nikko am
Nikko Asset Management

PROSPECTUS

Dated 22 September 2021

NIKKOAM-ICBCSG CHINA BOND ETF

This page intentionally left blank

NIKKOAM-ICBCSG CHINA BOND ETF

(Constituted in the Republic of Singapore pursuant to the Trust Deed dated 19 October 2020 (the "**Deed**"))

FIRST SUPPLEMENTARY PROSPECTUS DATED 17 JANUARY 2022

A copy of this First Supplementary Prospectus has been lodged with the Monetary Authority of Singapore (the "**Authority**") who assumes no responsibility for its contents.

This First Supplementary Prospectus is lodged pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and is supplemental to the prospectus registered by the Authority on 22 September 2021 (the "**Prospectus**") relating to the NikkoAM-ICBCSG China Bond ETF (the "**Fund**").

Terms used in this First Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus and references to "**paragraph**" are to the paragraphs of the Prospectus. This First Supplementary Prospectus is to be read and construed in conjunction and as one document with the Prospectus.

This First Supplementary Prospectus sets out the amendments made to the Prospectus to reflect (i) the removal of 2 key executives of the Investment Advisor of the Fund; and (ii) the change in the board lot size of the Fund with effect from 17 January 2022.

In this connection, the Prospectus will be amended as follows:-

(i) Removal of 2 key executives

(a) 5th paragraph of paragraph 12 of the Prospectus

The 2 key executives, namely Zhou Aimin and Chen Lei, will be removed as key executives of the Investment Advisor of the Fund.

In this regard, the names and descriptions of Zhou Aimin and Chen Lei appearing under paragraph 12(a) and (b) will be deleted in their entirety.

Accordingly, sub-paragraphs (c) and (d) of paragraph 12 will be renumbered as sub-paragraphs (a) and (b) respectively.

(b) 6th paragraph of paragraph 12 of the Prospectus

The 6th paragraph of paragraph 12 will be deleted in its entirety and replaced with the following:-

"The principal officers of the Investment Advisor in relation to the Fund are Wong KwangChye and Javen Foo (whose descriptions may be found in paragraphs 12(a) and 12(b) above).".

(ii) Change in board lot

(a) "Listing on the SGX-ST" section of the Prospectus

The last sentence of the 1st paragraph appearing in the "Listing on the SGX-ST" section of the Prospectus is hereby deleted in its entirety and replaced with the following:-

"Units will be quoted and traded on the SGX-ST in board lots of 1 Unit.".

(b) "Clearance and Settlement" section of the Prospectus

The 1st paragraph under the heading "Introduction" appearing in the "Clearance and Settlement" section of the Prospectus is hereby deleted in its entirety and replaced with the following:-

"The Units are listed, quoted and traded on the SGX-ST. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 1 Unit.".

(c) Paragraph 47(ii) of the Prospectus

The 1st sentence of paragraph 47(ii) of the Prospectus is hereby deleted in its entirety and replaced with the following:-

"If you wish to acquire less than 50,000 Units, you may only acquire Units in lots of 1 Unit on the SGX-ST using cash or SRS monies."

(d) Paragraph 48 of the Prospectus

The 4th sentence of paragraph 48 of the Prospectus is hereby deleted in its entirety.

(e) Paragraph 68 of the Prospectus

The 4th sentence of paragraph 68 under the sub-heading "Trading Units on the SGX-ST" of the Prospectus is hereby deleted in its entirety.

Name of Fund: NikkoAM-ICBCSG China Bond ETF
Date of Lodgement: 17 January 2022

NIKKO ASSET MANAGEMENT ASIA LIMITED

BOARD OF DIRECTORS

_____
Seet Oon Hui Eleanor
Director

_____
Kiyotaka Ryu
Director
(signed by Seet Oon Hui Eleanor
for and on behalf of Kiyotaka Ryu)

_____
Hiroki Tsujimura
Director
(signed by Seet Oon Hui Eleanor
for and on behalf of Hiroki Tsujimura)

This page intentionally left blank

An application was made to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 4 September 2020 for permission to list and deal in and quote the units of the NikkoAM-ICBCSG China Bond ETF (the "Fund") which may be issued from time to time. Such permission has been granted by the SGX-ST and the Fund has been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Fund, its Units or the manager of the Fund. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus or any of the reports referred to in this Prospectus. Acceptance of applications for the units of the Fund is conditional upon the issue of the units of the Fund and permission being granted to list them on the SGX-ST. If such permission is not granted, the subscription amounts received will be returned to you (without any interest).

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, solicitor, professional accountant or other professional adviser.

NIKKOAM-ICBCSG CHINA BOND ETF

a Singapore unit trust authorised under
Section 286 of the Securities and Futures Act, Chapter 289 of Singapore

PROSPECTUS REQUIRED PURSUANT TO DIVISION 2 OF PART XIII OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE

NIKKOAM-ICBCSG CHINA BOND ETF

DIRECTORY

MANAGER

Nikko Asset Management Asia Limited
(Company Registration No. 198202562H)
12 Marina View
#18-02, Asia Square Tower 2
Singapore 018961

SOLICITORS TO THE MANAGER

Chan & Goh LLP
50 Craig Road
#03-01
Singapore 089688

TRUSTEE & REGISTRAR

DBS Trustee Limited
(Company Registration No. 197502043G)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

SOLICITORS TO THE TRUSTEE

Dentons Rodyk & Davidson LLP
80 Raffles Place
#33-00 UOB Plaza 1
Singapore 048624

INVESTMENT ADVISOR

Industrial and Commercial Bank of China Limited, Singapore Branch
6 Raffles Quay
#12-01, Singapore 048580

CUSTODIAN

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

AUDITORS

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

NIKKOAM-ICBCSG CHINA BOND ETF

IMPORTANT INFORMATION

This Prospectus describes and offers for sale in Singapore units in the NikkoAM-ICBCSG China Bond ETF (the "**Fund**"), a unit trust established under Singapore law by a trust deed dated 19 October 2020 made between Nikko Asset Management Asia Limited (the "**Manager**") and DBS Trustee Limited (the "**Trustee**") (as amended from time to time) (the "**Trust Deed**"). You should be aware of certain risks relating to an investment in the Fund. See the section entitled "Risks" as described in paragraphs 45 and 46 of this Prospectus.

The investment objective of the Fund is to achieve long term capital growth by replicating the returns of the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index (the "**Index**"), or upon the Manager giving three (3) months' prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index, before fees and expenses. Please refer to Section VI of this Prospectus for more information on the investment objective, focus and approach of the Fund.

The units of the Fund, called "**Units**" throughout this Prospectus, have been listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Units are traded on the SGX-ST at market prices throughout the trading day. Market prices for Units may, however, be different from their net asset value ("**NAV**"). Listing for quotation of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment scheme.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein.

The Units may not be directly or indirectly offered or sold in the United States of America or any of its states, territories, possessions or other areas subject to its jurisdiction (the "**United States**") or for the benefit of a United States resident.

The directors of the Manager (the "**Directors**") collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Fund and the Manager, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

You should seek professional advice to ascertain (a) the possible tax consequences, especially in connection with the receipt of any distributions intended to be made by the Fund, (b) the legal requirements which may be relevant to the subscription, holding or disposal of Units and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of Units.

Unless otherwise stated, all terms not defined in this Prospectus have the same meanings as used in the Trust Deed.

You should direct all enquiries about the Fund to the Manager.

Personal Data Protection

You consent and acknowledge that any personal data provided to the Manager, the Trustee, the Custodian, the Registrar and/or such other appointed representatives, agents and/or service providers of the Manager and/or each of their affiliates and related corporations (as defined under Section 6 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**")) ("**Recipients**", each a "**Recipient**") whether directly or through appointed agents or Participating Dealers or otherwise collected by a Recipient or on behalf of a Recipient (by any person including but not limited to the Central Depository (Pte.) Limited) in connection with the subscription for Units, including any personal data relating to third party individuals (e.g. your beneficial owners, directors or authorised signatories, if you are not an individual) ("**Data**") may be collected, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register of Holders; (ii) processing instructions from you or persons acting on your behalf or processing your trades or those of persons acting on your behalf; (iii) complying with any applicable rules, laws or regulations, regulatory policies, guidelines or industry codes, orders, directions or requests issued by any court, legal or regulatory bodies (whether in Singapore or otherwise) including rules and regulations relating to anti-money laundering and countering the financing of terrorism and the carrying out of audit checks, surveillance and investigation; (iv) preventing, detecting and investigating crime, offence or unlawful activity including but not limited to fraud, money-laundering, terrorist financing and bribery, and analysing and managing commercial risks; (v) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction; (vi) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction; (vii) providing client-related services, including providing customer support, responding to queries or feedback given by you or persons acting on your behalf, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to you or persons acting on your behalf; (viii) verifying your identity or the identity of persons acting on your behalf; (ix) reviewing and approving your account(s), and the conduct of initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing credit-worthiness and standing; (x) legal claims, actions or proceedings including but not limited to drafting and reviewing documents, obtaining legal advice and facilitating dispute resolution or exercising or enforcing the rights of a Recipient under contract or pursuant to applicable laws and regulations; (xi) administering, operating, processing or managing the Units or the Fund; (xii) meeting or complying with the Recipient's internal policies and procedures; (xiii) handling feedback, queries or complaints; (xiv) maintaining the security of the Recipient's premises including but not limited to the use of forms of surveillance such as security cameras; (xv) facilitating any proposed or actual business assignment, transfer, participation or sub-participation in any of the Recipient's rights or obligations in respect of your relationship with the Recipient; (xvi) all purposes reasonably related to one or more of the foregoing; and (xvii) conducting general administration in relation to the foregoing. Where you provide personal data relating to third party individuals to a Recipient, you warrant that the prior consent of such third party individual, which will allow a Recipient to collect, use and disclose that personal data in the manner and for the purposes described above, has been obtained, and consent and acknowledge to all such collection, use and disclosure on behalf of that third party individual. You

shall, upon request from any Recipient, promptly provide a copy of the document(s) containing or evidencing such prior consent obtained from such third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (i) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (ii) related corporations of the Manager, the Trustee, the Custodian or the Registrar; and (iii) any agent, contractor or third party service provider who provides administrative, mailing, data processing, business process, human resource, information technology or other services to a Recipient in connection with the operation of the business of a Recipient or the administration and operation of the Fund.

You may, after consenting to the collection, use and disclosure of your Data, withdraw your consent by giving notice in writing to the Manager, whether directly or through its appointed agents or the Participating Dealers. You should note that the Manager (in consultation with the Trustee) could deem a notice of withdrawal of consent submitted by you, or by any third party individuals whose personal data you have provided to the Recipients (e.g. your beneficial owners, directors or authorised signatories, if you are not an individual), to be a request for redemption of all Units held by you for cash.

You undertake to ensure that all information provided to the Recipient is true, accurate and complete and that changes to any such information shall be notified to the Recipient in a timely manner.

Foreign Account Tax Compliance

You acknowledge that you shall notify the Manager immediately in writing if you are a US Person or if you have subscribed for or hold any Units on behalf of any US Person. You shall further notify the Manager not later than thirty (30) days of any change under FATCA or any laws or regulations that affects your tax status or the tax status of any US Person on whose behalf you have subscribed for or hold any Units.

You represent and warrant that you have provided or shall provide to the Manager all documentation or other information required for compliance with FATCA and in connection with any change in tax status and shall otherwise provide all required documentation (including the completion of any FATCA related forms and documents) and other information not later than seven (7) days of any request in writing by the Manager.

You acknowledge that if you fail to provide accurate and timely information, the Manager (in consultation with the Trustee) has the right to deem you recalcitrant and/or reportable and shall be entitled to take all necessary action(s) against you to be compliant with requirements under FATCA, including but not limited to any local legislation enacted in connection with FATCA as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time. You should note that the Manager may compulsorily redeem all or any of your Units in any of the circumstances set out in paragraph 156 of this Prospectus.

You consent to the collection, storage, and disclosure of any confidential information including personal data to persons to whom payments are made or from whom payments are received for your account and to governmental authorities as required by laws and regulations or other agreement by or between governments pursuant to FATCA. You represent that you have secured from any third party whose information may be provided to the Manager all necessary consents and/or waivers to permit the Manager to carry out the actions required pursuant to FATCA, and that you shall secure such consents and waivers prior to furnishing such information to the Manager.

You acknowledge that the Manager (in consultation with the Trustee) is entitled to take all necessary action determined by the Manager to be and remain compliant with FATCA as is required by law or

other agreement by or between governments. You authorise the Manager to withhold or otherwise deduct from any payment any required tax or other government assessment, including but not limited to any requirement to withhold or deduct an amount pursuant to FATCA.

