the right to refuse to accept a request from an investor to create or to redeem Units under exceptional circumstances (such as (i) where the investor fails to comply with the client intake procedures of the Participating Dealer, (ii) suspension of creation or redemption of Units or determination of Net Asset Value of the Thematic Fund, (iii) market and operational restraints (such as the occurrence of a market disruption event), (iv) the Participating Dealer is not able to acquire further investments due to trading restrictions or limits in the relevant market (if applicable) or (v) circumstances where the Manager considers that acceptance of the Application will have an adverse effect on the Thematic Fund) provided that the relevant Participating Dealer must act reasonably and in good faith. The Participating Dealer can charge such fees as it may reasonably determine from time to time. Details of the procedures for creation and redemption of Units are set out on pages 32 to 45 of this Prospectus.

Creation or Redemption of Units by an Eligible Investor

After the Initial Offer Period, an Eligible Investor may make a request to the Manager to create or redeem Units of a Thematic Fund. The creation or redemption request by an Eligible Investor must be in Application Unit sizes and in cash. No in-kind creation or redemption may be made by an Eligible Investor. The Manager reserves the absolute discretion to accept or refuse Creation Applications that may be made by an Eligible Investor, though the Manager's rejection of a Creation Application by an Eligible Investor shall not affect the Eligible Investor's right to make an Application through a Participating Dealer. The Manager reserves the right to accept or reject a Redemption Application by an Eligible Investor under exceptional circumstances having regard to the interest of Unitholders as a whole, provided that the Manager must act reasonably and in good faith. If the Manager accepts a Creation Application from an Eligible Investor, the Manager will use the subscription monies received to create the relevant Basket(s) for the Thematic Fund (adjusted by the Cash Component) and the Eligible Investor will bear all transactional costs, duties and expenses in constituting the Basket(s). The Basket(s) so created will be valued as of the relevant Dealing Day, and Units (in Application Unit sizes) of the Thematic Fund will be issued to the Eligible Investor based on the number of Basket(s) created, and a Cash Component may be payable to or by the Eligible Investor. The Eligible Investor therefore will be responsible for all transactional costs, duties and expenses, as well as subject to the market risk, in constituting the Basket(s). Similarly, if the Manager accepts a Redemption Application (in Application Unit sizes) from an Eligible Investor, the Manager will liquidate the relevant Basket(s) from the Thematic Fund and the Eligible Investor will bear all transactional costs, duties and expenses, and the market risk in liquidating the relevant Basket(s). A Cash Component may also be payable to or by the Eligible Investor. In accepting the Creation or Redemption Application by an Eligible Investor, the Manager may

also charge such servicing fee as the Manager may determine. Any fees charged by the Manager will be deducted from the subscription monies or redemption proceeds, as the case may be. Details of the procedures for creation and redemption of Units are set out on pages 32 to 45 of this Prospectus.

Investors should note that the Participating Dealer, the Manager and the stockbroker through whom an Application is made for creation or redemption of Units may impose an earlier dealing deadline, require other supporting documents for the Application and adopt other dealing procedures different from those set out for the Thematic Funds in this Prospectus. For example, the dealing deadline set by Participating Dealer, the Manager (with respect to an Applications by an Eligible Investor) or the stockbroker may be earlier than that set out for the Thematic Funds in this Prospectus. Investors should therefore check the applicable dealing procedures with the Participating Dealer, the Manager or the stockbroker (as the case may be).

For the avoidance of doubt, the Manager may accept creation or redemption applications made by the Manager or its affiliates, whether or not on behalf of a third party investor. All such transactions carried out shall be on an arms' length basis.

The operation of the Thematic Funds are described in more details in Appendix II.

Trading of Units on the SEHK

Investors may buy or sell the Units of the Thematic Funds through an intermediary such as a stockbroker on the SEHK. Dealings on the SEHK of Units in the Thematic Funds commenced on 11 January 2011. Units of the Thematic Funds have been accepted as eligible securities by the HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement. Units in the Thematic Funds shall trade on the SEHK in board lots of 500 Units each. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second settlement day (as defined in the General Rules of CCASS) after the trading day of the relevant transactions. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for listing of Units on one or more other stock exchanges.

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

Creation of Units

Unless otherwise determined by the Manager, a Creation Application shall be made by a Participating Dealer in accordance with the terms of the Trust Deed and the relevant Participation Agreement on a Dealing Day in respect of Units of such Thematic Fund constituting an Application Unit size or whole multiples thereof. Alternatively, Eligible Investors may make a Creation Application to the Manager to effect a creation of Units of such Thematic Funds constituting an Application Unit size or whole multiples thereof, in which case the Eligible Investor will bear all the transactional costs, duties and expenses, and the market risks in constituting the relevant Basket(s), as well as such servicing fee as the

Manager may impose. The dealing period on each Dealing Day commences at 12:00 noon and ends at the Dealing Deadline at 3:00 p.m., as may be revised by the Manager from time to time. A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager (which consent shall not be unreasonably withheld). For the avoidance of doubt, the Manager may process creation applications made by itself or its affiliates, whether such creation applications are made for its own account or on behalf of a third party investor. Investors should also note that different dealing deadlines may be imposed by the Participating Dealer or the Manager (with respect to Creation Applications made by an Eligible Investor) if the application is made through them.

Procedures for Creation of Units

Creation by Participating Dealers

To be effective, a Creation Application by a Participating Dealer must comply with the requirements in respect of creation of Units set out in the Trust Deed and/or this Prospectus (where applicable) and the relevant Participation Agreement and be accompanied by such certifications and legal opinions as the Trustee and the Manager may require. Pursuant to a valid Creation Application by a Participating Dealer accepted by the Manager, the Manager and/or any person appointed by the Manager for such purpose shall have the exclusive right to instruct the Trustee to create for the account of the Thematic Fund the Units in a class in Application Unit size in exchange for the transfer by the relevant Participating Dealer (or its agent), to or for the account of the Trustee, of:

- (a) in the Manager's absolute discretion,
 - (i) one or more Basket(s) for the relevant Units and a cash amount equivalent to any duties and charges payable; or
 - (ii) a cash payment equivalent to the value of the relevant Basket(s) (which shall be accounted for as Deposited Property), in which case, the Manager shall be entitled in its absolute discretion to charge (for the account of the Thematic Fund) to the relevant Participating Dealer of any Units for which cash is paid in lieu of delivering the Basket(s) an additional sum which represents the appropriate provision for duties and charges; or
 - (iii) a combination of (i) and (ii) above;

plus,

- (b) if the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component; if the Cash Component is a negative value, the Trustee shall be required to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to the relevant Participating Dealer. If the Thematic Fund has insufficient cash required to pay any Cash Component payable by the Thematic Fund, the Manager may instruct the Trustee to sell the Deposited Property of the Thematic Fund, or to borrow moneys to provide the cash required.

Where the Manager exercises its absolute discretion under paragraph (a) above, it shall take into account the investment objective of the Thematic Fund.

Units are denominated in the Base Currency (unless otherwise determined by the Manager) and no fractions of a Unit shall be created or issued by the Trustee. Once Units are created, the Manager shall instruct the Trustee to issue, for the account of the Thematic Fund, the Units to the relevant Participating Dealer (or its agent) in accordance with the Operating Guidelines. In respect of each Creation Application by a Participating Dealer, the Issue Price of a Unit of any class in the Thematic Fund shall be equal to one-hundredth (1/100th) of the closing level of the Underlying Index as at the close of the Initial Offer Period. After the close of the Initial Offer Period, the Issue Price of a Unit of any class in the Thematic Fund shall be the Net Asset Value per Unit of the relevant class as at the relevant Dealing Day rounded to the nearest fourth (4th) decimal place of the Base Currency (and in the case of 0.00005 or above of such minimum unit, rounded up). Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid by the Thematic Fund.

Where a Creation Application by a Participating Dealer is received or deemed to be received and accepted before the Dealing Deadline on a Dealing Day, creation and issue of Units pursuant to that Creation Application shall be effected on that Dealing Day, but:

- (a) for valuation purposes only, Units shall be deemed to be created and issued after the Valuation Point on that Dealing Day; and
- (b) the Register shall be updated on the Settlement Day or (if the settlement period is extended) the Dealing Day immediately following the Settlement Day provided that the Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the Register if at any time the Trustee is of the opinion that the issue of Units does not comply with the provisions of the Trust Deed.

Where a Creation Application by a Participating Dealer is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

In respect of each Creation Application by a Participating Dealer, the Manager shall be entitled to, for the account and benefit of the Trustee, charge the Transaction Fee, which shall be paid by or on behalf of the relevant Participating Dealer and may be set off and deducted against any Cash Component due to the relevant Participating Dealer in respect of such Creation Application. The Manager shall have the right to revise the amount of the Transaction Fee it charges provided that the level of Transaction Fee charged to all Participating Dealers is the same.

Creation by Eligible Investors

To be effective, unless otherwise determined by the Manager, a Creation Application by an Eligible Investor must satisfy the following:

- (a) comply with the requirements in respect of creation of Units set out in the Trust Deed and/or this Prospectus (where applicable);

- (b) be accompanied by such certifications and legal opinions as the Trustee and the Manager may require;
- (c) the Eligible Investor shall pay such amount of monies as the Manager may in its absolute discretion require in order to constitute the relevant Basket(s) for the Creation Application, and where the Cash Component is a positive value, pay to the Manager an amount in cash equivalent to the Cash Component. Such amount shall be paid in cleared funds in an account designated by the Manager acting on behalf of the Fund; and
- (d) the Eligible Investor shall pay to the Manager the servicing fees for the Creation Application at such rate as the Manager may determine, and all transactional costs, duties and expenses in constituting the relevant Basket(s).

If the Cash Component in relation to the Creation Application is a negative value, the Manager shall make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to the Eligible Investor.

Pursuant to a valid Creation Application by an Eligible Investor accepted by the Manager, the Manager shall use the subscription monies so received to create the relevant Basket(s) for the account of the Thematic Fund. The Eligible Investor shall bear all the transactional costs, duties and expenses in constituting the Basket(s). For valuation purposes, the relevant Basket(s) so constituted shall be valued as at the Valuation Point on the Dealing Day on which the Creation Application is received or deemed received. The Manager makes no representation or warranty that it will be able to acquire the Index Securities under the relevant Basket(s) at the best available price, or at the same price as such Index Securities as at the Valuation Point on the Dealing Day on which the Creation Application is received or deemed received. Where the Index Securities under the Basket(s) are acquired at a price higher than the price of such Index Securities at the Valuation Point on the relevant Dealing Day, the Eligible Investor will pay a higher price for the relevant Basket(s) than the value the Thematic Fund attributes to such Basket(s) for valuation purposes. The Eligible Investor therefore bears the market risks of constituting the Basket(s).

Under normal circumstances, the Manager shall create the relevant Basket(s) for the Creation Application. The Manager however reserves the discretion to constitute the Basket in part, and accept in cash the balance of the relevant Basket Value plus the Cash Component (if a positive value) for the purposes of the Creation Application, in the event the Manager is not reasonably able to constitute the full Basket(s) on the relevant Dealing Day due to the then prevailing market conditions.

The Manager and/or any person appointed by the Manager shall have the exclusive right to instruct the Trustee to create for the account of the Thematic Fund the Units in Application Unit size and accept the relevant Basket(s) (in whole or in part) as part of the subscription monies for the Creation Application.

The Issue Price of a Unit of any class in the Thematic Fund shall be the Net Asset Value per Unit of the relevant class as at the relevant Dealing Day rounded to the nearest fourth (4th) decimal place of the Base Currency (and in the case of 0.00005 or above of such minimum unit, rounded up). Any commission, remuneration or other sums payable by the Manager to

any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit.

Units of the Thematic Fund shall be issued at the Issue Price. The total consideration for Units issued in relation to a Creation Application shall have a value as at the relevant Dealing Day equal to the multiple of the Issue Price per Unit and the number of Units issued. Where one or more Basket(s) (in whole or in part) are created for the Creation Application, the consideration for the Units issued shall be partly satisfied by the value of the relevant Basket(s) as at the Valuation Point on the relevant Dealing Day. As a result, the Eligible Investor shall bear the market risks of constituting the Basket(s), as mentioned above. Therefore, the funding provided by the Eligible Investor for constituting the relevant Basket(s) may be higher or lower than the value the Thematic Fund attributed to such Basket(s) for valuation purposes. The overall funding provided by the Eligible Investor in relation to the Creation Application may be higher or lower than the aggregate Issue Price of the Units.

Units are denominated in the Base Currency (unless otherwise determined by the Manager) and no fractions of a Unit shall be created or issued by the Trustee. Once Units are created, the Manager shall instruct the Trustee to issue the Units to the relevant Eligible Investor.

Where a Creation Application by an Eligible Investor is received or deemed to be received and accepted before the Dealing Deadline on a Dealing Day, creation and issue of Units pursuant to that Creation Application shall be effected on that Dealing Day, but:

- (a) for valuation purposes only, Units shall be deemed to be created and issued after the Valuation Point on that Dealing Day; and
- (b) the Register shall be updated on the Settlement Day or (if the settlement period is extended) the Dealing Day immediately following the Settlement Day provided that the Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the Register if at any time the Trustee is of the opinion that the issue of Units does not comply with the provisions of the Trust Deed.

Where a Creation Application by an Eligible Investor is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

In respect of each Creation Application by an Eligible Investor, the Manager may set off and deduct the servicing fee charged by the Manager and any transactional costs, duties and expenses in constituting the Basket(s) against any Cash Component due to the relevant Eligible Investor.

Rejection of Creation of Units

The Manager reserves the right to reject a Creation Application from the Participating Dealer provided that the Manager must act reasonably and in good faith in exercising such right of rejection. The Manager reserves the absolute right to reject a Creation Application from an Eligible Investor though the Manager's rejection of a Creation Application by an Eligible Investor shall not affect the Eligible Investor's right to make a Creation Application through a

Participating Dealer. Also, under exceptional circumstances (such as (i) where the investor fails to comply with the client intake procedures of the Participating Dealer, (ii) suspension of creation or redemption of Units or determination of Net Asset Value of the Thematic Fund, (iii) market and operational restraints (such as the occurrence of a market disruption event), (iv) the Participating Dealer is not able to acquire further investments due to trading restrictions or limits in the relevant market (if applicable) or (v) circumstances where the Manager considers that acceptance of the application will have an adverse effect on the Thematic Fund), the Participating Dealer reserves the right to reject a request from any third party investor to submit a Creation Application, provided that the relevant Participating Dealer must act reasonably and in good faith. The Participating Dealer can charge such fees as it may reasonably determine from time to time.

Certificates

No certificates will be issued in respect of the Units of the Thematic Fund. All Units of the Thematic Fund will be registered in the name of the HKSCC Nominees Limited by the Registrar on the Register of Unitholders of the Thematic Fund, which is the evidence of ownership of Units. Beneficial interest of retail investors in the Units of the Thematic Fund will be established through an account with a participant in CCASS.

Cancellation of Creation Applications

In relation to Creation Applications by a Participating Dealer

The Trustee shall cancel Units of a Thematic Fund created and issued in respect of a Creation Application by a Participating Dealer under the following circumstances:

- (a) if the title to the Basket(s) deposited for exchange of Units has not been fully vested upon trust in the Trustee or to the Trustee's satisfaction, or evidence of title and instruments of transfer satisfactory to the Trustee have not been produced to or to the order of the Trustee by or on the relevant Settlement Day; or
- (b) the full amount of the Cash Component (if applicable) and any duties, fees and charges payable in respect of the Creation Application have not been received in cleared funds by or on behalf of the Trustee by such time on the Settlement Day as prescribed in the Operating Guidelines in respect of a Creation Application by a Participating Dealer,

provided that the Manager may in its discretion, with the approval of the Trustee, extend the settlement period on such terms and conditions as the Manager may determine.

Upon cancellation of any Units created pursuant to a Creation Application as mentioned above or if a Participating Dealer withdraws a Creation Application other than in the circumstances contemplated in the Trust Deed, such Units shall be deemed for all purposes never to have been created and the relevant Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that:

- (a) any Basket(s) deposited for exchange (or equivalent Securities of the same type) fully vested in the Trustee and any cash received by or on behalf of the Trustee in respect

of such cancelled Units shall be redelivered to the relevant Participating Dealer (or its agent);

- (b) the Manager shall be entitled to charge the relevant Participating Dealer for the account and benefit of the Trustee an Application Cancellation Fee;
- (c) the Manager may at its absolute discretion require the relevant Participating Dealer to pay to the Trustee for the account of the Thematic Fund in respect of each cancelled Unit a Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Price which would have applied in relation to each such Unit if a Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application;
- (d) the Trustee shall for its own benefit be entitled to the Transaction Fee payable in respect of the Creation Application; and
- (e) no previous valuations of the Thematic Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

In relation to Creation Applications by Eligible Investors

A Creation Application by an Eligible Investor, once accepted by the Manager, cannot be cancelled.

The Trustee shall cancel Units of a Thematic Fund created and issued in respect of a Creation Application by an Eligible Investor if the full amount of the subscription monies (including all the fees, costs and expenses incurred in constituting the Basket, and the Cash Component) and any duties, fees and charges payable in respect of the Creation Application have not been received in cleared funds by or on behalf of the Trustee by such time on the Settlement Day, provided that the Manager may in its discretion, with the approval of the Trustee, extend the settlement period on such terms and conditions as the Manager may determine.

Upon cancellation of any Units created pursuant to a Creation Application as mentioned above, such Units shall be deemed for all purposes never to have been created and the Eligible Investor shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that:

- (a) the Manager shall liquidate the Basket(s) constitute on behalf of the Eligible Investor and after deduction of all applicable transactional costs, duties and expenses, deposit the realized proceeds in cash to an account nominated by the Eligible Investor, together with redelivery of any cash received by or on behalf of the Trustee in respect of such cancelled Units not applied to constitute the Basket(s);
- (b) the Manager shall be entitled to charge the Eligible Investor for the account and benefit of the Trustee an Application Cancellation Fee;
- (c) the Manager shall be entitled to charge the Eligible Investor for the account and benefit of the Trustee the Transaction Fee payable in respect of the Creation Application;

- (d) the Manager may at its absolute discretion require the Eligible Investor to pay to the Trustee for the account of the Thematic Fund in respect of each cancelled Unit a Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Price which would have applied in relation to each such Unit if an Eligible Investor had, on the date on which such Units are cancelled, made a Redemption Application; and
- (e) no previous valuations of the Thematic Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

The Eligible Investor shall bear all market risks of realizing the Basket(s) constituted. For the avoidance of doubt, the Manager may liquidate the relevant Basket(s) at any time upon cancellation of the Units created pursuant to a Creation Application by an Eligible Investor. The Manager shall not be responsible for realizing the Index Securities under the relevant Basket(s) (as the Manager considers appropriate) at the best available price.

Redemption of Units

Unless otherwise determined by the Manager, an in-kind Redemption Application shall only be made by a Participating Dealer in accordance with the terms of the Trust Deed and the relevant Participation Agreement on a Dealing Day in respect of Units constituting an Application Unit size or whole multiples thereof. The dealing period on each Dealing Day commences at 12:00 noon and ends at the Dealing Deadline at 3:00 p.m., as may be revised by the Manager from time to time. A Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager (which consent shall not be unreasonably withheld). For the avoidance of doubt, the Manager may accept redemption applications made by the Manager or its affiliates, whether or not on behalf of a third party investor.

Redemption by Participating Dealers

To be effective, a Redemption Application by a Participating Dealer must comply with the requirements in respect of redemption of Units set out in the Trust Deed and/or this Prospectus (where applicable) and the relevant Participation Agreement and be accompanied by such certifications and legal opinions as the Trustee and the Manager may require. Pursuant to a valid Redemption Application by a Participating Dealer accepted by the Manager, the Manager shall instruct the Trustee to redeem and cancel the relevant Units on the Settlement Day in accordance with the Operating Guidelines and to transfer to the relevant Participating Dealer (or its agent) the relevant Basket(s) (as the Manager considers appropriate) in respect of such Units, plus, where the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component. If the Thematic Fund has insufficient cash to pay any Cash Component payable by the Thematic Fund, the Manager may instruct the Trustee to sell the Deposited Property of the Thematic Fund, or to borrow moneys, to provide the cash required. If the Cash Component is a negative value, the relevant Participating Dealer shall be required to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to or to the order of the Trustee.

Redemption by an Eligible Investor

To be effective, unless otherwise agreed by the Manager, a Redemption Application (in Application Unit sizes) by an Eligible Investor must comply with the requirements in respect of redemption of Units set out in the Trust Deed and/or this Prospectus (where applicable) and be accompanied by such certifications and legal opinions as the Trustee and the Manager may require.