The Manager (in consultation with the Trustee) shall have the right to determine and carry out any action which it considers to be appropriate to meet any obligations or requirements, whether in Singapore or elsewhere, for the purpose of the prevention of tax evasion. Such actions may include, but shall not be limited to, investigating and intercepting payments into and out of your account(s) (particularly in the case of international transfer of funds), investigating the source of or intended recipient of funds, sharing information and documents with any tax or regulatory authorities and withholding income from your account(s) and transferring it to such tax authorities. If there is any doubt as to whether a payment in or out of your account is lawful, the Manager reserves the right to cease all dealings with you in relation to such account.

For the purposes of this section relating to foreign account tax compliance, the following words and expressions shall have the following meanings:

"**FATCA**" means sections 1471 through 1474 of the United States Internal Revenue Code and any regulations and other guidance issued in connection thereto or any other agreement entered into with or between authorities and governments arising out of or in connection with FATCA or the implementation thereof, as each may be modified, amended, supplemented, re-enacted or re-constituted from time to time.

"**US Person**" means a United States citizen or resident individual, a partnership or corporation organised in the United States or under the laws of the United States or any state of the United States, or a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the United States Internal Revenue Code. Please note that persons who have lost their United States citizenship and who live outside the United States may nonetheless in some circumstances be treated as US Persons.

Common Reporting Standard and Automatic Exchange of Information

Following the development by the Organisation for Economic Cooperation and Development of a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (the "**CRS Regulations**") have been promulgated to allow Singapore to implement the CRS with effect from 1 January 2017. Singapore has committed to commence exchange of information under the CRS in 2018.

The CRS Regulations require certain Singapore financial institutions (as defined in the CRS Regulations) to identify financial asset holders and establish if they are resident for tax purposes in countries with which Singapore has a tax information sharing agreement. Singapore financial institutions will then report financial account information of the asset holder to the Singapore tax authorities, which will thereafter automatically transfer this information to certain competent foreign tax authorities on a yearly basis.

Accordingly, the Manager and/or the Trustee will require you to provide, amongst other things, information in relation to your identity and tax residence(s) of your account(s) (and the controlling persons, if any), account details, reporting entity, account balance/value and income/sale or redemption proceeds and any additional documentation or information, which will then be reported to the Inland Revenue Authority of Singapore and the other relevant tax authorities for purposes of complying with FATCA, the CRS Regulations and any similar automatic exchange of tax information regimes.

You should consult your professional advisers on the possible tax and other consequences with respect to the implementation of FATCA and CRS.

WARNING

The Fund may be offered to professional investors in Hong Kong. Hong Kong investors should note that the contents of this document have not been reviewed by any regulatory authority in Hong Kong and are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

OVERVIEW OF THE NIKKOAM-ICBCSG CHINA BOND ETF

The meanings of terms not defined in this section can be found in other sections of this Prospectus or in the Trust Deed.

NIKKOAM-ICBCSG CHINA BOND ETF

The Fund is a collective investment scheme authorised under Section 286 of the Securities and Futures Act and is established under the terms of a trust deed dated 19 October 2020 made between Nikko Asset Management Asia Limited as manager, and DBS Trustee Limited as trustee, of the Fund.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

The investment objective of the Fund is to achieve long term capital growth by replicating the returns of the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index (the "**Index**"), or upon the Manager giving three (3) months' prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index, before fees and expenses. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index.

The Fund will seek to achieve its investment objective by adopting a representative sampling strategy or similar strategy. Representative sampling is a strategy of investing in a representative sample of securities in the Index which have a similar investment profile as that of the Index. The Manager may invest in certain securities that are not included in the Index ("**non-Index Securities**") but have aggregate characteristics (such as yield and duration) similar to those of the Index.

The Fund will generally not hold all the securities that are included in the Index. Please refer to Section VI of this Prospectus for more information on the investment objective, focus and approach of the Fund.

The Fund is designed for investors who seek an "index-based" approach to investing in a portfolio of Chinese treasury bonds and bonds issued by the 3 Chinese policy banks in a cost effective and easy to access manner. The 3 Chinese policy banks refer to the Agricultural Development Bank of China, the China Development Bank and the Export-Import Bank of China, which are wholly owned by the Chinese government (through the Ministry of Finance and various investment companies) and under direct jurisdiction of the State Council of China to implement economic policies of the Chinese government.

You should note that the Units are Excluded Investment Products (as defined in MAS Notice SFA 04/N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products) and prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

LISTING ON THE SGX-ST

An application has been made to the SGX-ST for permission to list and deal in and quote the Units and the Fund has received approval for its admission to the Official List of the SGX-ST. A listing on the SGX-ST is intended to provide benefits to investors not available in unlisted collective investment schemes. Unlike conventional unit trusts offered to the public in Singapore which are typically bought and sold only at closing NAV (which is unknown at the time of dealing), the Fund's Units will be tradable

on the SGX-ST throughout the trading day. Units will be quoted and traded on the SGX-ST in board lots of 10 Units.

Units will be transacted on the SGX-ST on a willing-buyer-willing-seller basis, and the trading in the Units will be in accordance with SGX-ST's rules and guidelines governing the clearing and settlement of trades in securities.

If you acquire Units directly from a Participating Dealer, you may request the Participating Dealer to apply to the CDP for your Units to be entered against your name in the depository register in accordance with the CDP's terms and conditions for the entering of off-market acquisitions of securities in its records.

TRADING PRICE OF UNITS INTENDED TO CLOSELY REFLECT NAV PER UNIT

You should note that the Fund is not like a conventional unit trust offered to the public in Singapore in that the creation and redemption of Units with the Manager are effected by or through Participating Dealers for the account of investors and/or for their own account and may either be made (i) in-kind in multiples of Creation Units or Redemption Units, or (ii) in cash for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, at each Dealing Day's NAV. If you wish to purchase or sell less than 50,000 Units, you will have to acquire or dispose of your Units through trading on the SGX-ST.

These features are (i) different from the features of conventional unit trusts where units can be purchased and redeemed by the investors for cash from the manager on each dealing day in comparatively smaller multiples of units and (ii) designed to protect investors from the adverse effects which arise from frequent cash subscription and redemption transactions that affect the NAV of conventional unit trusts and to help to keep the trading price of the Units close to the NAV of the Units.

THE MANAGER

The Manager, Nikko Asset Management Asia Limited, is part of the Nikko Asset Management group[1], a leading independent Asian investment management franchise. The Manager has managed collective investment schemes or discretionary funds in Singapore since 1982.

THE TRUSTEE

The Trustee, DBS Trustee Limited, is a member of DBS Bank Group. The Trustee is a licensed trust company under the Trust Companies Act, Chapter 336 of Singapore.

CREATION AND REDEMPTION PROCEDURES

Units bought or sold on the SGX-ST will be transacted on a willing-buyer-willing-seller basis. It is expected that most of the trading activity in the Units is expected to occur on the SGX-ST. You may buy or sell Units on the SGX-ST through brokers in the same way as how you may buy or sell shares in companies listed on the SGX-ST.

Units that are bought on the SGX-ST must be paid for with cash or SRS monies.

[1] Nikko Asset Management group consists of Nikko Asset Management Co., Ltd. and its subsidiaries.

Cash Subscription and Redemption

On every Cash Dealing Day, you may apply to the Registrar through the Participating Dealers for the issue of a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, by paying cash. The Issue Price for Units shall be determined in the manner described in paragraph 52 of this Prospectus.

Your request for subscription of Units must reach the Registrar through the Participating Dealers on or before the Dealing Deadline for the Cash Dealing Day (i.e. 12 noon (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and the Manager shall give prior notification of the same to the Holders at such time and in such manner as the Trustee may require). If the request for subscription of Units is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day.

A request for redemption of Units to be settled in cash shall be for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or redemption amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee. The Redemption Price for Units shall be determined in the manner described in paragraph 71 of this Prospectus. A request for redemption of Units must reach the Registrar through the Participating Dealers on or before the Dealing Deadline for the Cash Dealing Day. If the request for redemption of Units is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day.

In-Kind Creation and Redemption

The Manager has the absolute discretion to accept requests for the Creation and Redemption of Units in-kind. You may apply for the creation of Units directly from the Fund by requesting the Participating Dealers to apply to the Registrar on your behalf for the issue of Units on any Dealing Day by tendering Index Securities and non-Index Securities comprising a Deposit Basket (or multiples thereof) as approved by the Manager, plus or minus a cash payment as determined by the Manager. Units may only be created in-kind in Creation Unit size of 20,000,000 Units or multiples of 20,000,000 Units unless otherwise waived by the Manager at their discretion. Requests for the creation of Units in-kind may be made by or through Participating Dealers only. Creation Requests received from the Participating Dealers and accepted by the Manager on or before the Dealing Deadline on each Dealing Day (i.e. 5.30 pm (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and the Manager shall give prior notification of the same to the Holders at such time and in such manner as the Trustee may require) will be processed at that Dealing Day's Issue Price as calculated in accordance with paragraph 58 of this Prospectus. Creation Requests received from the Participating Dealers after the Dealing Deadline or on a day which is not a Dealing Day shall be deemed to be received by the Registrar on or before the Dealing Deadline for the next Dealing Day.

If you hold a Redemption Unit size of 20,000,000 Units or multiples of 20,000,000 Units, you may request the Participating Dealers to apply to the Registrar on your behalf for the redemption of Units for the underlying Index Securities and non-Index Securities comprising a Redemption Basket (or multiples thereof) as approved by the Manager, plus or minus a cash payment as determined by the Manager. Units may only be redeemed in-kind in Redemption Unit size of 20,000,000 Units or multiples of

20,000,000 Units. Requests for redemption of Units in-kind may be made by or through Participating Dealers only. Redemption Requests received from the Participating Dealers and accepted by the Manager on or before the Dealing Deadline on each Dealing Day will be processed at that Dealing Day's Redemption Price as calculated in accordance with paragraph 78 of this Prospectus. Redemption Requests received from the Participating Dealers after the Dealing Deadline or on a day which is not a Dealing Day shall be deemed to be received by the Registrar on or before the Dealing Deadline for the next Dealing Day.

RISKS OF INVESTING IN THE FUND

You should note that there are risks involved in investing in the Units. You should carefully consider the risk factors described in paragraphs 45 and 46 of this Prospectus together with all of the other information included in this Prospectus before deciding whether to invest in Units.

The market price of Units and the NAV per Unit may fall or rise. There is no assurance that you will achieve a return on your investment in the Units or a return on capital invested.

Some or all of the principal risks described in this Prospectus may adversely affect the Fund's NAV, the Unit's Issue Price, Redemption Price, trading price, yield, total return and/or the ability of the Fund to meet its investment objective.

DISCLAIMER BY THE CURRENT LICENSOR

The ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index (the "**Index**") is constructed and calculated by ChinaBond Pricing Center Co., Ltd. ("**Index Provider**"). All intellectual property rights and other interests in the index value and constituent list belong to the Index Provider (or any of its licensors). The Index Provider does not make any express or implied warranty on the accuracy, completeness or timeliness of Index-related information, or on the conclusions that the data recipient may reach.

CLEARANCE AND SETTLEMENT

Introduction

The Units are listed, quoted and traded on the SGX-ST. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 10 Units.

The Units are traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within two (2) Market Days after the closing date for applications for the Units.

Clearance and Settlement under the Depository System

The Units will be registered in the name of CDP or its nominee and held by CDP or its nominee for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Holders in respect of the number of Units credited to their respective Securities Accounts. You should note that as long as the Units are listed on the SGX-ST, Units may not be withdrawn from the depository register kept by CDP.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance is given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

Clearing Fees

When dealing on the SGX-ST, you will typically not bear any costs related to the creation and redemption of Units. However, you will need to pay brokers' commissions, clearing fees and other costs associated with dealing on the SGX-ST. These amounts are subject to your individual agreement with, and are paid directly by you to, your broker, the CDP and your other service providers.

Dealings in the Units will be carried out in SGD and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. You may open a direct account with CDP or a sub-account with any CDP

depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Dual Currency Trading

The Fund consists of 2 Classes, namely RMB Class Units and SGD Class Units. Please refer to paragraph 23 for more details on the Classes.

The Fund trades in different currency denominations on the SGX-ST, i.e. Renminbi (RMB), United States dollar (US$) and Singapore dollar (S$). Investors of the RMB Class Units can buy and/or sell Units in RMB or US$, regardless of the currency in which it was first bought and/or sold. Investors of the SGD Class Units can only buy or sell Units in SGD. For the avoidance of doubt, investors of one Class (e,g, RMB Class Units) cannot sell or redeem in another Class (eg. SGD Class Units).

Classes	Currency denomination available for trading	Trading/Counter Name	Stock Code	Traded Currency
RMB Class Units	Primary Currency (RMB)	NikkoAM-ICBCSG CNB CNY	ZHY	RMB
	Secondary Currency (US$)	NikkoAM-ICBCSG CNB US$	ZHD	US$
SGD Class Units	S$	NikkoAM-ICBCSG CNB S$	ZHS	S$

(or such other counter name or stock code as may be issued by the SGX-ST from time to time)

Unit holdings of the same Class will be consolidated in investors' CDP accounts so that the total number of Units of such Class can be viewed at a glance, for example, 1,000 RMB-denominated Units and 2,000 US$-denominated Units will be reflected as 3,000 Units of RMB Class Units in an investor's CDP account.

In most cases, the traded prices in the two currency counters for the RMB Class Units should theoretically be equivalent or close to each other, taking into consideration the prevailing foreign exchange rate. However, in certain cases, due to market supply and demand factors in the respective counters and the market activity of the market makers, the price relationship and difference between the two currency counters might not necessarily be the foreign exchange rate between both counters.

PROSPECTUS REQUIRED PURSUANT TO DIVISION 2
OF PART XIII OF THE SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE

The NikkoAM-ICBCSG China Bond ETF (the "**Fund**") offered in this Prospectus is an authorised scheme under the Securities and Futures Act. A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund. The meanings of various terms and expressions used in this Prospectus which are not defined in this Prospectus can be found in the Trust Deed constituting the Fund.

CONTENTS

PARAGRAPH	HEADING	PAGE
I	BASIC INFORMATION	16
II	THE MANAGER	16
III	THE TRUSTEE & CUSTODIAN	23
IV	OTHER PARTIES	25
V	STRUCTURE OF THE SCHEME	26
VI	INVESTMENT OBJECTIVE, FOCUS & APPROACH	27
VII	CPF INVESTMENT SCHEME	30
VIII	FEES AND CHARGES	30
IX	RISKS	32
X	SUBSCRIPTION OF UNITS	40
XI	REALISATION OF UNITS	46
XII	OBTAINING PRICES OF UNITS	52
XIII	SUSPENSION OF DEALINGS	52
XIV	PERFORMANCE OF THE SCHEME	54
XV	SOFT DOLLAR COMMISSIONS/ARRANGEMENTS	54
XVI	CONFLICTS OF INTEREST	54
XVII	REPORTS	58
XVIII	QUERIES AND COMPLAINTS	58
XIX	OTHER MATERIAL INFORMATION	58
XX	GLOSSARY	79
APPENDIX 1: UNDERLYING INDEX		85

I BASIC INFORMATION

1. The authorised collective investment scheme offered pursuant to this Prospectus is the NikkoAM-ICBCSG China Bond ETF (the "**Fund**").

2. The date of registration of this Prospectus by the Authority is 22 September 2021. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 21 September 2022) and shall expire on 22 September 2022.

3. The Fund is constituted as a stand-alone unit trust in Singapore on 19 October 2020 pursuant to the trust deed dated 19 October 2020 (the "**Trust Deed**"), made between Nikko Asset Management Asia Limited (the "**Manager**") and DBS Trustee Limited (the "**Trustee**"). You may inspect a copy of the Trust Deed at the business address of the Manager as indicated in paragraph 5 below.

4. You may obtain the latest annual and semi-annual reports, annual and semi-annual accounts and the auditors' report on the annual accounts relating to the Fund, once available, from the Manager's website at www.nikkoam.com.sg.

II THE MANAGER

5. The Manager is Nikko Asset Management Asia Limited (Company Registration No.: 198202562H). Its registered address and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Manager is licensed and regulated by the Authority. The Manager was incorporated on 11 July 1982 in Singapore. The Manager is part of the Nikko Asset Management group. As at 31 December 2020, the paid-up share capital of the Manager is S$29,000,000. The Manager is responsible for investing the assets of the Fund in accordance with the Trust Deed.

6. The Manager has managed collective investment schemes or discretionary funds in Singapore since 1982. The Manager is not related to the current Index Licensor.

7. The other investment funds managed by the Manager include, but are not limited to, the following:

(i) Nikko AM Shenton Japan Fund
(ii) Nikko AM Shenton Thrift Fund
(iii) Nikko AM Shenton Income Fund
(iv) Nikko AM Shenton Asia Pacific Fund
(v) Nikko AM Global Green Bond Fund
(vi) Nikko AM Shenton Emerging Enterprise Discovery Fund
(vii) Nikko AM Shenton Global Opportunities Fund
(viii) Nikko AM Shenton Horizon Investment Funds
(ix) Nikko AM Shenton Eight Portfolios
(x) Nikko AM Asia Investment Funds
(xi) Nikko AM Shenton Short Term Bond Funds
(xii) The Solidarity Fund
(xiii) ABF Singapore Bond Index Fund
(xiv) Nikko AM Singapore STI ETF
(xv) Nikko AM Japan Dividend Equity Fund
(xvi) Nikko AM Asia High Yield Bond Fund
(xvii) MSIG Asian Bond Fund
(xviii) Nikko AM Global Multi Asset Conservative Fund

(xix) Nikko AM Asia Healthcare Fund
(xx) Nikko AM China Onshore Fund Series
(xxi) Nikko AM All China Equity Fund
(xxii) Nikko AM ASEAN Equity Fund
(xxiii) NikkoAM-StraitsTrading Asia ex Japan REIT ETF
(xxiv) Nikko AM Asia Limited Investment Fund Series
(xxv) Nikko AM SGD Investment Grade Corporate Bond ETF
(xxvi) Nikko AM Dynamic Bond Fund

8. The names, descriptions and addresses of all the directors of the Manager are as follows:

(a) Seet Oon Hui Eleanor, of 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961.

Eleanor joined the Manager in 2011 as the President and as an executive director of the Manager. She is also the Head of Asia ex-Japan at the Manager and is responsible for driving the growth of the Manager in the region. Additionally, she leads in the management of Nikko Asset Management group's joint venture relationships in China and Malaysia and is a board member of Affin Hwang Asset Management Berhad. Eleanor is a pioneer in the asset management industry with over 20 years of experience.

Prior to joining the Manager, Eleanor led the distribution efforts for iShares concentrating on the wealth management segments across Asia ex-Japan. Previously, she spent 12 years at AllianceBernstein, where she was responsible for building and developing the firm's distribution channels and business. In that capacity, she was responsible for the overall strategy and execution of the firm's product offerings in South East Asia via intermediaries.

Eleanor graduated with a Bachelor of Economics from the University of New South Wales, Sydney. In 2017, she was conferred the IBF Fellow distinction by the Institute of Banking and Finance Singapore.

Eleanor is also a director of Nikko Asset Management Hong Kong Limited, Nikko Asset Management International Limited, Nikko Asset Management (Mauritius) Ltd and Affin Hwang Asset Management Berhad.

(b) Kiyotaka Ryu, of Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo, 107-6242, Japan, is a non-executive director of the Manager.

Kiyotaka was appointed as Acting Chief Risk Officer in December 2018 and became Chief Risk Officer in April 2019. He is also Chief Administrative Officer at Nikko Asset Management Co., Ltd ("**Nikko AM**"), helming the position since July 2018. He is responsible for overall business planning and management to support Middle and Back Office functions, as well as leading the global risk management function in Nikko AM.

Kiyotaka joined the Internal Audit Department of Nikko AM in September 2007 and went on to become the Head of Internal Audit where he led the Nikko AM group's Internal Audit practice for three and a half years.

Before joining Nikko AM, he worked for KPMG, as a financial and technology auditor. He served clients from various industries including the financial sector.

He is a qualified accountant and a member of the American Institute of Certified Public Accountants.

He graduated from Waseda University with a Bachelor of Arts in Human Sciences and has also received a Master of Professional Accounting degree from the University of New South Wales.

Kiyotaka is also a director of Nikko Asset Management Hong Kong Limited, Nikko Asset Management New Zealand Limited and Nikko Asset Management Luxembourg S.A..

(c) Hiroki Tsujimura, of Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo, 107-6242, Japan, is a non-executive director of the Manager.

Hiroki has held the position of Executive Vice President, Global Head of Investment and Chief Investment Officer of Nikko AM since June 2019, and is responsible for overseeing all investment management activities globally.

Hiroki joined Nikko Asset Management in December 2004 as the firm's Global Head of Alternative Investments and Chief Investment Officer at its New York subsidiary. After relocating to Nikko Asset Management's Tokyo headquarters in August 2010, Hiroki served as Head of Active Investments, where he was in charge of equity, fixed income and alternative investments. He was appointed Chief Investment Officer – Japan in January 2013 and was also named Senior Corporate Managing Director in April 2014. He was named Executive Vice President in May 2019.

Before joining the firm, Hiroki spent 12 years in the investment and financial industry in the United States where he worked in alternative investments serving as Director and Executive Vice President at Nikko Securities International ("**NSI"**). He also started NSI's proprietary trading operation in his role as the head of the equity trading department. At Nikko Securities (now SMBC Nikko Securities) in Japan, Hiroki established a joint venture with an American securities firm, where he served as Executive Vice President and Chief Operating Officer.

He holds a Bachelor's degree from the Faculty of Business and Commerce at Keio University.

9. The principal officer of the Manager and a key executive of the Manager in relation to the Fund is Seet Oon Hui Eleanor (whose description may be found in paragraph 8(a) of this Prospectus). The other key executives of the Manager in relation to the Fund are Koh Liang Choon and Bertram Sarmago (whose descriptions are set out below).

Liang Choon is the Head of Fixed Income at the Manager, and he leads a team of experienced analysts and portfolio managers. He is responsible for managing active Asian fixed income portfolios covering Asian local currency fixed income, Asian credits and Asian currencies.

An investment veteran with more than 25 years of investment experience, he has been with the Manager since October 2010 when it was known as DBS Asset Management Ltd prior to its acquisition by Nikko Asset Management Group. Prior to this, Liang Choon has worked with APS Komaba Asset Management Pte Ltd ("**APS**"), DBS Asset Management Ltd, Nomura Singapore Limited and Dresdner Bank. Liang Choon joined APS as a founding member in 2005. Before that, Liang Choon spent four years with DBS Asset Management Ltd managing institutional mandates covering Singapore, Asian and global bond markets. Liang Choon began his career at the trading desks of Nomura Singapore Limited and Dresdner Bank where he gained trading experience in Asian fixed income and currency markets.

He holds a Bachelor of Business Administration with majors in Finance and International Business from Simon Fraser University, Canada, and a Master of Science (Applied Finance) from the National University of Singapore. Liang Choon is also a Chartered Financial Analyst charterholder.

10. The principal portfolio manager of the Fund is Bertram Sarmago.

Bertram Sarmago has a dual role as investment director and portfolio manager for Asian fixed income strategies at Nikko AM Asia based in Singapore. He manages the indexed Asian fixed income portfolios and working closely with the rest of the investment team and representing its capabilities, he is the conduit between the team and Business Development and Marketing. He provides advice and consultation to both internal and external parties based on the team's outlook and strategies and also reports on performance in support of existing businesses.

Bertram has more than 20 years of experience in the investment industry. Prior to Nikko AM, he was with State Street Global Advisors (Singapore) from 2006 to 2014 as a product engineer/portfolio strategist covering global and Asian fixed income and currency strategies. He was also involved with portfolio management of indexed Asian and global fixed income strategies.

From 2004 to 2006, he was a financial markets analyst with the Asian Development Bank covering research on ASEAN+3 bond markets for the bank's AsianBondsOnline project. He was involved in investments/financial markets training for Present Value Interactive Training from 2003 to 2004. Prior to this, he held various roles in commercial banking at the Bank of the Philippine Islands.

Bertram holds a Master of Science in Financial Engineering from the Nanyang Technological University, an MBA from the Ateneo de Manila University and a Bachelor of Science in Agricultural Engineering from the University of the Philippines. He has earned the Financial Risk Manager designation and is a Chartered Financial Analyst® charterholder.

11. The Manager will remain as manager of the Fund until it retires or is removed or replaced in accordance with the provisions of the Trust Deed. Any change to the Manager of the Fund will be announced on the SGXNET.

11A. The following is a summary of the provisions in the Trust Deed governing the retirement, removal and replacement of the Manager:

(i) Subject to applicable laws and the Listing Rules, the Manager may be removed by notice in writing given by the Trustee:

(a) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms notified in writing to the Trustee two (2) months before the effective date of the liquidation) or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a judicial manager or a receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the law of Singapore or such other law as may be applicable in the circumstances;

(b) following a material breach of the Manager's obligations under the Trust Deed which, if the breach is capable of remedy, the Manager fails to remedy within 30 days of being specifically required in writing so to do by the Trustee, and the Trustee is of the opinion and so states in writing to the Manager that a change of Manager is desirable in the interests of Holders; or

(c) if the Authority directs the Trustee to remove the Manager.