Pursuant to a valid Redemption Application by an Eligible Investor accepted by the Manager, the Manager shall instruct the Trustee to redeem and cancel the relevant Units on the Settlement Day and to transfer the relevant Basket(s) (as the Manager considers appropriate) in respect of such Units to the Manager's designated account. The Manager shall liquidate such Basket(s) in respect of such Units and after deduction of all applicable transaction costs, duties and expenses, pay the realized proceeds in cash to the Eligible Investors. If the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component shall be paid by the Trustee to the Eligible Investor (through the Manager). If the Cash Component is a negative value, the Eligible Investor shall be required to pay (through the Manager) the amount of the Cash Component (expressed as a positive figure) to or to the order of the Trustee.

For valuation purposes, the Basket(s) so realized shall be valued as at the Valuation Point on Dealing day on which the Redemption Application is received or deemed received. The Manager makes no representation or warranty that it will be able to realize the Index Securities under the relevant Basket(s) (as the Manager considers appropriate) at the best available price, or at the same price as such Index Securities as at the Valuation Point on the Dealing Day on which the Redemption Application is received or deemed received. Where the Index Securities under the Basket(s) are realized at a price lower than the price of such Index Securities as at the Valuation Point on the relevant Dealing Day, the Eligible Investor will receive a lower value for the relevant Basket(s) than the value the Thematic Fund attributes to such Basket(s) for valuation purposes. The Eligible Investor therefore bears the market risks of realizing the Basket(s).

The Eligible Investor shall bear all transactional costs, duties and expenses in liquidating the relevant Basket(s). The Manager is also entitled to charge a servicing fee as the Manager may determine on the Redemption Application. The Cash Component, the Manager's servicing fee, and all duties and charges payable by the Eligible Investor may be set off and deducted from the redemption proceeds payable to the Eligible Investor.

If the Thematic Fund has insufficient cash to pay any Cash Component payable by the Thematic Fund, the Manager may instruct the Trustee to sell the Deposited Property of the Thematic Fund, or to borrow moneys, to provide the cash required. If the Cash Component is a negative value, the Participating Dealer or the Eligible Investor (as the case may be) shall be required to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to or to the order of the Trustee, provided always that the Trustee shall be entitled to set off and deduct any amount of the Cash Component (being of a negative value) from the redemption proceeds payable to the Participating Dealer or Eligible Investor (as the case may be).

Redemption - General

The Redemption Price of Units redeemed shall be the Net Asset Value per Unit of the relevant class rounded to the nearest fourth (4th) decimal place of the Base Currency (and in the case of 0.00005 or above of such minimum unit, rounded up). Unless specifically requested to do so by the Participating Dealer or the Eligible Investor (as the case may be), not later than one (1) month after the relevant Dealing Day, the Trustee shall be under no obligation to check the calculation of the Redemption Price in connection with any redemption of Units. Should the Manager be in any doubt as to the Redemption Price in connection with any redemption of Units, the Manager will request an independent third party to check the Redemption Price.

Units of the Thematic Fund shall be redeemed at the Redemption Price. The total redemption proceeds (i.e. the relevant Basket Value and the Cash Component) shall have a value as at the relevant Dealing Day equal to the multiple of the Redemption Price per Unit and the number of Units redeemed. Eligible Investors should note, however, that in processing a Redemption Application, the Manager shall liquidate the relevant Basket(s) and as mentioned above, the price at which the relevant Basket(s) are liquidated may not be the best price available or the same as the Basket Value as at the Valuation Point on the Dealing Day at which the above-mentioned redemption proceeds are valued. The Eligible Investor will hence bear the market risks of realizing the Basket(s). The actual monies that the Eligible Investor may receive from the liquidation of the relevant Basket(s) may be higher or lower than the value the Thematic Fund attributed to such Basket(s) for valuation purposes. The actual monies received by the Eligible Investor in relation to the Redemption Application may be higher or lower than the aggregate Redemption Price of the Units redeemed.

The maximum interval between (i) the receipt of a properly documented Redemption Application and (ii) payment of redemption proceeds to the relevant investor may not exceed one (1) calendar month, unless otherwise permitted under the UTMF Code.

The Manager reserves the right to reject a Redemption Application under exceptional circumstances from the Participating Dealer provided that the Manager must act reasonably and in good faith in exercising such right of rejection. The Manager reserves the absolute right to reject a Redemption Application by an Eligible Investor under exceptional circumstances having regard to the interest of Unitholders as a whole provided the Manager must act reasonably and in good faith in exercising such right of rejection. The Manager's rejection of a Redemption Application by an Eligible Investor shall not affect the Eligible Investor's right to make a Redemption Application through a Participating Dealer. The Participating Dealer reserves the right to reject a request from any third party to submit a Redemption Application under exceptional circumstances (such as (i) where the investor fails to comply with the client intake procedures of the Participating Dealer, (ii) suspension of creation or redemption of Units or determination of Net Asset Value of the Thematic Fund, (iii) market and operational restraints (such as the occurrence of a market disruption event), (iv) the Participating Dealer is not able to acquire further investments due to trading restrictions or limits in the relevant market (if applicable), or (v) circumstances where the Manager considers that acceptance of the Application will have an adverse effect on the Thematic Fund) provided that the Participating Dealer must act reasonably and in good faith. The Participating Dealer may charge such fees as it may reasonably determine from time to time.

With a view to protecting the interests of investors, the Manager is entitled, with the approval of the Trustee, to limit the number of Units of the Thematic Fund redeemed by any one investor on any Dealing Day (whether by sale to the Manager or by cancellation by the Trustee) to 20% of the latest available net asset value of the Thematic Fund, and the number of Units to be redeemed should be in multiples of the Application Unit size. Units not redeemed (but which would otherwise have been redeemed) will be carried forward and given priority for redemption, subject to the same 20% limitation and Application Unit size requirements, on the next Dealing Day and the redemption price will then be determined by reference to the Net Asset Value per Unit of such next Dealing Day. If requests for redemption are so carried forward, the Manager will inform the investors concerned.

Where a Redemption Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Redemption Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. For valuation purposes, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is deemed to be received.

In respect of each Redemption Application, the Manager shall be entitled to, for the account and benefit of the Trustee, charge a Transaction Fee which shall be paid by the relevant Participating Dealer or Eligible Investor (as the case may be) and such Transaction fee may be set off and deducted against any Cash Component due to the relevant Participating Dealer or Eligible Investor (as the case may be) in respect of such Redemption Application. The Manager shall have the right to revise the amount of the Transaction Fee charged provided that the level of Transaction Fee charged by the Manager to all Participating Dealers and Eligible Investors is the same.

The Manager shall be entitled to deduct from and set off against any Cash Component payable to a Participating Dealer or an Eligible Investor (as the case may be) on the redemption of Units a sum (if any) which represents the appropriate provision for duties and charges, the Transaction Fee, the Manager's servicing fee (with respect to Eligible Investors only) and any other fees payable by the Participating Dealer or the Eligible Investor (as the case may be). If the Cash Component is insufficient to pay such duties and charges, the Transaction Fee, the Manager's servicing fee (with respect to Eligible Investors only) and any other fees payable on such redemption, the Participating Dealer or the Eligible Investor (as the case may be) shall promptly pay the shortfall to or to the order of the Trustee, and until such shortfall and any Cash Component, Transaction Fee, the Manager's servicing fee (with respect to Eligible Investors only) and any fees and charges payable by the Participating Dealer or by the Eligible Investor (as the case may be) are paid in full in cleared funds to or to the order of the Trustee, the Trustee shall not be obliged to deliver (and shall have a general lien over) the relevant Basket(s) to be transferred in respect of the relevant Redemption Application.

Upon redemption of Units pursuant to a valid Redemption Application,

- (a) the funds of the Thematic Fund shall be deemed to be reduced by the cancellation of such Units and, for valuation purposes, such Units shall be deemed to have been redeemed and cancelled after the Valuation Point as at the Dealing Day on which the Redemption Application is or is deemed to be received; and

- (b) the name of the Unitholder of such Units shall be removed from the Register on the relevant Settlement Day.

In respect of a Redemption Application, unless the requisite documents in respect of the relevant Units have been delivered to the Manager by such time on the Settlement Day and (in respect of a Redemption Application made by a Participating Dealer) as prescribed in the Trust Deed and the Operating Guidelines or (in respect of a Redemption Application made by an Eligible Investor) as prescribed in the Trust Deed and/or this Prospectus (where applicable) or as otherwise notified by the Manager to the Eligible Investors in writing, the Redemption Application shall be deemed never to have been made except that the Transaction Fee in respect of such Redemption Application (if applicable) shall remain due and payable and once paid, shall be retained by and for the benefit of the Trustee, and in such circumstances:

- (a) the Manager shall be entitled to charge the Participating Dealer or the Eligible Investor (as the case may be) for the account and benefit of the Trustee an Application Cancellation Fee;
- (b) the Manager may at its absolute discretion require the Participating Dealer or the Eligible Investor (as the case may be) to pay to the Trustee, for the account of the Thematic Fund, Cancellation Compensation in respect of each Unit, being the amount (if any) by which the Redemption Price of each Unit is less than the Issue Price which would have applied in relation to each Unit if a Participating Dealer or an Eligible Investor (as applicable) had, on the final day permitted for delivery of the requisite documents in respect of the Units which are the subject of the Redemption Application, made a Creation Application; and
- (c) no previous valuations of the Thematic Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application,

provided that the Manager, with the approval of the Trustee, may at its discretion extend the settlement period on such terms and conditions as the Manager may determine.

Manager's Discretion to Pay Cash for Redemption of Units

For Redemption Application made through the Participating Dealer, the Manager shall have the right to determine in its absolute discretion that the Trustee shall pay cash out of the Thematic Fund equal to the market value at the Valuation Point for the relevant Dealing Day of the relevant Basket(s) (or part thereof) in lieu of delivering the relevant Basket(s) to the Participating Dealer (or its agent) if the Manager determines in its absolute discretion that the Basket(s) are unlikely to be available for delivery or likely to be available in insufficient quantity for delivery upon the Redemption Application by a Participating Dealer or if it is in the interests of the Thematic Fund to do so, provided that the Manager shall be entitled in its absolute discretion to charge (for the account of the Thematic Fund) to the Participating Dealer redeeming any Units for which cash is paid in lieu of delivering the Basket(s) an additional sum which represents the appropriate provision for duties and charges. Such duties and charges payable by the Participating Dealer may be set off and deducted from the cash payable in lieu.