(ii) The Manager shall also be removed on notice in writing given by the Trustee following an Extraordinary Resolution passed to remove the Manager, and such notice is to be announced on the SGXNET.

(iii) In the cases contained in paragraphs 11A(i) and 11A(ii), the Manager shall upon notice by the Trustee cease to be the Manager and as soon as practicable thereafter the Trustee shall by writing under its seal appoint as manager some other company eligible to be the manager of the Fund and acceptable to the Authority and subject to such company entering into such deed or deeds (being a deed or deeds supplemental to the Trust Deed) as the Trustee may be advised to be necessary or desirable to be entered into by such company in order to secure the due performance of its duties as manager. Nothing in this paragraph 11A shall be construed as prejudicing the right of the Trustee herein contained to terminate the Fund in any of the events in which in accordance with the provisions of the Trust Deed the right of terminating the Fund is vested in the Trustee.

(iv) Upon giving three (3) months' written notice to the Trustee, the Manager shall have power to retire in favour of some other company eligible to be the manager of the Fund in accordance with the Securities and Futures Act and approved by the Trustee and the Authority upon and subject to such company entering into such deed or deeds as mentioned in paragraph 11A(iii). Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Manager to the Trustee under the Trust Deed at the date thereof the retiring Manager shall be absolved and released from all further obligations under the Trust Deed but without prejudice to the rights of the Trustee or of any other person in respect of any act or omission prior to such retirement.

(v) The Trustee shall, as soon as practicable after the appointment of the new manager pursuant to the provisions of the Trust Deed, give notice to the Holders specifying the name and address of the office of the new manager. Any manager shall be incorporated in Singapore or registered as a foreign company under Part XI of the Companies Act and shall be carrying on business in Singapore. The manager shall be licensed or registered to conduct fund management under the Securities and Futures Act.

(vi) Upon effective retirement hereunder, the retiring Manager shall use its reasonable endeavours to assign or novate to the new manager, on terms reasonably acceptable to the Trustee, (and to obtain the consent of its counterparts thereto) all agreements concerning the Fund, to which it, as manager, is a party.

11B. The Manager may be removed by the Trustee, by notice in writing, if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Trustee two (2) months before the effective date of liquidation). Please refer to Clauses 31 and 32 of the Deed for more details on what happens if the Manager becomes insolvent.

12. Investment Advisor

The Manager has appointed Industrial and Commercial Bank of China Limited, Singapore Branch (Company Registration No.: S93FC4609L), with registered address at 6 Raffles Quay, #12-01, Singapore 048580 ("**ICBC Singapore Branch**"), as the investment advisor (through its Asset Management Department) of the Fund (the "**Investment Advisor**"), via an investment advisory agreement in relation to the Fund. The Investment Advisor is responsible for providing advisory services to the Fund.

ICBC Singapore Branch is the Singapore branch of Industrial and Commercial Bank of China Limited ("**ICBC**") and is the first overseas institution of ICBC Group, for which it was registered with the Accounting and Corporate Regulatory Authority as a Foreign Company in Singapore on 27 August 1993. ICBC Singapore Branch thereafter received its Qualifying Full Bank Licence on 4 October 2012, and remains licensed and regulated by the Authority.

ICBC was established on 1 January 1984. On 28 October 2005, ICBC was wholly restructured to a joint-stock limited company. On 27 October 2006, ICBC was successfully listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Through its continuous endeavor and stable development, ICBC has developed into the leading bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. ICBC regards service as the very foundation to seek further development and adheres to creating value through services while providing a comprehensive range of financial products and services to its customers. As at 31 March 2021, the share capital of ICBC is RMB 356.407 billion.

The appointment of the Investment Advisor of the Fund comes as the first of its kind for ICBC Singapore Branch and reiterates ICBC's commitment towards creating value through services while providing a wide range of financial products and services to its customers.

The names and descriptions of the key executives of the Investment Advisor are as follows:-

(a) Zhou Aimin is the Deputy General Manager of ICBC Singapore Branch. He is currently overseeing the Treasury, Capital Markets, Investment Banking, Financial Institutions, Asset Management and Securities Services businesses in ICBC Singapore branch. Aimin has been with the ICBC Group for 15 years. Prior to his current position, he was in charge of ICBC Group's FX asset & liability management at ICBC head office.

Aimin graduated from the Renmin University of China with a Master's Degree in Finance in 2006.

(b) Chen Lei is the Head of Asset Management of ICBC Singapore Branch and has more than 17 years of working experience in the financial industry. Prior to joining ICBC Singapore Branch, his expertise largely focused on asset & liability management at ICBC head office and bond investments at ICBC Hong Kong Treasury Center.

Chen Lei holds a Master's Degree in Quantitative Economics from Jilin University in the People's Republic of China.

(c) Wong KwangChye is the Deputy Head of Asset Management and Portfolio Manager within the Asset Management Department of the Investment Advisor.

KwangChye has over 19 years of experience in portfolio management, research and analysis of sovereign and corporate debt securities, leveraged and middle market loans, asset backed securities, structured finance, equities and exchange traded funds with various asset management companies and banks.

Previously, KwangChye served as the Director of Credit and Structured Investment from UOB Asset Management Ltd and has worked with investment partners, custodian banks and regulators in the RQFII application process as well as managing the QFII and RQFII products. At UOB Asset Management Ltd, he managed the Singapore Index Fund, China ETF and the RMB bond fund.

KwangChye graduated with a Master of Social Science (Applied Economics) from the National University of Singapore.

(d) Javen Foo is the Assistant Manager of Asset Management and Product Manager within the Asset Management Department of the Investment Advisor.

Javen has 16 years of experience in the wealth management industry across global leading institutions within the banking, insurance and financial advisory firms. He has around 10 years of experience in product management and development with the global institutions such as AIA Singapore, Aviva Asia and now ICBC Singapore Branch, with a focus on development and management of new and existing products, investment manager and strategy selection across various fund asset classes such as equity and fixed income.

Javen has also designed investment portfolios including the allocation, rebalancing and recommendation for ICBC Singapore Branch's model portfolios across multi-asset classes, such as fixed income funds, product strategy and investment manager selections and funds recommendation roles.

Javen graduated with a Bachelor degree in Banking & Finance from University of London.

The principal officers of the Investment Advisor in relation to the Fund are Wong KwangChye and Javen Foo (whose descriptions may be found in paragraphs 12(c) and 12(d) above).

The Investment Advisor has been appointed on a non-discretionary basis and will provide advice and recommendations to the Manager as to the investments of the Fund.

The fees of the Investment Advisor are paid by the Manager out of their management fee and are not paid out of the Deposited Property.

The Investment Advisor will remain as investment advisor of the Fund until the appointment is terminated in accordance with the terms of the investment advisory agreement. In the event

that the Investment Advisor becomes insolvent, the Manager may by notice in writing terminate the Investment Advisor and appoint such person as investment advisor to provide advisory services to the Fund.

You should note that past performance of the Investment Advisor is not necessarily indicative of the future performance of the Investment Advisor.

III THE TRUSTEE & CUSTODIAN

13. The Trustee is DBS Trustee Limited (Company Registration No.: 197502043G) and its registered address is at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982.

DBS Trustee Limited (the "**Trustee**") is a company incorporated in Singapore and registered under the Trust Companies Act (Cap. 336) of Singapore, with a paid up capital of S$2.5 million. The Trustee does not have any material conflict of interest with its position as trustee of the Fund. DBS Trustee Limited is a member of DBS Bank Group. The Trustee is regulated in Singapore by the Authority.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Fund. The Trustee has appointed DBS Bank Limited to be custodian of such assets upon such terms and conditions as may be agreed by the parties. The Trustee will remain as the trustee of the Fund until it retires or is removed or replaced in accordance with the provisions of the Trust Deed.

In accordance with the provisions of the Deed, in the event the Trustee becomes insolvent, the Trustee may be removed by notice in writing and replaced by a new trustee who shall be appointed by the Manager. Please refer to Clause 30 of the Deed for more details. Any change to the Trustee of the Fund will be announced on the SGXNET.

14. DBS Bank Limited (the "**Custodian**") has been appointed as custodian of the assets of the Fund. DBS Bank Limited is a company incorporated in Singapore on 16 July 1968 and is regulated by the Authority under the Securities and Futures Act (Chapter 289). Its registered address is at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3 Singapore 018982. DBS Bank Limited has an issued and paid up capital of SGD 24,452 million as at 31 December 2020 and is a wholly owned subsidiary of DBS Group.

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world. DBS Bank Limited is a custodian in Singapore and appoints a network of sub-custodians in other markets. DBS Bank Limited has a selection and ongoing monitoring framework based on a set of defined criteria. These criteria include but are not limited to financial strength, client servicing and operations processing i.e., settlement, corporate actions and income processing, reporting, market development updates and business continuity. Any sub-custodian appointed by the Custodian will be licensed and regulated in its home jurisdiction.

Pursuant to the Custodian Agreement, the Custodian will act as the custodian of the Fund's assets, which will be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement. The Custodian will remain as the custodian for the Fund until the termination of its appointment in accordance with the provisions of the Custodian Agreement.

In the event that the Custodian becomes insolvent, the Trustee may terminate the Custodian Agreement entered into with the Custodian and appoint such other person as the new custodian to provide custodial services to the Fund. Any change to the Custodian of the Fund will be announced on the SGXNET.

15. The following is a summary of the provisions in the Trust Deed governing the retirement, removal and replacement of the Trustee:

(i) The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. If the Trustee wishes to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint a new trustee within three (3) months after the date of such notice, or within such other period as may be agreed between the Manager and the Trustee. If the Manager is unable to appoint a new trustee within such period of three (3) months or such other period as may be agreed between the Manager and the Trustee, the Trustee shall be entitled to appoint a new trustee selected by it. Such new trustee shall be a company eligible, in accordance with paragraph 15(iv) below, the Securities and Futures Act and the CIS Code, to be the trustee of the Fund that is acceptable to the Manager and the Authority and shall agree to enter into such deed as necessary to secure the due performance of its duties as trustee. The Trustee, the new trustee and the Manager shall enter into deed or deeds supplemental to the Trust Deed whereby such new trustee is appointed to be the Trustee in the place of the retiring Trustee who shall thereupon retire.

(ii) If:

(a) the Manager gives notice in writing to the Trustee that it wishes for good and sufficient reason, and is of the reasonable opinion (and so states in writing to the Trustee) that a change of the Trustee is desirable in the interests of the Holders;

(b) following a material breach of the Trustee's obligations under the Trust Deed which, if capable of remedy the Trustee fails to remedy within 30 days of being specifically required to do so by the Manager, and the Manager is of the opinion and so states in writing to the Trustee that a change of the Trustee is desirable in the interests of Holders; or

(c) the Authority directs the removal of the Trustee,

the Manager shall be entitled to give notice in writing to the Trustee that it wishes the Trustee to retire, in each case in favour of a new trustee whose name is specified in such notice and which is a company eligible, in accordance with paragraph 15(iv) below and the CIS Code, to be the trustee of the Fund and is acceptable to the Authority, whereupon the Trustee shall, with effect on and from the date on which the appointment of such new trustee takes effect, by deed supplemental to the Trust Deed retire as the Trustee.

(iii) If an Extraordinary Resolution is passed by the Holders to remove the Trustee then the Trustee shall retire and in such case the Manager shall as soon as reasonably

practicable use its reasonable efforts to find a new trustee to be appointed in accordance with paragraph 15(i) above.

(iv) Any trustee of the Fund shall be incorporated in Singapore, and shall be a public company approved under Section 289 of the Securities and Futures Act.

(v) The new trustee shall as soon as practicable after its appointment give notice to the Holders specifying the name and the address of the office of the new trustee.

(vi) To the extent permissible, the stipulation of any statute that a trustee shall not be discharged from its trust unless there will be either a trust corporation or at least two individuals to act as trustees to perform the trust is hereby excluded. In any event, each and every person actually or prospectively interested in the Deposited Property is hereby excluded from asserting any claim against a trustee or former trustee on the basis of the said stipulation save to the extent of any trust monies or other trust assets actually in the possession or control of that trustee or former trustee.

(vii) Every trustee which shall retire from its position as trustee of the Fund shall in respect of its period of trusteeship of the Fund and notwithstanding that it shall have retired continue to have the benefit of all indemnities, powers and privileges given to the trustee of the Fund by the Trust Deed and any deeds supplemental thereto executed during such period in addition to the indemnities powers and privileges given by law to a retiring trustee.