Compulsory Redemptions under Certain Circumstances

The Manager may compulsorily redeem a Unitholder's Units in the Thematic Funds (or any part thereof) upon reasonable notice as if the Unitholder had requested the redemption of such Units and close any accounts held by a Unitholder for the Unitholder's investments in the Thematic Funds if:

- (a) the Unitholder is or becomes or is holding the Units for the account of or benefit of (i) a US Person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)); or (ii) a US Person for FATCA purpose; or (iii) any other Unqualified Person (as defined in the "Definitions" section on page 9);
- (b) the Unitholder refuses or fails to provide in a timely manner any information or documents or other assistance as reasonably requested by the Manager and/or the Trustee for the purpose of meeting any demands, disclosure or reporting requirements as may be required under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA or any IGA entered into between the US and Hong Kong in connection with FATCA (including any Hong Kong laws and regulations implemented as part of such IGA);
- (c) the Unitholder withdraws consent to the reporting or disclosure of any information or documents relating to the Unitholder or the Unitholder's investments as may be required under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA or any IGA entered into between the US and Hong Kong in connection with FATCA (including any Hong Kong laws and regulations implemented as part of such IGA);
- (d) the continued holding of Units by the Unitholder will subject the Manager, the Trustee, the Thematic Funds and/or service providers of the Thematic Funds to any reporting or withholding requirements under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA or any IGA entered into between the US and Hong Kong in connection with FATCA (including any Hong Kong laws and regulations implemented as part of such IGA); or
- (e) it is, in the opinion of the Manager, required for the purpose of complying with any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA or any IGA entered into between the US and Hong Kong in connection with FATCA (including any Hong Kong laws and regulations implemented as part of such IGA).

The Manager has a right to withhold, set-off or deduct reasonable amounts from the redemption proceeds, provided that: (i) such withholding, set-off or deduction is permitted by applicable laws and regulations; and (ii) the Manager is acting in good faith and on reasonable grounds.

The Manager will notify the Trustee and/or the other relevant service providers before any such redemption is made or any closing of account is done.

Liquidity Risk Management

Unitholders should be aware of the potential impact of the liquidity risks on the Thematic Funds. For details, please refer to paragraph “(v) Liquidity risk” of “Risk Factors” section above.

The Manager employs a liquidity risk management process and maintains tools and methods for monitoring the liquidity of the Thematic Funds. The overall process involves appropriate oversight by management, measurement processes, regular assessment, on-going monitoring and internal control procedures.

The liquidity risk management tools include implementation of and maintaining appropriate practice to delay and/or limit redemptions to allow them to be proceeded in an orderly manner and performing periodic liquidity stress testing under different market conditions to assess the liquidity position of the Thematic Funds.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each Thematic Fund shall be determined at the Valuation Point on each Dealing Day (or at such other time as the Manager and the Trustee determined) by valuing the assets of the Thematic Fund and deducting the liabilities of the Thematic Fund in accordance with the terms of the Trust Deed.

The Trust Deed provides, inter alia, that the value of investments in the Thematic Fund shall be determined as follows:

- (a) the value of any investment quoted, listed or normally dealt in on a market (other than an interest in a Collective Investment Scheme) shall be calculated by reference to the price which appears to the Manager to be the last mark-to-market bid price on the relevant Dealing Day or (if no last mark-to-market bid price is available) midway between the latest available market offered price and the latest available market bid price (as at such time as shall be agreed between the Trustee and the Manager) on the market on which the investment is quoted, listed or ordinarily dealt in for such amount of such investment as the Manager may consider in the circumstances to provide a fair criterion, PROVIDED THAT:
 - (i) if an investment is quoted, listed or normally dealt in on more than one market, the Manager shall adopt the price or, as the case may be, middle quotation on the market which, in its opinion, provides the principal market for such investment;
 - (ii) in the case of any investment which is quoted, listed or normally dealt in on a market but in respect of which, for any reason, prices on that market may not be available at any relevant time, the value thereof shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager or, if the Trustee so requires, 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;

and for the purpose of the foregoing provisions the Manager or the Trustee shall be entitled to use and to rely upon electronic price feeds from such source or sources as they may from time to time think fit with regard to the pricing of the investments on any market notwithstanding that the prices so used are not the last mark-to-market bid prices and references to valuation of investments or deposits on a particular day or at a particular time may, if such a system is used, mean the valuation on the system on that day or at that time notwithstanding it may have been taken at a time or times selected by the system and be prior to that day or time, and the Manager shall use reasonable endeavours to ensure that such source or sources are, in its reasonable opinion, reliable and independent;

- (b) the value of any investment which is not quoted, listed or ordinarily dealt in on a market shall be the initial value thereof equal to the amount expended out of the Thematic Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Trustee) provided that the Manager may at any time with the approval of the Trustee and shall at such times or at such intervals as the Trustee may request, cause a revaluation to be made of any unquoted investment by a professional person approved by the Trustee as qualified to value such unquoted investment;
- (c) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof;
- (d) the value of each unit, share or other interest in any Collective Investment Scheme which is valued as at the same day as the Thematic Fund shall be the net asset value per unit or share in such Collective Investment Scheme as at that day or, if the Manager so determines, or if such Collective Investment Scheme is not valued as at the same day as the Thematic Fund, the value of such interest shall be the latest available net asset value per unit, share or other interest in such Collective Investment Scheme;
- (e) notwithstanding the foregoing, the Manager may, with the consent of the Trustee, adjust the value of any investment if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations it deems relevant, it considers that such adjustment is required to reflect the fair value thereof. The Trustee may also carry out regular independent valuation of the investments as it deems appropriate; and
- (f) the value of any investment (whether of a Security or cash) otherwise than in the Base Currency shall be converted into the Base Currency at the rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.

**SUSPENSION OF CREATION OR REDEMPTION OF UNITS OR
DETERMINATION OF NET ASSET VALUE**

The Manager may, after giving notice to the Trustee, declare on the website maintained by the Manager for the Thematic Fund or through such other means as the Manager considers appropriate a suspension of creation or redemption of Units or the determination of the Net Asset Value of a Thematic Fund for the whole or any part of any period during which:

- (a) there is a closure of or the restriction or suspension of trading on any securities market on which a substantial part of the investments of the Thematic 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 determining the Net Asset Value or the Issue Price or Redemption Price of a Unit;
- (b) for any other reason, the prices of investments held or contracted for by the Manager for the account of the Thematic Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (c) in the opinion of the Manager, it is not reasonably practicable to realize any investments held or contracted for the account of the Thematic Fund or it is not possible to do so without seriously prejudicing the interests of Unitholders of the Thematic Fund; or
- (d) the remittance or repatriation of funds which will or may be involved in the redemption of, or in the payment for, the investments of the Thematic Fund or the subscription or redemption of any classes of Unit is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal exchange rates.

Upon declaration of the suspension by the Manager, the suspension shall take effect. During the suspension,

- (a) there shall be no creation or redemption of Units or determination of the Net Asset Value of the Thematic Fund;
- (b) the Manager shall have the absolute discretion to suspend an Application received prior to the suspension;
- (c) the Manager shall be under no obligation to rebalance the Basket(s) held by the Thematic Fund;
- (d) no Applications shall be made by the Participating Dealer or by an Eligible Investor;
- (e) no Units shall be created and issued or redeemed for the account of the Thematic Fund.

The suspension shall terminate (a) when the Manager, after giving notice to the Trustee, declares the suspension at an end, or (b) in any event on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist; and no other condition under which suspension shall be declared exists.

As soon as reasonably practicable after the termination of suspension, the Manager shall publish a notice of such termination on the website maintained by the Manager for the Thematic Fund or through such other means as the Manager considers appropriate.

The Manager shall notify the SFC as soon as reasonably practicable upon any suspension of creation or redemption of Units, or the determination of the Net Asset Value of a Thematic Fund, and shall publish a notice of suspension immediately following such suspension and at least once a month during the suspension on the website maintained by the Manager for the Thematic Fund and in one leading Hong Kong English language and one Chinese language daily newspaper or through such other means as the SFC considers appropriate.

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

SUSPENSION OF DEALING IN UNITS ON THE SEHK

Dealing in Units on the SEHK, or trading on the SEHK generally, may at any time be suspended by the SEHK subject to any conditions imposed by the SEHK if the SEHK considers it necessary for the protection of investors or for the maintenance of an orderly market or in such other circumstances as the SEHK may consider appropriate.

The Manager shall publish any announcement on suspension of dealing in Units on the SEHK in accordance with the rules of the SEHK.

DISTRIBUTION POLICY

In respect of each Thematic Fund, the Manager may in its discretion make distributions to Unitholders in each financial year, usually in around December, as the Manager considers appropriate, having regard to the net income of the Thematic Fund. Distributions are not guaranteed and the Manager may in its sole and absolute discretion decide not to make any distributions in a financial year.

CHARGES AND EXPENSES

For details of the amount of fees and charges currently applicable to the Thematic Funds, please refer to Appendix III.

Management Fee

The Manager is entitled to receive a management fee for each Thematic Fund calculated as a percentage of the net asset value of the relevant class of Units of the Thematic Fund. The management fee will be deducted from the assets of the Thematic Fund. The maximum management fee the Manager may levy shall be 2.0% per annum of the Net Asset Value of the Thematic Fund.

The management fee is calculated and accrues on each Dealing Day and are paid monthly in arrears.

The Manager may at any time decrease the rate of management fee in respect of any class of Units of the Thematic Fund. The Manager may also increase the rate of management fee payable in respect of any class of Units of the Thematic Fund (up to the maximum rate as set out above) on giving not less than one (1) month's notice of such increase to affected Unitholders and the Trustee.

Trustee Fee

The Trustee is entitled to receive a trustee fee in respect of each Thematic Fund calculated as a percentage of the net asset value of the relevant class of Units of the Thematic Fund. The trustee fee will be deducted from the assets of the Thematic Fund. The maximum trustee fee the Trustee may levy shall be 0.5% per annum of the net asset value of the Thematic Fund.

The trustee fee is calculated and accrues on each Dealing Day and are paid monthly in arrears.

The Trustee may also increase the rate of trustee fee payable in respect of any class of Units of the Thematic Fund (up to the maximum rate as set out above) on giving not less than one (1) month's notice of such increase to affected Unitholders.

In addition, the Trustee is entitled to (i) be paid out of assets of the Thematic Funds transaction and processing fees in accordance with its normal scales as agreed with the Manager; (ii) subject to the agreement between the Trustee and the Manager, all or any part of Application Cancellation Fee and Transaction Fee charged to a Participating Dealer or an Eligible Investor (as the case may be); (iii) inception fee of US\$10,000 for the establishment of the Fund and a further inception fee of US\$2,500 for the Thematic Fund (such inception fees represent the fees of the Trustee and are not part of the establishment costs of the Fund or the Thematic Fund); and (iv) such other fees as may be permitted under the Trust Deed. The Thematic Fund shall bear the costs set out above which are directly attributable to it. Where such costs are attributable to the relevant Thematic Fund and other sub-funds of the Fund, the Thematic Fund will bear such costs in proportion to its respective net asset value or in such other manner as the Manager shall consider appropriate.