(viii) Upon effective retirement hereunder, the retiring Trustee shall be discharged and shall no longer be liable in any manner under the Trust Deed except as to acts or omissions occurring prior to such retirement, and the new trustee shall thereupon undertake and perform all duties and be entitled to all rights and compensation as trustee under the Trust Deed. The successor trustee shall not be under any liability under the Trust Deed for occurrences or omissions prior to the execution of such instrument.

(ix) Upon effective retirement hereunder, the retiring Trustee shall use its reasonable endeavours to assign or novate to the new trustee on terms reasonably acceptable to the Manager (and to obtain the consent of its counterparts thereto) of all agreements concerning the Fund, to which it, as trustee, is a party.

IV OTHER PARTIES

16. The registrar of the Fund is DBS Trustee Limited (Company Registration No.: 197502043G) (the "**Registrar**"). The Register will be maintained by the Registrar and can be inspected at 10 Toh Guan Road, #04-11 DBS Asia Gateway, Singapore 608838 during normal business hours (subject to such reasonable restrictions as the Registrar may impose).

Any change to the Registrar of the Fund will be announced on the SGXNET.

17. For so long as the Units are listed, quoted and traded on the SGX-ST, the Manager shall appoint The Central Depository (Pte.) Limited (Company Registration No.: 198003912M) (the "**CDP**") as the Unit Depository for the Fund, and all Units issued will be deposited with the CDP and represented by entries in the register of Holders kept by the Registrar in the name of the CDP or its nominee as the registered Holder of such Units. The Manager or any agents appointed

by the Manager shall issue to the CDP or its nominee not more than ten (10) Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued, and if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

18. The current Designated Market Makers of the Fund are Flow Traders Asia Pte. Ltd., Phillip Securities Pte Ltd and CLSA Singapore Pte Ltd. Any change to the Designated Market Makers of the Fund will be announced on the SGXNET.

19. The auditors of the Fund are PricewaterhouseCoopers LLP of 7 Straits View, Marina One East Tower, Level 12, Singapore 018936 (the "**Auditors**"). Any change to the Auditors of the Fund will be announced on the SGXNET.

20. The Manager has delegated its administration and valuation functions in respect of the Fund to DBS Bank Limited, the administrator of the Fund, whose registered office is at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3 Singapore 018982. DBS Bank Limited will remain as the administrator of the Fund until its appointment is terminated in accordance with the terms of its appointment. Any change to the administrator of the Fund will be announced on the SGXNET.

21. Counterparties, brokers and/or prime brokers (if any) that are used by the Fund are selected from an approved panel and their appropriateness for continuous use by the Manager is reviewed on a regular basis. The Manager must complete due diligence on the counterparties, brokers and/or prime brokers and obtain the relevant internal approvals for their inclusion onto the panel. However, for inclusion onto the panel of counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter derivatives, secured/unsecured call loan or securities lending, approval must also be sought from the risk management department of the Manager's parent company, Nikko AM.

V STRUCTURE OF THE SCHEME

22. The Fund is constituted as a stand-alone unit trust known as the NikkoAM-ICBCSG China Bond ETF pursuant to the Trust Deed. The interests issued or offered to the public are represented by Units comprised in the Fund, the property of which shall be invested in Investments (as defined in the Trust Deed).

23. The Manager has the discretion to establish different classes of Units (each a "**Class**" and collectively the "**Classes**") from time to time. The Classes established within the Fund are as follows:

- RMB Class Units (denominated in RMB)
- SGD Class Units (denominated in SGD)

The Classes in the Fund may differ, amongst other things, in terms of the currency of denomination, dividend payouts, creation and redemption settlement cycles, etc.

All Classes will constitute the Fund and are not separate funds. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to (as the case may be) the value of the Fund which is attributable to that Class.

A separate net asset value per Unit will be calculated for each Class. The net asset value per Unit of each Class will be calculated on each Dealing Day in the currency of the relevant Class. It is calculated based on forward pricing and is determined based on the Value as at the Valuation Point on the relevant Dealing Day on which applications for Units are received, of the proportion of the Deposited Property of the Fund or Class represented by 1 Unit and rounding such amount to the nearest 4 decimal places (or such other number of decimal places or such other method of rounding as the Manager may from time to time determine with the approval of the Trustee).

Each Unit represents an undivided share in the Deposited Property or the portion of Deposited Property attributable to the relevant Class. The rights, interests and obligations of Holders are contained in the Trust Deed.

VI INVESTMENT OBJECTIVE, FOCUS & APPROACH

24. The investment objective of the Fund is to achieve long term capital growth by replicating the returns of the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index, or upon the Manager giving three (3) months' prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index, before fees and expenses. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index.

The Fund will seek to achieve its investment objective by adopting a representative sampling strategy or similar strategy. Representative sampling is a strategy of investing in a representative sample of securities in the Index which have a similar investment profile as that of the Index. The Manager may invest in certain securities that are not included in the Index ("**non-Index Securities**") but have aggregate characteristics (such as yield and duration) similar to those of the Index.

The Fund will generally not hold all the securities that are included in the Index.

The Fund is only suitable for investors who seek to achieve long term capital growth, believe that the Index will increase in value, are willing and able to accept that their principal will be at risk and seek an "index-based" approach to investing in a portfolio of Chinese treasury bonds and bonds issued by the 3 Chinese policy banks in a cost effective and easy to access manner. The 3 Chinese policy banks refer to the Agricultural Development Bank of China, the China Development Bank and the Export-Import Bank of China, which are wholly owned by the Chinese government (through the Ministry of Finance and various investment companies) and under direct jurisdiction of the State Council of China to implement economic policies of the Chinese government.

You should consult your financial advisers if in doubt as to whether the Fund is suitable for you.

25. The ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index is the current benchmark for the Fund. The ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index is compiled and calculated by the Index Provider and aims to track the performance of the Chinese treasury bonds and bonds issued by the 3 Chinese policy banks. Qualified constituents of the Index include Chinese treasury bonds and Chinese policy bank bonds publicly issued on

the China Interbank Bond Market with time to maturity of more than 1 year and no more than 10 years. The Index is reviewed and rebalanced monthly on the first Business Day of each month. The description of the index methodology is available at http://yield.chinabond.com.cn/cbweb-mn/indices/single_index_query?locale=en_US. The Index Provider publishes the composition of the Index on every business day of the China Interbank Bond Market and the latest information relating to the Index is available at www.yield.chinabond.com.cn.

26. If the Index ceases to be compiled or published or if the Licence Agreement with respect to the Index is terminated for any reason, the Manager with the prior approval of the Trustee shall select an alternate or successor index (if necessary, customised by the index licensor or the Manager) using in the opinion of the Manager the same or substantially similar formula for the method of calculation as the Index (the "**Successor Index**"). The Manager will manage the Fund's portfolio using this Successor Index, taking into account the interests of Holders.

27. As Index Securities may be and are added to or removed from the Index from time to time, the Manager may sell or purchase securities that are not yet represented in the Index in anticipation of their removal from or addition to the Index. The composition of the constituent securities of the Index is disclosed in Appendix 1 of this Prospectus. You should note that the composition of the Index may change.

28. The Manager will rebalance the Fund's portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of securities in the Index with a view to minimising tracking error of the Fund's overall returns relative to the performance of the Index. Such rebalancing may be in the form of investments in non-Index Securities. You may obtain information on the tracking error of the Fund (once available) from the Manager's website at www.nikkoam.com.sg.

29. Distributions, if any, will be determined by the Manager.

SGD Class Units

The Manager currently intends to make semi-annual distributions, less expenses, to Holders around January and July of each year. The Manager will decide whether a distribution is to be made based on various factors, including dividend and/or interest income and/or capital gains derived from the investments of the Fund and which is attributable to the SGD Class Units. In addition to distributions to Holders out of distributable income and/or capital gains, the Manager may make distributions to Holders out of the capital of the Deposited Property in accordance with the provisions of the Trust Deed. Where distributions are paid out of capital, the NAV of the SGD Class Units will be reduced and this will be reflected in the Redemption Price of the Units of such Class. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders. Distributions will only be paid to the extent that they are available for distribution pursuant to the Trust Deed.

RMB Class Units

Currently, no distributions will be made for the RMB Class Units. Dividend and/or interest income and/or capital gains derived from investments by the Fund which is attributable to the

RMB Class Units will be reinvested and this will be reflected in the Redemption Price of the Units of such Class.

30. The Fund will not invest in warrants, commodities, precious metals and unlisted securities (except for the Index Securities and non-Index Securities which are generally traded OTC).

31. The Fund may use or invest in financial derivative investments ("**FDIs**") in accordance with the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Units are Excluded Investment Products ("**EIPs**")) and Appendix 1 of the CIS Code. Such FDIs may include, but are not limited to, interest rate swaps, bond futures, forward contracts, over-the-counter options, index futures and options. Subject to the provisions of the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Units are EIPs), the Fund may use or invest in FDIs for the purposes of hedging and/or efficient portfolio management. As at the date of this Prospectus, the Manager may but currently does not intend to invest in FDIs for the SGD Class Units.

32. Where the Fund uses or invests in FDIs, the global exposure of the Fund to financial derivatives or embedded financial derivatives will not exceed 100% of the NAV of the Fund at all times. Such exposure would be calculated using the Commitment Approach as described in, and in accordance with the provisions of, Appendix 1 of the CIS Code.

33. Where the Fund uses or invests in FDIs, the Manager shall ensure that the risks related to such FDIs are duly measured, monitored and managed. The Manager will attempt to minimise the risks of investments in FDIs through careful selection of reputable counterparties and monitoring of the Fund's derivatives positions on an ongoing basis. The Manager has the requisite expertise, experience and quantitative tools to manage and contain such investment risks. In particular, the Manager has in place a comprehensive risk management framework to ensure that the Fund's risk exposure as a result of such FDIs would not be substantially increased. The Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that it has the necessary expertise to control and manage the risks relating to the use of FDIs.

34. The Manager has a dedicated and independent risk management team which oversees the individual portfolio risks. The Manager's portfolio risk management philosophy encompasses the whole investment process from formulation to implementation. Risk management is an integral part of the Manager's investment process. The risks are quantified and broken down into its components through tools employed by the risk management team and monitored closely. Additionally, all open positions/exposure in derivatives will be marked to market at a frequency at least equal to the frequency of the NAV calculation of the Fund.

35. The Fund may engage in securities lending or repurchase transactions in accordance with the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Units are EIPs) and Appendix 1 of the CIS Code. Further details relating to securities lending and repurchase transactions are set out in paragraph 157 of this Prospectus.

You should note that the Units are EIPs and prescribed capital markets products. Accordingly, the Fund does not invest and will not invest in any product and does not engage and will not

engage in any transaction which may cause the Units not to be regarded as EIPs and prescribed capital markets products.

36. The investment objective and policy of the Fund will be adhered to for at least three (3) years following the issue of the first prospectus of the Fund, unless otherwise agreed by the Holders by a special resolution in general meeting or unless such requirement to obtain Holders' agreement by special resolution is waived by the SGX-ST.

37. Unlike "actively managed" unit trusts and mutual funds, in their management of the Fund, the Manager does not attempt to outperform the Index nor does it seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Index may result in a corresponding fall in the NAV of the Fund.

38. *Investment restrictions*. Under the CIS Code, the Fund is classified as an index fund and the Fund will be subject to the investment guidelines for index funds set out in Appendix 5 of the CIS Code as well as the investment guidelines in Appendix 1 of the CIS Code, save to the extent waived or permitted by the Authority. In addition, the Fund will also not invest in any product and/or engage in any transaction which may cause the Units not to be regarded as EIPs and prescribed capital markets products.

39. *Credit rating*. The Manager has established a set of internal credit assessment standards and has put in place a credit assessment process to ensure that its investments are in line with these standards. The Manager's credit assessment process involves an assessment of qualitative and quantitative factors of a bond's issuer to determine an internal credit rating. Information on the Manager's credit assessment process will be made available to investors upon request.

40. Under the terms of the Trust Deed, the Fund may at any time and from time to time borrow, on a temporary basis for a borrowing period not exceeding one month, for the purposes of meeting redemptions and bridging requirements. Aggregate borrowings for such purposes should not exceed ten per cent. (10%) of the NAV of the Fund at any given time.

41. The base currency of the Fund is RMB and the Fund will issue Units denominated in RMB (for RMB Class Units) and SGD (for SGD Class Units).

VII CPF INVESTMENT SCHEME

42. The Fund is currently not included under the CPF Investment Scheme.

VIII FEES AND CHARGES

43. You will have to pay the following fees and charges:

For purchase and sale of Units on the SGX-ST using cash or SRS monies

(a)	Subscription fee or preliminary charge	- Nil.
(b)	Redemption or realisation charge	- Nil.