Other Charges and Expenses

The Thematic Fund shall bear the costs set out in the Trust Deed which are directly attributable to it. Where such costs are attributable to the relevant Thematic Fund and other sub-funds of the Fund, the Thematic Fund will bear such costs in proportion to its respective net asset value or in such other manner as the Manager shall consider appropriate. Such costs include, but are not limited to, the costs incurred in the establishment, structuring,

management and administration of the Fund and its sub-funds, the costs of investing and realizing the investments of the sub-funds, the fees and expenses of custodians and sub-custodians of the assets of the Fund, the fees and expenses of the auditors, valuation costs, legal fees, the costs incurred in connection with any listing or regulatory approval, the costs of holding meetings of Unitholders, the costs and expenses of licensing the Underlying Index in connection with the relevant Thematic Fund and the costs incurred in the preparation and printing of any prospectus, any audited accounts or interim reports which are sent to the Unitholders.

In addition to the above, Unitholders may be required to pay any requisite governmental tax, stamp duty, registration fee, custody and nominee charges as may be required in the purchase or sale of the Units in the Thematic Funds. Fees payable by retail investors dealing in the Units on the SEHK are set out under the “Fees Payable by Participating Dealers and Retail Investors” section in Appendix III.

POTENTIAL CONFLICT OF INTEREST, TRANSACTIONS WITH CONNECTED PERSONS AND SOFT COMMISSIONS

The Manager and the Trustee and Custodian or their Connected Persons may, from time to time, act as manager, investment adviser, trustee or as custodian or in such other capacity in connection with or be otherwise involved in or with any other collective investment schemes separate and distinct from the Fund and the Thematic Funds, including those that have similar investment objectives to those of the Thematic Funds, or contract with or enter into financial, banking or other transaction with one another or with any investor of the Thematic Funds, or any company or body any of whose shares or securities form part of any Thematic Fund or may be interested in any such contract or transaction and shall not be liable to account to the Fund or any Thematic Fund or any investor of the Fund or the Thematic Fund for any profit or benefit made or derived thereby or in connection therewith. It is, therefore, possible that any of the Manager, the Trustee and Custodian or their Connected Persons may, in the course of business, have potential conflicts of interest with the Thematic Funds.

Each of the Manager and the Trustee and Custodian or their Connected Persons will, at all times, have regard in such event to its obligations to the Thematic Funds and the investors and will endeavour to ensure that such conflicts are resolved fairly.

The Manager has an established policy in relation to the identification and monitoring of potential conflicts of interest scenarios. There are functional separation of different areas of operations to control the flow of information that may be confidential and/or price sensitive. Computer and information system with appropriate access controls have been put in place by the Manager. Key duties and functions are segregated among different departments. The Manager has adopted trading policies which are designed to ensure the fair allocation of investment opportunities among funds, investment vehicles or accounts that the Manager manages or advises. A designated risk management and portfolio control team and compliance team of the Manager will monitor the implementation of such trading policies and dealing procedures with overall monitoring by the senior management of the Manager.

The Trustee and Custodian will keep and maintain proper books of accounts, records and documents for each fund or scheme under their trusteeship and segregate the assets of

different funds or schemes. The Trustee and Custodian will keep data and information in relation to the portfolio of each fund/scheme confidential.

The Manager, the Trustee and Custodian or their Connected Persons shall act in a reasonable and prudent manner when handling any potential conflict of interest situation and take into account the interest of Unitholders and clients.

All transactions carried out by or on behalf of the Thematic Funds will be at arm's length in compliance with applicable laws and regulations. Any transactions between the Thematic Funds and the Manager or any of its Connected Persons as principal may only be made with the prior written consent of the Trustee / Custodian. All such transactions shall be disclosed in the Thematic Fund's annual report.

The brokerage and other agency transactions for the account of the Thematic Funds may be executed through brokers or dealers connected to the Manager or Connected Persons of the Manager. However, for so long as a Thematic Fund is authorized by the SFC, the Manager shall ensure that it complies with the following requirements when transacting with brokers or dealers connected to the Manager or Connected Persons of the Manager, save to the extent permitted under the UTMF Code or any waiver obtained from the SFC:

- (a) such transactions are on arm's length terms;
- (b) the Manager has used due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
- (c) the transaction execution is consistent with the best execution standards;
- (d) the fee or commission paid to any such broker or dealer in respect of a transaction shall not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
- (e) the Manager shall 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 will be disclosed in the relevant Thematic Fund's annual report.

Neither the Manager nor any of its Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions to them.

The Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons, goods, services or other benefits, such as research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication. The Manager shall procure that no such contractual arrangements are entered into unless:

- (a) the nature of which is such that their provision are of demonstrable benefit to the Thematic Funds;
- (b) the transaction execution is consistent with best execution standards; and
- (c) brokerage rates are not in excess of customary institutional full-service brokerage rates.

No direct payment may be made to the Manager or any of its Connected Persons who undertake to place business with that party.

For the avoidance of doubt, such goods and services do not include travel accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be reported regularly to the Trustee and will be disclosed in the relevant Thematic Funds' annual report.

TAXATION

The following summary regarding taxation are based on advice received by the Thematic Funds regarding the law and practice in force in Hong Kong at the date of this Prospectus. It is for information purposes only and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to an investor. This summary does not constitute tax advice and does not purport to deal with the tax consequences applicable to every investor. Investors should note that the relevant tax laws, rules and practice may change (and may change on a retrospective basis), and therefore there is no guarantee that the following summary will continue to be applicable after the date of this Prospectus. Investors should seek independent professional tax advice if necessary.

Hong Kong

The Thematic Funds

The Thematic Funds are not expected to be subject to Hong Kong profits tax in respect of any of its authorized activities.

Pursuant to a remission order issued by the Secretary for Treasury on 20 October 1999, Hong Kong stamp duty payable on the transfer of Hong Kong stocks by an investor to the Thematic Fund in respect of allotment of Units, or by the Thematic Fund to an investor upon redemption of Units, will be remitted or refunded. Apart from the above, the sale and purchase of Hong Kong stocks by the Thematic Fund will be subject to stamp duty in Hong Kong at the current rate of 0.2 per cent (0.2%) of the price of Hong Kong stocks being sold and purchased. The Thematic Fund will normally be liable to one half of such Hong Kong stamp duty.

No Hong Kong stamp duty is payable by the Thematic Fund on issue or redemption of Units.

Investors

No tax will be payable by investors in Hong Kong in respect of income distributions of the Thematic Fund or in respect of any capital gains arising on a sale, redemption or other disposal of Units, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on by an investor in Hong Kong.

Effective from 13 February 2015, a transfer, sale or purchase of Units is waived from Hong Kong stamp duty.

General

Investors should consult their professional financial advisers on the consequences to them of acquiring, holding, realizing, transferring or selling Units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences, stamping and denoting requirements and any exchange control requirements. These consequences, including the availability of, and the value of, tax relief to investors will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances.

GENERAL INFORMATION

Accounts and Reports

Each Thematic Fund's year end is 31 December in each year commencing 31 December 2011. Audited accounts are published and distributed to Unitholders within four months of the end of each financial year. Commencing 2011, half-yearly unaudited interim reports up to the last Dealing Day in June in each year will be issued within two months of the end of the period which they cover. Such reports will contain a statement of the value of the net assets of the Thematic Fund and the investments comprising its portfolio, and will be published in both English and Chinese.

Publication of Information Relating to the Thematic Funds

The Manager shall publish the following information in both English and Chinese languages in respect of each Thematic Fund on its website (www.boci-pru.com.hk/english/etf/intro.aspx (for English), or www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)), including:

- this Prospectus (as amended and supplemented from time to time);
- the latest available Product Key Facts Statements of the Thematic Funds;
- the latest annual and semi-annual financial reports of the Thematic Funds;
- any public announcements made by the Thematic Fund, including information in relation to the Thematic Fund and the Underlying Index, notices of the suspension of the calculation of Net Asset Value, changes in fees and charges and the suspension and resumption of trading of Units;
- list of Participating Dealers for the Thematic Funds;
- monthly holdings and the last closing Net Asset Value per Unit;
- the past performance information of the Thematic Funds; and
- the tracking difference and tracking error information of the Thematic Funds.

China Securities Index Co., Ltd. shall also publish the Underlying Indices on its website (www.csindex.com.cn).

The Manager will use all reasonable efforts to publish the near real-time estimated Net Asset Value of the Thematic Funds during normal trading hours of the SEHK on each Dealing Day on its website www.boci-pru.com.hk/english/etf/intro.aspx (for English), or www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese), as well as the last closing Net Asset Value of the Thematic Funds. Although every effort is made to ensure information provided are accurate at the time of publication the Manager shall not accept any responsibility for any error or delay in calculation or in the publication or non-publication of prices which are beyond its control.

Removal and Retirement of the Trustee and the Manager

(a) The Trustee

- (i) Subject to the prior written approval of the SFC, the Trustee may retire from office by giving not less than ninety (90) days' written notice (or such shorter period of notice as the SFC may approve) to the Unitholders PROVIDED THAT adequate arrangements have been made for another trustee approved by the SFC to assume responsibility for the administration of the Thematic Funds and for the Trustee's interest in the Thematic Funds to be transferred to that trustee.
- (ii) Subject to the prior written approval of the SFC, the Manager may by giving not less than ninety (90) days' prior notice (or such shorter period of notice as the SFC may approve) in writing to the Trustee remove the Trustee from the trusteeship of the Thematic Funds and appoint any other company qualified to act as trustee under the proper law of the Thematic Funds in its place by deed entered into by the Manager and the new trustee. The removal of the Trustee and the appointment of its successor shall take effect simultaneously.

(b) The Manager

- (i) The Manager must be subject to removal by three (3) months' notice in writing from the Trustee in either of the following events:
 - for good and sufficient reason, the Trustee states in writing that a change in the Manager is desirable in the interest of the Unitholders; or
 - Unitholders of the Fund representing at least fifty per cent (50%) in value of the Units outstanding (excluding those held or deemed to be held by the Manager or the Participating Dealer) delivered to the Trustee a written request to dismiss the Manager as the manager of the Fund.

- (ii) The Manager must also be subject to removal forthwith upon written notice from the Trustee if the Manager commences liquidation or has gone into receivership or has entered into any scheme of arrangement or compromise with its creditors.
- (iii) If the SFC ceases to accept the Manager as the investment manager of the Fund, the Manager's appointment shall be terminated as at the date on which the SFC notified the Fund of the effective date on which it ceases to accept the Manager as the investment manager of the Fund.
- (iv) The Manager may retire in accordance with the terms and conditions of the agreement entered into between the Trustee and the Manager for the investment of the Thematic Funds PROVIDED THAT a new Manager should be appointed as soon as possible with the approval of the SFC.

Termination of the Fund or the Thematic Funds

1. Each Thematic Fund shall terminate upon the termination of the Fund. The Fund shall continue for a period of eighty (80) years from the date of the Trust Deed or until it is terminated in one of the ways set out below.
2. The Fund may be terminated by the Trustee by notice in writing as hereinafter provided if:
 - (a) the Manager shall go into liquidation or if a receiver is appointed over any of their assets and not discharged within sixty (60) days;
 - (b) in the opinion of the Trustee, the Manager shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Fund into disrepute or to be harmful to the interests of the Unitholders;
 - (c) the Fund shall cease to be authorized pursuant to the Securities and Futures Ordinance or if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; or
 - (d) the Manager shall have ceased to be the Manager and, within a period of thirty (30) days thereafter, no other qualified corporation shall have been appointed by the Trustee as a successor Manager.
3. The Fund and/or each Thematic Fund and/or any classes of Units relating to the Thematic Fund (as the case may be) may be terminated by the Manager in its absolute discretion by notice in writing as hereinafter if:
 - (a) at any time one (1) year after the establishment thereof, in relation to the Fund, the aggregate Net Asset Value of all Units outstanding hereunder shall be less than HK\$100,000,000 or, in relation to the Thematic Fund, the aggregate Net Asset Value of the Units of the relevant classes outstanding hereunder shall be less than HK\$100,000,000;

- (b) the Thematic Fund shall cease to be authorized pursuant to the Securities and Futures Ordinance;
- (c) any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund and/or the Thematic Fund;
- (d) the relevant Underlying Index is no longer available for benchmarking, unless the Manager and the Trustee agree that it is possible, feasible, practicable and in the best interests of the Unitholders to substitute another index for the Underlying Index;
- (e) the Units of the Thematic Fund are no longer listed on the SEHK or other securities market;
- (f) the Fund and/or the Thematic Fund ceases to have any Participating Dealer; or
- (g) the Trustee have notified the Manager of its desire to retire as Trustee and the Manager shall be unable to find a qualified corporation to act as trustee in place of the Trustee in accordance with the terms of the Trust Deed.

Notice will be given to Unitholders if the Fund or the Thematic Fund is terminated under the above circumstances. Such notice will be submitted to the SFC for prior approval.

Trust Deed

The Fund was established under Hong Kong law by a trust deed dated 11 July 2007 (as amended by deeds of variation dated 5 May 2008 and 6 March 2009, which expression shall mean the same as may be amended, modified or supplemented from time to time). All holders of Units 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. Investors and intending applicants are advised to consult the terms of the Trust Deed. In the event of any conflict between any of the provisions of this Prospectus and the Trust Deed, the provisions of the Trust Deed prevail.

Modification of Trust Deed

Subject to the prior approval of the SFC, the Trustee and the Manager may agree to modify the Trust Deed by supplemental deed without Unitholders' approval provided that in the opinion of the Trustee (such opinion of the Trustee to be certified in writing) such modification (i) is not materially prejudicial to the interests of Unitholders, does not operate to release to any material extent the Trustee, the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs of preparing and executing the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Fund or (ii) is necessary or desirable in order to comply with any fiscal, statutory or official requirement or (iii) is made to correct a manifest error.

In all other cases modifications require the sanction of an extraordinary resolution of the Unitholders affected.

Notice of any amendments or modifications to the Trust Deed will be given by the Manager as soon as practicable for such period as agreed with the SFC.

Meetings of Unitholders

The Trust Deed provides for meetings of Unitholders to be convened by the Trustee or the Manager upon at least 21 days' notice. Notices of meetings of Unitholders will be posted to Unitholders.

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it think fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a show of hands.

The quorum at Unitholders' meetings is Unitholders present in person or by proxy holding not less than 10 per cent (or, in relation to a resolution proposed as an extraordinary resolution, 25 per cent) of the Units in issue. If a quorum is not present, the meeting will be adjourned for not less than 15 days, and at an adjourned meeting Unitholders whatever their number or the number of Units held by them will form a quorum.

An extraordinary resolution is required under the Trust Deed for certain purposes and is a resolution proposed as such and passed by a majority of 75 per cent of the total number of votes cast.

The Trust Deed contains provisions for the holding of separate meetings of Unitholders holding different classes of Units where only the interests of Unitholders of a particular class are affected.

The Trust Deed provides that at any meeting of Unitholders, on a show of hands, every Unitholder who (being an individual) is present in person or (being a partnership or corporation) is present by an authorized representative shall have one vote and, on a poll, every Unitholder who is present as aforesaid or by proxy shall have one vote for every Unit of which he is the holder.

Documents Available for Inspection

Copies of the Trust Deed, Conversion Agency Agreement, Participation Agreement and the latest annual and semi-annual reports (if any) are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager, 27/F, Bank of China Tower, 1 Garden Road, Central,

Hong Kong. Copies of these documents can be purchased from the Manager on payment of a reasonable fee.

Anti-Money Laundering Regulations

As part of the Trustee's and the Manager's responsibility for the prevention of money laundering, they may require a detailed verification of an investor's identity and the source of the payment of any subscriptions. Depending on the circumstances of each application, a detailed verification might not be required where:

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

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations.

The Trustee and the Manager reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Trustee and/or the Manager may refuse to accept the application and the application moneys relating thereto.

Enquiries and Complaints

Unitholders wishing to make an enquiry or a complaint about the Thematic Funds should contact the Manager, BOCI-Prudential Asset Management Limited, at 27th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or call the Manager's enquiries hotline at (852) 2280 8697. Customer services officers of the Manager shall address any enquiries or complaints by verbal or written form depending on the nature of enquiries or complaints received about the Thematic Funds received as soon as reasonably practicable.

APPENDIX I

THE CSI HONG KONG LISTED TRADABLE MAINLAND CONSUMPTION INDEX AND THE CSI HONG KONG LISTED TRADABLE MAINLAND REAL ESTATE INDEX

The CSI Hong Kong Listed Tradable Mainland Consumption Index and CSI Hong Kong Listed Tradable Mainland Real Estate Index are thematic indices consisting of constituent securities which are listed on the SEHK. Each of them is a category-weighted index and is compiled and managed by China Securities Index Co., Ltd., which was established jointly by the Shenzhen Stock Exchange and Shanghai Stock Exchange to provide services relating to securities indices. China Securities Index Co., Ltd. is independent of the Manager. The two indices were launched on 2 June 2010.

The two indices are compiled and calculated by China Securities Index Co., Ltd., which will take all necessary measures to ensure the accuracy of the indices. However, neither China Securities Index Co., Ltd. nor the SEHK shall be liable (whether in negligence or otherwise) to any person for any error in the indices or shall be under any obligation to advise any person or any error therein. All intellectual property rights of the two indices and list of constituent securities thereof shall belong to China Securities Index Co., Ltd. The Thematic Funds are not in any way endorsed, sold, sponsored or promoted by China Securities Index Co., Ltd. or by the SEHK. Neither the SEHK nor China Securities Index Co., Ltd. makes any warranty or representation whatsoever, expressly or impliedly, either as to the results of the use of the indices.

Below is a brief summary of the basic information, selection criteria, selection methodology and maintenance of the two indices as of the date of publication of this Prospectus. Such information is subject to revision from time to time by China Securities Index Co., Ltd. and before making investment decisions, investors should refer to the website of China Securities Index Co., Ltd. (www.csindex.com.cn) for the latest version of such information.

1. Basic Information of the two indices

Base Date, Base Point and Base Period

The base date is 31 December 2007 and the base point is 1,000. The base period is the adjusted market value of the constituent securities on the base date.

Number of Constituent Securities (as at 21 April 2017)

The CSI Hong Kong listed tradable Mainland Consumption Index : 53

The CSI Hong Kong listed tradable Mainland Real Estate Index : 24

Largest Constituent Securities

The 10 largest constituent securities of the CSI Hong Kong Listed Tradable Mainland Consumption Index and their respective weightings as at 21 April 2017 are listed below for reference purpose:

Code	Stock Name	% of CSI Hong Kong Listed Tradable Mainland Consumption Index
0175.HK	Geely Automobile Holdings Limited	7.73
2382.HK	Sunny Optical Technology (Group) Company Limited	5.78
1044.HK	Hengan International Group Company Limited	5.46
0151.HK	Want Want China Holdings Limited	5.20
2319.HK	China Mengniu Dairy Company Limited	5.15
1114.HK	Brilliance China Automotive Holdings Ltd.	4.69
2313.HK	Shenzhou International Group Holdings Limited	4.50
1880.HK	Belle International Holdings Limited	3.91
0291.HK	China Resources Beer (Holdings) Company Limited	3.89
1211.HK	BYD Company Limited	3.67

The 10 largest constituent securities of the CSI Hong Kong Listed Tradable Mainland Real Estate Index and their respective weightings as at 21 April 2017 are listed below for reference purpose :

Code	Stock Name	% of CSI Hong Kong Listed Tradable Mainland Real Estate Index
0688.HK	China Overseas Land & Investment Ltd.	20.23
2007.HK	Country Garden Holdings Company Limited	13.60
1109.HK	China Resources Land Limited	12.07
3333.HK	China Evergrande Group	7.50
2202.HK	China Vanke Co., Ltd.	5.47
1918.HK	Sunac China Holdings Ltd.	5.20
0960.HK	Longfor Properties Co., Ltd.	4.71
0813.HK	Shimao Property Holdings Limited	3.50
3377.HK	Sino-Ocean Group Holding Limited	2.97
2777.HK	Guangzhou R&F Properties Co., Ltd.	2.75

Investors should note that the list of constituent securities of the two indices are not fixed. The number of constituent securities and the list of constituent securities of the two indices may vary from time to time. The complete lists of constituent securities

are available on the website of China Securities Index Co., Ltd. (www.csindex.com.cn).