(c)	Switching fee	-	Not applicable.
(d)	Any other fee	-	Cost of Dealing on the SGX-ST If you deal on the SGX-ST, you will typically not bear any costs related to the creation and redemption of Units. However, you will need to pay brokers' commissions, clearing fees and other costs associated with dealing on the SGX-ST. These amounts are subject to your individual agreement with, and are paid directly by you to, your broker, the CDP and your other service providers (including SRS operators).

For subscription and/or redemption of Units in cash by or through Participating Dealers

(a)	Subscription fee or preliminary charge	-	Nil.
(b)	Redemption or realisation charge	-	Nil.
(c)	Switching fee	-	Not applicable.
(d)	Duties and Charges	-	Up to 0.50% of the subscription or redemption amount (as the case may be) will be payable to the Fund.

Under the terms of the Trust Deed, for subscription and/or redemption of Units in cash, the Manager is entitled to charge Duties and Charges for the account of the Fund which would be used to defray the Fund's costs in the form of stamp duties, brokerage fees, clearing fees and taxes in investing cash for assets or realising the Fund's assets for cash, to prevent the NAV of the Fund from being diluted by the high transactional costs which would be incurred by the Fund. The Manager may, in its absolute discretion, waive either absolutely or subject to such conditions as it deems fit all or part of the Duties and Charges.

(e)	Any other fee	-	You will also have to bear normal brokerage and other fees charged by your stockbrokers.

For subscription and/or redemption of Units in-kind by or through Participating Dealers

(a)	Subscription fee or preliminary charge	-	Nil.
(b)	Redemption or realisation charge	-	Nil.
(c)	Switching fee	-	Not applicable.
(d)	Transaction Fee for each Creation Request	-	Currently S$1,000 per request, subject to a maximum of S$5,000 per request.
(e)	Transaction Fee for each Redemption Request	-	Currently S$1,000 per request, subject to a maximum of S$5,000 per request.

Under the terms of the Trust Deed, for subscription and/or redemption of Units in-kind, the Manager is entitled to charge the Participating Dealers a Transaction Fee for the account of the Fund. The Transaction Fee would be used to defray the Fund's expenses in transfer and other administrative costs involved in creating Units. The Transaction Fee is charged per request, regardless of the number of Creation Units being created or redeemed. The Manager may, in its absolute discretion, waive either absolutely or subject to such conditions as it deems fit all or part of the Transaction Fee for Designated Market Makers of the Fund. Participating Dealers may require the investors to bear the Transaction Fee.

(f)	Any other fee	-	You will also have to bear normal brokerage and other fees charged by your stockbrokers.

44. The Fund will have to pay the following fees and charges out of its assets:

(a)	Management Fee	-	0.15% per annum of the Deposited Property; Maximum: 0.35% per annum of the Deposited Property. The Management Fee is retained by the Manager as the Manager does not pay any trailer fees with respect to the Fund.
(b)	Trustee Fee and Registrar Fee	-	0.02% per annum of the Deposited Property; Maximum: 0.10% per annum of the Deposited Property. Subject to a monthly minimum fee of S$1,500.
(c)	Custodian Fee	-	0.023% per annum of the Deposited Property. Subject to a monthly minimum fee of S$2,000.
(d)	Administration Fee	-	0.019% per annum of the Deposited Property. Subject to a monthly minimum fee of S$2,000.
(e)	Other Fees and Charges	-	Other fees and charges, including inter alia auditors' fees may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the Deposited Property.

44A. The Manager intends to cap the total expense ratio of the Fund at 0.30% per annum of the Deposited Property. Any fees and expenses that are payable by the Fund and are in excess of 0.30% per annum of the Deposited Property will be borne by the Manager and not the Fund.

IX RISKS

45. The general risks of investing in the Fund are as follows:

(a) While the Manager believes that the Fund offers income revenue and potential for capital appreciation, no assurance is given that these objectives will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision.

(b) Investments in the Fund are designed to produce returns over the long term and are not suitable for short term speculation. You should be aware that the price of Units, and the income from them, may go up as well as down, and that past performance is not necessarily a guide to the future performance of the Fund. A possible loss of the principal invested cannot be ruled out.

(c) The risks of investments made by a collective investment scheme include economic, political, liquidity, regulatory, interest rate, credit, regulatory, currency, counterparty, default and repatriation risks and risk of ratings downgrade.

(d) Dealings in the Units and the calculation of the NAV thereof may be suspended in certain circumstances and the redemption of Units may be suspended or deferred in certain circumstances as provided for in the Trust Deed and described in Section XIII of this Prospectus.

46. The specific risks of investing in the Fund are as follows:

(a) Market risk. The price of securities comprised in the portfolio of the Fund and the Units, and the income from them, may be influenced by political and economic conditions, changes in interest rates, the sovereign rating of the PRC, the earnings of the Chinese policy banks whose bonds are comprised in the portfolio, and the market's perception of the bonds.

(b) Liquidity risk. The extent of market liquidity is dependent on the size and state of the markets and therefore affects the Fund's ability to acquire or dispose of assets at the price and time it so desires. The Chinese treasury bonds and Chinese policy bank bonds trade over-the-counter (OTC) on the China Interbank Bond Market (CIBM). Depending on the quotes available on the CIBM, the bonds may be thinly traded and illiquid and may result in redemption prices which adversely affect the NAV of the Fund.

(c) Interest rate risk and credit risk. Investments in bonds and other debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, and are subject to adverse changes in general economic conditions, the financial condition of the issuer, or both, or a rise in interest rates, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.

(d) Trading market in Redemption Securities. The Manager has the absolute discretion to accept requests for the Creation and Redemption of Units in-kind. Units may be redeemed in-kind by Participating Dealers or by Holders through Participating Dealers in Redemption Unit size (currently 20,000,000 Units) or multiples thereof. Holders will receive Redemption Securities (plus a cash payment of the Cash Redemption Component (as described in paragraph 83 below) (if positive)). Holders may not be able to realise the value of Index Securities or non-Index Securities comprised in the Redemption Securities received on a redemption of Units in a timely manner or at any particular price if there is no liquid trading market for the Index Securities or non-Index Securities. However, if the Manager determines in its sole discretion that any Index Security or non-Index Security comprised in the Redemption Securities is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Redemption Unit by a Holder, then the Manager shall have the right

in its sole discretion to pay cash equal to the Value of such Index Security or non-Index Security in lieu of delivering such Index Security or non-Index Security to the Holder.

(e) Trading market in the Units. Although the Units are listed on the SGX-ST, you should be aware that there may be no liquid trading market for the Units. There is no assurance that active trading markets for Units will develop, nor is there a certain basis for predicting the actual price levels at, or sizes in, which Units may trade.

(f) Minimum creation and redemption size. Units will only be issued or redeemed in-kind at the Manager's discretion by or through Participating Dealers for the account of investors and/or for their own account in Creation Unit or Redemption Unit aggregations (currently 20,000,000 Units, and multiples thereof). Currently, Units will only be issued and redeemed in cash by or through Participating Dealers for the account of investors and/or for their own account at a minimum of 50,000 Units. If you do not hold Redemption Unit aggregations or at least the minimum redemption number of Units (i.e. 50,000 Units), you will only be able to realise the value of your Units by selling your Units on the SGX-ST at the prevailing trading price of the Units. You should note that the Participating Dealers are under no obligation to redeem your Units. **It is expected that most investors will dispose of their Units by selling them on the SGX-ST.**

(g) Units may trade at prices other than NAV. The NAV per Unit of the Fund represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV per Unit. The deviation from this NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on the SGX-ST. There is a risk, therefore, that Holders may not be able to buy or sell at a price close to this NAV per Unit. However, since Units can be created and redeemed (in Creation Unit or Redemption Unit aggregations or at a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or amount as the Manager may determine upon giving prior notice to the Trustee, at NAV), the Manager believes that large discounts or premiums to the NAV of Units could not be sustained in an efficient market that allows for arbitrageurs to exploit the difference between trading prices and the NAV. The "bid/ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from this NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from this NAV.

(h) Tracking error risk. Changes in the NAV of the Fund are unlikely to replicate exactly changes in the Index due to various factors. Factors such as fees and expenses of the Fund, liquidity of the market, imperfect correlation of returns between the Fund's securities and those in the Index, changes to the Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Index. Imperfect correlation between the returns of portfolio securities and the Index is more likely to happen to the extent that the Fund does not hold all the securities comprised in the Index as it adopts a representative sampling strategy or invests in securities that are non-Index Securities or invests in those Index Securities with different weighting from that of the Index. The Fund's returns may therefore deviate from those of the Index. However, a fall in the Index may result in a corresponding fall in the Value of the Fund.

(i) Distributions risk. Investors should note that the income of the Fund (if any) may be distributed to Holders at the absolute discretion of the Manager. Sources of income for distribution include coupons, interest income and/or capital gains derived from the investments of the Fund. In addition to distributions to Holders out of distributable income and/or capital gains, the Manager may, in the event that income and/or capital gains are insufficient, make capital distributions to Holders at such time as they deem fit in accordance with the provisions of the Trust Deed.

Where distributions are paid out of the capital of the Fund, the capital of the Fund will be reduced and this will be reflected in the realisation price of the Units. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

As of the date of this Prospectus, distributions will only be made for SGD Class Units.

(j) Dependence upon trading market for Index Securities, Future Index Securities and Former Index Securities. The existence of a liquid trading market for the Index Securities may depend on whether there is supply of, and demand for, such Index Securities. There is no assurance that there will be active trading in any of the Index Securities. The price at which the Index Securities may be purchased or sold by the Fund upon any rebalancing activities or otherwise and the Value of the Fund may be adversely affected if trading markets for the Index Securities, Future Index Securities and Former Index Securities are limited or absent.

(k) Lack of discretion of the Manager to adapt to market changes. The Index Securities held by the Fund will passively reflect some, but not all of the bonds comprised in the Index. Therefore, adverse changes in sovereign rating of the PRC or the financial condition or performance of the corporates issuing such bonds included in the Index will not result in the sale of the Chinese treasury bonds or Chinese policy bank bonds and will be likely to affect adversely the Fund's Value and the trading price of the Units. The Manager will have limited discretion to dispose the bonds from the Fund although the Manager may substitute the bonds held by the Fund under the representative sampling strategy adopted. A fall in the Index may result in a corresponding fall in the Fund's NAV.

(l) Trading in Units on SGX-ST may be suspended. You will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. Subject to the provisions of the CIS Code, the creation and redemption of Units will also be suspended if the trading of Units on the SGX-ST is suspended.

(m) Units may be delisted from SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. There is no assurance that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change its listing requirements. The Fund may be terminated if Units are delisted from the SGX-ST.

(n) Reliance on Participating Dealers. Currently, the creation and redemption of Units can only be effected by or through Participating Dealers for the account of investors and/or for their own account. The number of Participating Dealers at any given time may be limited. You may not be able to submit creation or redemption requests through all the Participating Dealers but at any one time, there will be at least one Participating Dealer through whom you may submit creation or redemption requests. Participating Dealers are however under no obligation to accept instructions to create or redeem Units on your behalf. Subject to the provisions of the CIS Code, Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities in the central clearing and settlement system established by the CDP is disrupted or clearing and settlement of in-kind transactions on the system established by the SGX-ST is disrupted or the Index is not compiled or published. In addition, subject to the provisions of the CIS Code, Participating Dealers will not be able to create or redeem Units if some other event occurs which impedes the calculation of the Value of the Fund by the Manager or during which delivery of Index Securities or disposal of the Fund's investments cannot be effected normally.

(o) Suspension of creations and redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended if the creation and redemption of Units is temporarily suspended by the Manager in accordance with 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 the Fund's assets.

(p) Investing in derivatives. Subject to the provisions of the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Units are EIPs), the Manager may in its absolute discretion cause the Fund to use or invest in FDIs for the purpose of hedging and/or efficient portfolio management. The Manager may cause the Fund to make use of FDIs as allowed in the CIS Code. While the prudent and judicious use of FDIs by investment professionals can be beneficial, FDIs involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with FDIs are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. Investments in FDIs may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in FDIs be monitored closely. The Manager has the necessary expertise and controls for investments in FDIs and has in place systems to monitor any derivative positions for the Fund.

The viability of exercising FDIs depends on the market price of the investments to which they relate, and accordingly, the Manager may from time to time decide that it is not viable to exercise certain FDIs held by the Fund within the prescribed period, in which case, any costs incurred in obtaining the FDIs will not be recoverable. Additionally, the market price of the relevant investment may not exceed the exercise price attached to the FDI at any time during the exercise period or at the time at which the options are exercised and in such an event, this may result in an immediate loss to the Fund.