2. Selection of Constituent Securities

Stock Universe

Inclusion in the stock universe for the CSI Hong Kong Listed Tradable Mainland Consumption Index and CSI Hong Kong Listed Tradable Mainland Real Estate Index is subject to all of the following conditions:

- (1) the security is a common stock or a real estate investment trust primarily listed on the SEHK (main board or growth enterprise market);
- (2) the security has been listed for more than 3 months in the most recent year unless the daily average total market value of the security since listing is ranked among top 10 among all Hong Kong securities;
- (3) the daily average closing price of the security in the most recent year is not less than HK\$0.10;
- (4) the daily average closing price of the security in the most recent year is not less than HK\$0.50 and earnings per share of the security according to its most recent annual report is not less than zero;
- (5) the daily average turnover ratio of the security in the most recent three months is not less than 0.1%; and
- (6) the security is not considered as inappropriate by the Index Advisory Committee.

Selection Methodology

The selection methodology is as follows:

- (a) calculate the daily average trading value during the most recent year (or in case of a new issue, during the time since its initial listing) for all securities in the stock universe;
- (b) rank the securities in the stock universe in descending order according to their average daily trading values of the most recent year, and exclude the bottom 50%;
- (c) select from the remaining securities those securities whose weekly average adjusted short-sell-turnover for the most recent three (3) months is not less than 0.05% of its freely tradable share capital (where the weekly average adjusted short-sell-turnover is the weekly average short-sell-turnover less 0.8 times of the standard deviation of the weekly short-sell-turnover).

- (d) based on the selected securities under paragraph (c) above, categorise them according to their industry themes as indicated in the table below. The securities in each of the themes will constitute the constituent stocks for that theme.

Theme	Constituent Securities
Mainland Consumption	Mainland Securities relating to the consumer discretionary sector and the consumer staples sector
Mainland Real Estate	Mainland securities relating to the real estate market in the Mainland

“Mainland Securities” means securities issued by companies which meet one of the following conditions: (a) companies incorporated in the Mainland PRC; (b) companies the controllers of which are entities or individuals in the Mainland PRC; (c) companies which operation center is in the Mainland PRC and (d) companies where at least 50% of its revenue is generated from the Mainland PRC.

The “consumer discretionary” sector includes companies in the following sectors: auto components & automobiles, household durables, leisure equipment & products, apparel & luxury goods, hotels, restaurants & leisure, diversified consumer services, media, distributors, multiline retail and specialty retail.

The “consumer staples” sector includes companies in the following sectors: food & staples retailing, beverage, food products, household products and personal products.

3. Calculation of the Indices

Calculation Method

Each of the two indices is calculated using the Paasche weighted composite price index formula as follows :

$$\text{Current index} = \frac{\text{current adjusted market cap of constituents}}{\text{base period}} \times 1000$$

Where: adjusted market cap = Σ (price x adjusted number of shares x weight cap factor x exchange rate). The adjusted number of shares is obtained through using the category-weighted method. The weight cap factor is between 0 and 1 and is applied at the time of index review to cap the weight of each constituent security at 10% (if the number of sample stocks is equal to or greater than 50) or 30% (if the number of sample stocks is smaller than 50). The exchange rate shall be the applicable mid-price quote by Thomson Reuters.

The category-weighted method is as shown in the following table:

Negotiable Market Cap Ratio (%)	≤15	(15, 20]	(20, 30]	(30, 40]	(40, 50]	(50, 60]	(60, 70)	(70, 80)	>80
Inclusion Factor (%)	Nearest higher percentage point	20	30	40	50	60	70	80	100

Example: A security with a negotiable market cap ratio (negotiable market cap /total market cap) of 11.4%, which is below 15%, the inclusion factor would be taken as the nearest higher percentage point, i.e. 12%. A security with a negotiable market cap ratio of 35% will belong to category (30, 40], and the corresponding inclusion factor is 40%, i.e. 40% of total number of shares will be used for index calculation. The negotiable market cap means the proportion of market cap remaining after excluding the following non-negotiable shares from the total market cap: (a) long term holdings by founders, families, and senior executives; (b) Government holdings; (c) holdings by strategic investors; (d) frozen shares; (e) restricted employee shares; and (f) cross-holdings.

4. Index Maintenance

Each of the indices is maintained using the “divisor adjustment methodology”. In the event of a change in the list of constituents or in a constituent’s structure, or a change in the market capitalization of a constituent due to non-trading factors, the old divisor is adjusted by means of the divisor adjustment methodology. The adjustment formula is as follows:

$$\frac{\text{adjusted market cap before divisor adjustment}}{\text{old divisor}} = \frac{\text{adjusted market cap after divisor adjustment}}{\text{new divisor}}$$

Where: “adjusted market cap after divisor adjustment” = adjusted market cap before divisor adjustment + increase (decrease) in adjusted market cap. The new divisor (i.e. the adjusted divisor, also known as the new base period) is obtained from this formula and is used to calculate the relevant index.

Circumstances under which maintenance of the index is required include the following:

- ex-right: when there are bonus issues, rights issues, stock splits or stock consolidation for a constituent stock, the index is adjusted the day before the issuance;
- for other corporate events, such as secondary offering or the exercise of warrants, if the cumulative change of constituent stocks is greater than or equal to 5%, the index is adjusted prior to the date of the change; if the

cumulative change of constituent stocks is less than 5%, the adjustment will be implemented in the next regular review;

- suspension of trading: if a constituent stock is suspended from trading, its last trading price is used to calculate the index, until trading is resumed;
- change in capital stock: whenever a change occurs in the capital stock of an index constituent (e.g. due to the issue of new shares, the listing of a rights issue, the listing of employee shares, etc.), the index is adjusted on the day before the change;
- when there is a periodic adjustment or an ad hoc adjustment of the list of constituent stocks of the index, the index is adjusted prior to the effective date of the change.

5. Adjustment to Constituent Securities

Periodic Adjustment

In principle, the constituent securities of an index are adjusted once every six months. The adjustment shall be implemented on the next trading day after the close of the second Friday in June and December each year.

Ad Hoc Adjustment

There will also be ad hoc adjustments to the constituent securities of index under the following circumstances:

- a merger between two or more constituent companies: the security of the new, post-merger company will continue to qualify as an index constituent, but the vacancy or vacancies occurring in the index will not be filled by other stock or stocks. The original constituents will remain in the index until the security of the new company is added;
- a merger between a constituent company and a non-constituent company: the security of the new, post-merger company will not qualify as an index constituent and the vacancy will not be filled by another stock. The original constituent will remain in the index until the date of its delisting or suspension;
- the acquisition or take-over of a constituent company by a non-constituent company: the security of the new company will not qualify as an index constituent and the vacancy will not be filled by another stock. The original constituent will remain in the index until the date of its delisting or suspension;
- the split of a constituent company into two or more companies: whether the security of the post-division companies will qualify as index constituents will depend on the companies' industry theme classification. All post-division companies belonging to the same industry theme as the relevant index will continue to qualify as an index constituent;

- delisting or suspension of listing of a constituent security: the constituent security will be deleted from the index on the date of its delisting or suspension.

6. Adjustment of the Weight Cap Factor

The adjustment will be implemented on the next trading day after the close of the second Friday in June and December each year. The adjusted market cap of the last trading day before the review is the basis for the calculation of the weight cap factor. If the constituents are temporarily adjusted or a constituent's structure changes dramatically or a constituent's weight changes notably, China Securities Index Co., Ltd. will submit the changes to the Index Advisory Committee to decide whether to adjust the weight cap factor.

The Index Advisory Committee is established by China Securities Index Co., Ltd. and is responsible for evaluation, consultation and examination of the methodology of the indices formulated by China Securities Index Co., Ltd. and other index operation and business development issues. The members of the Index Advisory Committee include domestic and overseas famous experts and scholars specialising in index-related issues and market research, for example, experts from the social security fund, investment institutions, insurance institutions, futures companies, consulting companies, etc. Investors may obtain further information on the Index Advisory Committee from the website of China Securities Index Co., Ltd. (www.csindex.com.cn).

APPENDIX II

OPERATION OF THE THEMATIC FUNDS

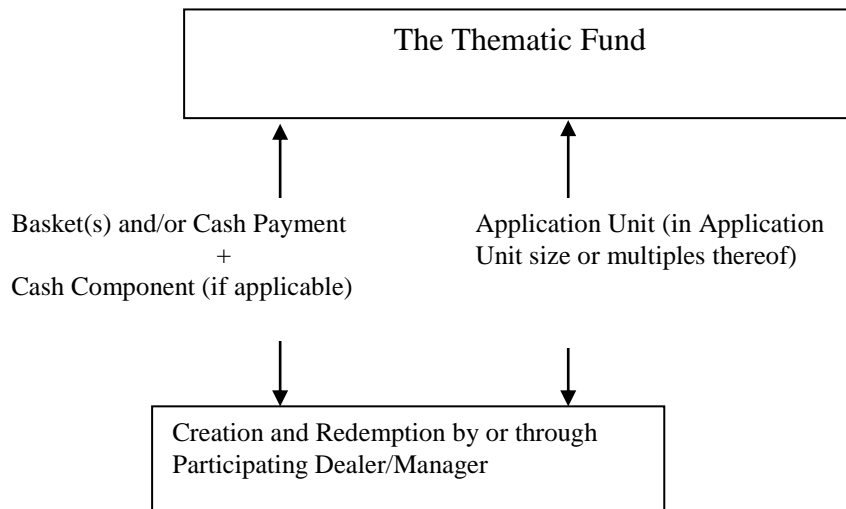
Creation and Redemption of Units

A Participating Dealer may create or redeem Units directly with the Thematic Fund. An investor (other than a Participating Dealer) may make a request to create or redeem Units through a Participating Dealer, and if the investor is a retail investor, such request shall be made through a stockbroker which has opened an account with the Participating Dealer. An Eligible Investor may also directly make a request to create or redeem Units in cash. The Manager shall receive subscription proceeds for the creation of Units and pay redemption proceeds for the redemption of Units in such form and manner as prescribed by the Trust Deed and/or this Prospectus (where applicable). The Participating Dealer and the Eligible Investor should ensure that the relevant Application shall comply with the requirements for an Application for creation or redemption of Units set out in the Trust Deed and/or this Prospectus (where applicable). The Participating Dealer may charge such fees as it may reasonably determine from time to time for submitting an Application on behalf of a retail investor.

Investors should note that the Participating Dealer, the Manager and the stockbroker through whom an application is made for creation or redemption of Units may impose an early dealing deadline, require other supporting documents for the application and adopt other dealing procedures different from those set out for the Thematic Fund in this Prospectus. For example, the dealing deadline set by Participating Dealer, the Manager (with respect to an Application by an Eligible Investor) or the stockbroker may be earlier than that set out for the Thematic Fund in this Prospectus. Investors should therefore check the applicable dealing procedures with the Participating Dealer, the Manager or the stockbroker (as the case may be).