(q) Changes in the Index. The Index is subject to regular review and revisions. Announcements that are made with respect to potential deletions from and additions to the Index can affect the price of affected bonds and the Index as a whole. The Fund may, under its representative sampling strategy, hold bonds issued by corporates that may be deleted from the Index and may begin to acquire bonds issued by corporates that may be added to the Index. The relative performance of these two groups of bonds can have an adverse impact on the Fund.

(r) Licence to use the Index may be terminated. The Manager has been granted a licence by the current Index Licensor to use the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index as a basis for the composition of the Fund, and to use certain trade names and trademarks associated with the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index. The Fund may not be able to achieve its objective and may be terminated if the Licence Agreement is terminated and the Manager is unable to identify or agree with the Index Licensor or any other index licensor terms for the use of a suitable replacement index that uses, in the opinion of the Manager, the same or a substantially similar formula for the method of calculation as the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index. Any such replacement index will be notified to Holders via SGXNET. Accordingly, you should note that the Fund's ability to track the Index depends on the Licence Agreement continuing in force or a suitable replacement index being found.

(s) Termination of the Fund. The commercial success of the Fund is dependent on attracting assets under management significantly larger than a traditional unit trust. If the size of the Fund falls below USD 100 million (or its equivalent in any applicable currency) on any day falling two (2) years or more after the date of the Trust Deed, the Manager may terminate the Fund.

(t) Errors or inaccuracies in the Index. There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Index, which may result in significant deviations between the NAV of the Units and the Index. The accuracy and completeness of the calculation of the Index may be affected by, without limitation, the availability and accuracy of prices for its constituent securities, market factors and errors in its compilation. The Manager and the Trustee are not responsible or involved in the compilation or calculation of the Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

(u) Risk associated with the investment strategy of the Fund. Unlike "actively managed" unit trusts and mutual funds, in its management of the Fund, the Manager does not attempt to outperform the Index nor does it seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Index may result in a corresponding fall in the NAV of the Fund.

(v) Tax and regulatory risk. There may be PRC laws and regulations governing and taxes imposed on the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency.

(w) Currency risk. As the investments of the Fund may be denominated in currencies other than RMB, fluctuations of the exchange rate of such currencies against the base

currency of the Fund (i.e. RMB) may have an impact on the income of the Fund and affect the value of the Units.

The Manager reserves the discretion to hedge, whether fully, partially or not at all, the foreign currency exposure of the Fund depending on the prevailing foreign exchange rates, and in the event no hedging or partial hedging is made, the value of the Fund may be affected. In the event that any such currency exposure is hedged, an active hedging strategy is usually adopted. Currently, the Manager has no intention to hedge the foreign currency exposure of the Fund.

In addition, as the Fund is denominated in RMB, foreign currency exchange rate movements may affect the returns to investors in Singapore (who purchase Units traded in either SGD or USD), and investors may be exposed to exchange rate risks.

In the event that any investments of the Fund are denominated in a currency other than the currency in which the relevant Class of the Fund is denominated, fluctuations in the exchange rates of the currency of the investment against the currency of denomination of the relevant Class may affect the net asset value of the relevant Class. The Manager reserves the discretion to hedge, whether fully, partially or not at all, the currency exposure of the assets of the Fund that are attributable to any of the Classes to the relevant currency in which it is denominated. In the event that any such currency exposure is hedged, an active hedging strategy is usually adopted.

(x) Dual currency trading risk. The RMB Class Units are traded in two different currencies on the SGX-ST (i.e. RMB and US$). The price of the Units in the secondary currency (i.e. US$) is based on the price of the Units in the primary currency (i.e. RMB) converted at the prevailing foreign exchange rate. Therefore, the performance of the Units in the secondary currency may not be the same as that of the primary currency due to fluctuations in the foreign exchange rate between the RMB and US$.

(y) Risks associated with investment in mainland China.

Economic, Political, Social and Government Policies Risks: The economy of the People's Republic of China (the "**PRC**"), which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources. Although the majority of productive assets in the PRC are still owned by the PRC government at various levels, the PRC government has recently implemented economic reform measures emphasising utilisation of market forces in the development of the economy of the PRC and a high level of management autonomy. While the PRC economy has experienced significant growth in the past 20 years, such growth has been uneven both geographically and among various sectors of the economy. Economic growth has at times been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

Although the PRC government has carried out economic reforms to achieved centralisation and utilisation of market forces to develop the economy of the PRC, there can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC (including the value of the Chinese treasury

bonds and the Chinese policy bank bonds). Further, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the Fund.

Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions affecting the market for sovereign debt.

RMB Currency Risks: RMB is not a freely convertible currency as it is subject to foreign exchange control policies of the PRC government. Any devaluation of the RMB could adversely affect the value of investors' investments in the Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB.

Economic risk: Any instability or disruption in the economy of the PRC could have an adverse impact on the performance of the Fund. Although the PRC has experienced rapid economic growth in recent years, there can be no assurance that such growth will continue and that each sector of the economy will continue to grow at similar rates. In particular, the PRC has been in a state of transition from a planned economy to a market-oriented economy, which may result in a greater degree of economic instability and uncertainty.

Legal and regulatory risk: The PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, the laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

China Interbank Bond Market (CIBM) risk: Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such debt securities may be large, and the Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

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

Operational and Settlement risk: The Fund may be exposed to risks associated with settlement procedures and default of counterparties under the China Interbank Bond Market. Many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on the China Interbank Bond Market which is

an over-the-counter market. All trades settled through the China Central Depositary & Clearing Co., Ltd are on delivery versus payment basis i.e. the Fund will only pay the counterparty upon receipt of the securities. If a counterparty defaults in delivering the securities, the trade may be cancelled and the Fund may need to find another counterparty to complete the transaction, which may be at a less favourable price and thus adversely affecting the value of the Fund. Any transaction via exchange markets may also be subject to settlement delays.

PRC Tax Risk: There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains and other income realised or received by the Fund on its investments in the PRC (which may have retrospective effect). Having taken and considered independent professional tax advice and in accordance with such advice, the Manager decided that no withholding provision will be made on the gross unrealised and realised capital gains derived from disposal of PRC Index Securities.

It is possible that the applicable tax laws may be changed, that the PRC tax authorities may hold a different view as to the enforcement of the PRC withholding tax collection on capital gains. In such case the Fund will bear the actual tax liabilities as no tax provision has been made. This may have an adverse impact to the Fund's NAV. In this case, existing and subsequent investors will be disadvantaged as they bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment in the Fund.

The above is not an exhaustive list of the risks which you should consider before investing in the Fund. You should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

X SUBSCRIPTION OF UNITS

How to purchase Units with cash or SRS monies

47. (i) You may apply for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior written notice to the Trustee, using cash (but not SRS monies) through Participating Dealers on any Cash Dealing Day. You may obtain a list of the Participating Dealers from the Manager.

(ii) If you wish to acquire less than 50,000 Units, you may only acquire Units in lots of 10 Units on the SGX-ST using cash or SRS monies. You may buy Units on the SGX-ST through brokers in the same way as how you may buy shares in companies listed on the SGX-ST. Subject to the applicable terms and conditions imposed by the relevant SRS operator and any relevant competent authority, if you wish to subscribe for Units with your SRS monies, you will have to give a written authorisation to the relevant SRS operator for monies to be withdrawn from your SRS account to pay for the subscription of Units.

Trading Units on the SGX-ST

48. Units of the Fund are listed for trading on the secondary market on the SGX-ST. Units can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. Although Units are generally purchased and sold in "board lots" of 10 Units, brokerage firms may permit investors to purchase or sell Units in smaller "odd-lots",

although prices of Units traded in "odd-lots" may differ slightly from Units purchased and sold in "board lots". When buying or selling Units through a broker, investors will incur customary brokerage commissions and charges and stamp duty, and investors may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. Unit prices are quoted and traded on the SGX-ST in RMB and USD (for RMB Class Units) and SGD (for SGD Class Units).

49. Payment for Units may be made as stipulated by the Participating Dealers from time to time.

In respect of institutional investors and Designated Market Makers, an investment form may also be obtained directly from the Participating Dealers and, once duly completed, forwarded by the Participating Dealers to the Registrar, together with the subscription monies in respect of the application for Units.

50. Notwithstanding anything in this Section X, the Manager shall retain the absolute discretion to accept or reject any application for Units (including, but not limited to, rejecting any application for Units that is received or deemed received by the Registrar on or before the Dealing Deadline of a Cash Dealing Day that is also an Ex. Dividend Date). If an application for Units is rejected by the Manager, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as the Manager shall determine. No certificates will be issued by the Manager.

51. The minimum investment for the Fund in respect of cash subscriptions through Participating Dealers is 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee.

52.

The amount that you will have to pay for the number of Units applied for is calculated by multiplying the number of Units applied for by the Issue Price of the Units of the relevant Class together with any Duties and Charges. The Issue Price of the Units of the relevant Class shall be ascertained as follows:

(i) by dividing the Value of the Deposited Property attributable to such Class as at the Valuation Point of the relevant Cash Dealing Day on which applications for Units are deemed to be received and accepted by the Manager by the number of Units then in issue and deemed to be in issue; and

(ii) by rounding the resulting total per Unit to the nearest four (4) decimal places.

The Manager may add to the Issue Price calculated (but not include within it) such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges, which shall be for the account of the Fund. The Issue Price shall be calculated in RMB (for RMB Class Units) and SGD (for SGD Class Units). The Issue Price shall be based on forward pricing which means that the Issue Price of the Units shall not be ascertainable at the time of application for Units.

53. Requests for subscription of Units using cash must reach the Registrar on or before the Dealing Deadline for the Cash Dealing Day (12 noon (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the

Holders at such time and in such manner as the Trustee may require). If the request for subscription of Units using cash is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day. You may obtain the Issue Price on the next Business Day from the Manager's website at www.nikkoam.com.sg.

54. The following is an illustration of the amount that you will have to pay based on an investment of 50,000 Units through a Participating Dealer and a notional Issue Price of S$1.0500 (for SGD Class Units) (the actual Issue Price of the Units will fluctuate according to the Value of the Deposited Property and the number of Units then in issue):

50,000 Units Number of Units proposed to be subscribed	x	S$1.0500 Notional Issue Price	=	S$52,500.00	+	S$262.50 Duties and Charges*	=	S$52,762.50 Total amount payable by you**

* Assuming that you are charged 0.50% of the subscription amount by the Manager. You should note that in addition to such Duties and Charges, you will also have to bear all brokerage fees charged by your stockbrokers.

** You should note that there may be additional fees and charges (including brokerage fees and charges) payable to the Participating Dealers (as may be determined by the relevant Participating Dealer). The above numerical example has not included the applicable fees and charges payable by you (if any). You should therefore consult the relevant Participating Dealer for the actual amount of all fees and charges that would be payable to the Participating Dealer for assisting you with your subscription application. You should also note that in addition to any additional fee and charges payable to the Participating Dealers, you will also have to bear all brokerage fees charged by your stockbrokers.

The price of Units traded on SGX-ST shall be based on their market prices throughout the trading day for SGX-ST.

You should note that all bank charges (if any) payable in connection with your subscription of Units and the refund of the balance subscription monies (if any) will be borne by you.

55. Applications for subscription of Units using cash will only be accepted and processed if the application monies and/or the Duties and Charges in respect of that application have been received in full in cleared funds by or to the order of the Trustee by no later than the second Dealing Day after the relevant Cash Dealing Day, or such other number of Dealing Days after the relevant Cash Dealing Day as may be determined and agreed between the Trustee and the Manager ("**Cash Settlement Date**").

If the above is not satisfied, the application for subscription of Units will be cancelled. Participating Dealers will be liable to pay a cancellation fee of such amount as the Manager may from time to time determine to represent the Duties and Charges, the administrative costs involved in processing the application and purchasing and/or selling any Investments, interest costs incurred by the Fund and any losses arising in respect of the Fund's purchase and sale of Investments in connection with such cancellation (including the difference between the NAV of the Units on the Cash Settlement Date compared to the relevant Cash Dealing Day).

56. The Issue Price excludes any subscription fee or preliminary charge as no subscription fee or preliminary charge is payable.

How to subscribe for Units in-kind

57. You may, through the Participating Dealers, submit Creation Requests to the Registrar on every Dealing Day for in-kind subscription of Units but it is expected that investors who wish to acquire Units in smaller lot sizes will do so by trading in the Units on the SGX-ST. You may obtain a list of the Participating Dealers through whom you may submit Creation Requests or Redemption Requests from the Manager. The Manager has the absolute discretion to accept requests for the Creation of Units in-kind.