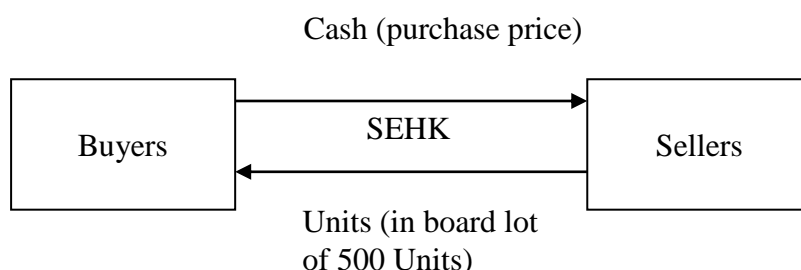
For the avoidance of doubt, the Manager may accept creation or redemption applications made by the Manager or its affiliates, whether or not on behalf of a third party investor.

The diagram below illustrates the creation and redemption of Units :



Trading of Units on the SEHK

An investor can buy or sell the Units through his stockbroker on the SEHK. The diagram below illustrates the trading of Units on the SEHK:



No money should be paid to any intermediary in Hong Kong which is not licensed for Type 1 regulated activity under Part V of the Securities and Futures Ordinance.

Subject to applicable regulatory requirements, the Manager intends to ensure that there is at least one market maker for the Thematic Fund to facilitate efficient trading. A market maker is a broker or a dealer permitted by the SEHK to act as such by making a market for the Units in the secondary market on the SEHK. A market maker is obliged to quote bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for Units on the SEHK in order to facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the SEHK. The list of market makers in respect of the Thematic Fund will be displayed on SEHK's website (www.hkex.com.hk).

Participating Dealer

The role of the Participating Dealer is to apply to create and redeem Units in the Thematic Fund from time to time.

The Manager has the right to appoint the Participating Dealer(s) for the Thematic Fund. The criteria for the eligibility and selection of Participating Dealers by the Manager is as follows: (i) the Participating Dealer must be licensed for at least Type 1 regulated activity pursuant to the Securities and Futures Ordinance with a business presence in Hong Kong; (ii) the Participating Dealer must be acceptable to the Trustee; and (iii) the Participating Dealer and/or its agent must be a participant in CCASS.

As at the date of this Prospectus, the Thematic Funds have five Participating Dealers, Goldman Sachs (Asia) Securities Limited (“**GSAL**”), Citigroup Global Markets Asia Limited (“**CGMAL**”), BOCI Securities Limited (“**BOCIS**”), UBS Securities Hong Kong Limited (“**UBSSHK**”) and Macquarie Bank Limited (“**MBL**”).

GSAL has its registered office at 68/F Cheung Kong Centre, 2 Queen's Road Central, Hong Kong. GSAL is licensed by the SFC in Hong Kong for types 1, 4 and 7 regulated activities under the Securities and Futures Ordinance.

UBSSHK is a company incorporated in Hong Kong and its main business address is 46-52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. UBSSHK is licensed by the SFC to carry on Types 1, 6 and 7 regulated activities in Hong Kong under the

Securities and Futures Ordinance. UBSSHK is a wholly owned subsidiary of UBS AG.

CGMAL has its registered office at 50/F, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong. CGMAL is licensed to carry out Types 1, 2, 4, 5, 6 and 7 regulated activities in Hong Kong under the Securities and Futures Ordinance. CGMAL is a wholly owned indirect subsidiary of Citigroup Global Markets Holdings Inc..

BOCIS is a company incorporated in Hong Kong having its registered office at 20/F Bank of China Tower, 1 Garden Road, Hong Kong. BOCIS is licensed by the SFC to carry on Types 1, 2, 3, 4 and 5 regulated activities in Hong Kong under the Securities and Futures Ordinance. BOCIS is a wholly owned indirect subsidiary of Bank of China Limited.

MBL is a company incorporated in Australia having its principal place of business in Hong Kong at Level 18, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong. MBL is licensed by the SFC to carry on Types 1 and 4 regulated activities in Hong Kong under the Securities and Futures Ordinance.

The Manager will use its reasonable endeavours to appoint additional Participating Dealers. In the event that additional Participating Dealers are appointed, the Manager will notify Unitholders and the Prospectus will be revised accordingly.

APPENDIX III

FEES AND CHARGES APPLICABLE TO THE THEMATIC FUNDS

Management Fee

The Manager is entitled to receive a management fee, currently at the rate of 0.5 per cent (0.5%) per annum of the Net Asset Value of the Thematic Fund accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Trustee Fee

The Trustee is entitled to receive a trustee fee, currently at the rate of 0.09 per cent (0.09%) per annum of the Net Asset Value of the Thematic Fund accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Registrar's Fee

The Registrar currently charges each Thematic Fund an annual fee not exceeding HK\$120,000 in respect of the establishment and maintenance of the register of Unitholders. The Registrar also charges to the Thematic Funds a one-off initial fee not exceeding HK\$100,000 in relation to services offered during the Initial Offer Period.

In addition, the Registrar is reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services such as the cost of postage, envelopes and the Unit certificates. The Registrar's fees and its out-of-pocket expenses in respect of the registration and transfer of Units are paid out of the assets of the relevant Thematic Funds.

Conversion and Service Agent's Fee

The Conversion and Service Agent performs through HKSCC certain of its services in connection with the creation and redemption of Units. Such services include taking creation and redemption applications from, and issuing settlement instructions to, Participating Dealers as well as facilitating the exchange of cash, shares and Units on the transaction settlement day. The Conversion and Service Agent charges each Thematic Fund a monthly retainer fee of HK\$8,000 in respect of taking creation and redemption applications through the Manager. The Conversion Agent also charges each Thematic Fund a transaction fee for creation and redemption applications and a unit cancellation fee (such fees are met out of the Transaction Fee and Unit Cancellation fee received by the relevant Thematic Fund from the Participating Dealers in relation to creation and redemption applications, the details of are set out in the table under the "Fees Payable by Participating Dealers, Eligible Investors and Retail Investors" section below.). The Conversion and Service Agent's costs and fees be deducted out of the assets of the relevant Thematic Funds.

General Expenses

The costs of establishing the Thematic Funds, preparation of this Prospectus, seeking and obtaining SFC authorization as well as the SEHK listing and all initial legal and printing costs in respect of the Thematic Funds are not anticipated to exceed HK\$1,000,000. Such

costs shall be amortized over the first accounting period of the Thematic Funds after consultation with the auditors of the Fund. The costs of calculating and publishing the estimated Net Asset Value of the Thematic Funds, if any, may be borne by the relevant Thematic Funds.

Fees Payable by Participating Dealers, Eligible Investors and Retail Investors

The fees payable by Participating Dealers, Eligible Investors and retail investors dealing in the Units on the SEHK are summarized in the respective tables below:

Participating Dealer

Creation of Units by a Participating Dealer

Corporate Action Fee	HK\$0.80 per board lot (see Note 1)
Application Cancellation Fee	See Note 2
Extension Fee	See Note 2
Partial Delivery Request Fee	See Note 3
Transaction Fee	See Note 4

Redemption of Units by a Participating Dealer

Corporate Action Fee	HK\$0.80 per board lot (see Note 1)
Application Cancellation Fee	See Note 2
Extension Fee	See Note 2
Transaction Fee	See Note 4
Unit Cancellation Fee	HK\$1.00 per board lot (see Note 6)

Retail Investors Dealing in Units on the SEHK

Brokerage	Market rates
Transaction levy	0.0027% (see Note 7)
Trading fee	0.005% (see Note 8)
Stamp duty	Waived
Investor compensation levy	0.002% (currently suspended) (see Note 9)

Investors (other than the Participating Dealers) creating or redeeming Units through the Participating Dealer or a stockbroker

Investors (other than the Participating Dealer) submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Eligible Investors creating or redeeming Units directly through the Manager in cash

Creation of Units by an Eligible Investor

Application Cancellation Fee	See Note 2
Extension Fee	See Note 2
Transaction Fee	See Note 5

Redemption of Units by an Eligible Investor

Application Cancellation Fee	See Note 2
Extension Fee	See Note 2
Transaction Fee	See Note 5

Eligible Investors shall bear all transaction costs, duties and expenses, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

In addition, Eligible Investors submitting Creation and Redemption Applications directly through the Manager should note that the Manager may impose a servicing fee of up to a maximum of 5% of the application amount in handling such creation or redemption requests and in creating or liquidating the relevant Basket(s). Investors should check the relevant level of servicing fee with the Manager.

¹ The corporate action fee is payable to HKSCC, and is subject to a maximum amount of HK\$10,000 and the tariff specified in the CCASS Operational Procedures in effect from time to time.

² The applicable amount is up to HK\$10,000 per Participating Dealer or Eligible Investor (as the case may be) per Application on that day, and is payable to the Trustee for its own account. The Application Cancellation Fee and the Extension Fee is payable by the Participating Dealer or Eligible Investor (as the case may be) on each occasion the Manager grants the request of such Participating Dealer or Eligible Investor for cancellation or extended settlement in respect of such Application as provided in this Prospectus.

³ The applicable amount is up to HK\$10,000 per Application on that day, and is payable to the Trustee for its own account. The partial delivery request fee will be imposed when any Index Securities are unlikely to be available for delivery or likely to be available in insufficient quantity for delivery to the Trustee in connection with a Creation Application by the Participating Dealer.

⁴ The applicable amount is up to HK\$22,000 per Application. This fee includes (a) the Trustee's transaction fee of HK\$10,000 per Application payable by each Participating Dealer to the Manager for the benefit of the Trustee; and (b) the Conversion and Service Agent's fee which ranges from HK\$5,000 to HK\$12,000 per day per

Participating Dealer depending on the aggregate dollar value of creation and redemption applications made on that day by that Participating Dealer, as more fully detailed below:

Total Aggregated Value Transacted Daily	Conversion and Service Agent's Fee
HK\$1 to HK\$2,000,000	HK\$5,000
HK\$2,000,001 to HK\$5,000,000	HK\$8,000
HK\$5,000,001 to HK\$10,000,000	HK\$10,000
Over HK\$10,000,000	HK\$12,000

- ⁵ The applicable amount is HK\$10,000 per Application payable by each Eligible Investor to the Manager for the benefit of the Trustee.
- ⁶ The unit cancellation fee is payable to the Conversion and Service Agent.
- ⁷ A transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.
- ⁸ A trading fee of 0.005% of the trading price of the Units, payable by the buyer and the seller.
- ⁹ The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the SFC on 11 November 2005.