58. The Manager may issue blocks of 20,000,000 Units (each a "**Creation Unit**") or multiples thereof on every Dealing Day to Participating Dealers at the Issue Price for that Creation Unit. The Issue Price for the Creation Unit of a Class shall be ascertained as follows:

(i) by dividing the Value of the Deposited Property attributable to that Class at the Valuation Point of the relevant Dealing Day on which applications for Creation Units are deemed to be received by the Manager by the number of Units then in issue and deemed to be in issue;

(ii) by adjusting the resulting total per Unit to the nearest four (4) decimal places; and

(iii) by multiplying the resulting total by the number of Units comprising a Creation Unit aggregation.

The Manager may add to the Issue Price calculated (but not include within it) such sum (if any) as the Manager may consider represents the appropriate provision for the Transaction Fee, which shall be for the account of the Fund. The Issue Price for the Creation Unit shall be calculated in RMB (for RMB Class Units) and SGD (for SGD Class Units). The Issue Price for the Creation Unit shall be based on forward pricing which means that the Issue Price of the Units shall not be ascertainable at the time of request to create the Creation Unit.

Procedures for creation of Units

59. If you wish to create Units by subscribing for Units in-kind, you must approach a Participating Dealer to do so on your behalf. The Participating Dealer may require you to complete a form. In addition, the Participating Dealer may request that you make certain representations or enter into agreements with respect to the order, for example, to provide for payments of cash, when required. You should be aware that your broker or dealer may not have executed a Participant Agreement and that, therefore, your broker or dealer may have to place orders to create Units through a Participating Dealer that has entered into a Participant Agreement. In such cases, you may have to pay additional charges. At any given time, there may be only one or a limited number of Participating Dealers through whom you may submit Creation Requests.

60. Creation Requests received from Participating Dealers and accepted by the Manager on or before the Dealing Deadline on each Dealing Day (i.e. 5.30 pm (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require) will be processed

at that Dealing Day's Issue Price as calculated in accordance with paragraph 58 of this Prospectus. Creation Requests received from Participating Dealers after the Dealing Deadline or on a day which is not Dealing Day shall be deemed to be received by the Registrar on or before the Dealing Deadline for the next Dealing Day. If you place an order for Units, you should afford sufficient time for the order to be properly submitted by the Participating Dealers to the Registrar prior to the Dealing Deadline on the relevant Dealing Day.

61. When submitting the Creation Request, the Participating Dealer should tender to the Trustee the Index Securities and non-Index Securities as comprising a Deposit Basket for each Creation Unit no later than two (2) Dealing Days following the relevant Transaction Date, or such other number of Dealing Days following the relevant Transaction Date as may be determined and agreed between the Trustee and the Manager (the "**Settlement Date**") in accordance with the terms of the Participant Agreement. The delivery of Units properly applied for will occur in accordance with the terms of the Participant Agreement which is normally no later than the Settlement Date in accordance with the terms of the Participant Agreement.

62. The issue of Units in Creation Unit aggregations will only be done if the following are satisfied:

(i) the Index Securities and non-Index Securities delivered to the Trustee in respect of that issue of Units, in Creation Unit aggregations, have been approved by the Manager as comprising a Deposit Basket with respect to the relevant Transaction Date;

(ii) the aggregate of (a) the Value of the Index Securities and non-Index Securities at the Valuation Point on the relevant Transaction Date delivered to the Trustee and (b) the amount of cash paid to or to the order of the Trustee in respect of the Cash Issue Component for the Creation Unit aggregation (as described in paragraph 63 below) is equal to the Issue Price for that Creation Unit aggregation;

(iii) the Index Securities and non-Index Securities have been vested upon the trusts of the Trust Deed in the Trustee to the Trustee's satisfaction or satisfactory evidence of title and instruments of transfer shall have been produced to or to the order of the Trustee by such time and date as determined therefor by the Manager in its discretion, provided that such date shall occur no later than the relevant Settlement Date; and

(iv) the full amount of the Cash Issue Component and Transaction Fee in respect of that Creation Unit size shall have been received in full in cleared funds by or to the order of the Trustee by such time and date as determined therefor by the Manager in its discretion, provided that such date shall occur no later than the relevant Settlement Date.

If any of the above is not satisfied, the Creation Request will be cancelled. Participating Dealers will be liable to pay a cancellation fee of such amount as the Manager may from time to time determine to represent the Transaction Fee, the administrative costs involved in processing the Creation Request, purchasing and/or selling any Investments, and redelivering any Index Securities and non-Index Securities, interest costs incurred by the Fund and any losses arising in respect of the Fund's purchase and sale of Investments in connection with such cancellation (including the difference between the NAV of the Units on the Settlement Date compared to the relevant Dealing Day).

63. The Cash Issue Component of a Creation Unit is the difference between the Issue Price of the Creation Unit as calculated in paragraph 58 and the Value of the Index Securities and non-Index Securities constituting a Deposit Basket on the relevant Transaction Date delivered to the Trustee. If the Cash Issue Component (after taking into account the Transaction Fee) is a negative amount no cash shall be payable or paid by a Participating Dealer, but a cash amount equal to the negative amount shall be paid by the Trustee to the Participating Dealer no later than two (2) Dealing Days following the relevant Transaction Date, or such other number of Dealing Days following the relevant Transaction Date as may be determined and agreed between the Trustee and the Manager.

Acceptance of orders for Creation Unit aggregations

64. The Manager reserves the absolute right without giving any reason therefor to reject a Creation Request transmitted to the Registrar (including, but not limited to, rejecting any Creation Request that is received or deemed received by the Registrar on or before the Dealing Deadline of a Dealing Day that is also an Ex. Dividend Date). The Manager currently intends to reject a Creation Request if:

(i) the order is not in proper form; or

(ii) under applicable law or regulation, the applicant (on whose behalf the Participating Dealer is acting) is not eligible to subscribe for, purchase or hold Units, or in the discretion of the Trustee or the Manager the purchase or holding of Units by the applicant might result in the Fund, the Manager or the Trustee incurring any liability to tax or suffering any other financial disadvantage or becoming subject to any law or regulation which they might not otherwise have incurred or suffered or become subject to.

The Registrar will notify the Participating Dealer of any rejection of an order placed by that Participating Dealer. The Manager is under no duty to provide reasons for rejecting a Creation Request in respect of the Fund.

65. The Manager may, with the prior approval of the Trustee, at its discretion change the number of Units comprising a Creation Unit aggregation for the purpose of effecting creations of Units.

<u>Applicable to subscribing for Units in cash and in-kind</u>

66. For every successful application for Units, the relevant Participating Dealer will be sent a confirmation detailing the number of Units allotted within seven (7) Business Days of the receipt of the application by the Registrar. All Units created through subscription of Units by or through the Participating Dealers will be entered on the records of CDP in the name of the relevant Participating Dealer or its nominee.

67. No Units will be issued and no application for subscription of Units or Creation Request will be accepted during any period when the creation and redemption of Units is suspended (see Section XIII below).

XI REALISATION OF UNITS

How to sell Units for cash or Units which were purchased with SRS monies

68. (i) You may apply to redeem 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or redemption amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, for cash (but not SRS monies) on any Cash Dealing Day through Participating Dealers.

(ii) If you wish to dispose of less than 50,000 Units, you may sell your Units which were purchased with cash or SRS monies on the SGX-ST through brokers in the same way as how you may sell shares in companies listed on the SGX-ST.

Trading Units on the SGX-ST

Units of the Fund are listed for trading on the secondary market on the SGX-ST. Units can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. Although Units are generally purchased and sold in "board lots" of 10 Units, brokerage firms may permit investors to purchase or sell Units in smaller "odd-lots", although prices of Units traded in "odd-lots" may differ slightly from Units purchased and sold in "board lots". When buying or selling Units through a broker, investors will incur customary brokerage commissions and charges and stamp duty, and investors may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. Unit prices are quoted and traded on the SGX-ST in RMB and USD (for RMB Class Units) and SGD (for SGD Class Units).

69. A Holder of 50,000 Units or more may redeem Units pursuant to paragraph 68(i) above through completing the redemption request (or such other form as the Manager may approve from time to time) and forwarding the same to the Participating Dealers. However, if you have applied to subscribe for Units using cash on any Cash Dealing Day, you shall not be entitled to redeem the Units to be issued to you until after the Cash Settlement Date in respect of that Cash Dealing Day.

70. There is no minimum holding amount for the Units. The minimum redemption number of Units in respect of cash redemptions through Participating Dealers is 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee. However, if the Units cease at any time to be listed on the SGX-ST and any other stock exchange on which the Units may be listed or quoted on for a continuous period of 30 days, subject to paragraph 90 the Manager will, within 14 days from the end of such 30 day period, commence accepting redemption requests made directly by Holders subject to the provisions of the Trust Deed, and if the Units are subsequently re-listed on the SGX-ST or a stock exchange, the Manager may, on reasonable notice given to Holders, again require redemption requests to be made only through Participating Dealers. Holders with less than the minimum redemption number of Units may sell their Units for cash by trading the Units on the SGX-ST.

71. The net realisation proceeds are calculated by multiplying the number of Units to be redeemed by the Redemption Price of the Units of a Class on the relevant Cash Dealing Day which shall be ascertained as follows:

(i) by dividing the Value of the Deposited Property attributable to such Class at the Valuation Point of the relevant Cash Dealing Day on which applications to redeem Units are deemed to be received and accepted by the Manager by the number of Units then in issue and deemed to be in issue; and

(ii) by adjusting the resulting total per Unit to the nearest four (4) decimal places.

The Manager may deduct from the realisation proceeds such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges, which shall be for the account of the Fund. The Redemption Price shall be calculated in RMB (for RMB Class Units) and SGD (for SGD Class Units) and shall be based on forward pricing which means that the Redemption Price of the Units shall not be ascertainable at the time of application to redeem Units.

72. Applications to redeem Units for cash must reach the Registrar on or before the Dealing Deadline on the Cash Dealing Day (i.e. 12 noon (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require). If the request to redeem Units for cash is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day. You may obtain the Redemption Price on the next Business Day from the Manager's website at www.nikkoam.com.sg.

73. The following is an illustration of the realisation proceeds that you will receive based on a redemption of 50,000 Units through a Participating Dealer and a notional Redemption Price of S$1.1000 (for SGD Class Units) (the actual Redemption Price of the Units will fluctuate according to the Value of the Deposited Property and the number of Units then in issue).

50,000 No. of Units Redeemed	x	S$1.1000 Notional Redemption Price	=	S$55,000.00 Gross Realisation Proceeds	–	S$275.00 Duties and Charges*	=	S$54,725.00 Net Realisation Proceeds

* Assuming that you are charged 0.50% of the redemption amount by the Manager. You should note that in addition to such Duties and Charges, you will also have to bear all brokerage fees charged by your stockbrokers.

The price of Units traded on SGX-ST shall be based on their market prices throughout the trading day for SGX-ST.

74. Where Units are to be redeemed for cash, but subject as provided in paragraphs 90 and 91, the Manager shall proceed to effect any sales of Investments necessary to provide the cash required to pay the realisation proceeds and notify the Trustee that those Units are to be redeemed and cancelled. In such event the Fund shall be reduced by the cancellation of those Units on the Cash Settlement Date and for settlement on that Cash Settlement Date the Trustee shall pay the realisation proceeds to the relevant Holder. Notwithstanding the foregoing, no realisation proceeds shall be paid unless Units, the subject of the application to redeem Units for cash, have been delivered to the Trustee for redemption by such time on the Cash Settlement Date as the Trustee and the Manager shall for the time being prescribe. If Units are

not delivered to the Trustee for redemption in accordance with the foregoing: (i) the application for redemption for cash shall be deemed never to have been made (except that the Duties and Charges shall remain due and payable) and (ii) the Manager may, but shall not be bound to, charge the Holder's Participating Dealer (for the account of the Fund) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the redemption request, purchasing and/or selling any Investment and redelivering any Units, and any losses arising in respect of the Fund's sale and purchase of Investments and any interest costs incurred by the Fund in connection with such failed redemption. In addition, the Manager may, but shall not be bound to require the Holder's Participating Dealer to pay to the Trustee for the account of the Fund in respect of each Unit, the subject of the application for redemption of Units for cash, the amount (if any) by which the Redemption Price of each such Unit on the relevant Cash Dealing Day is less than the Issue Price which would have applied in relation to each such Unit as if the Manager had received on the relevant Cash Settlement Date in relation to such Units to be redeemed an application from such Holder's Participating Dealer for the subscription of such Units in accordance with the relevant provisions of Section X of this Prospectus.

75. The Redemption Price excludes any realisation charge as no realisation charge is payable.

76. Payment will be made within two (2) Business Days after the relevant Cash Dealing Day, or such other number of Business Days after the relevant Cash Dealing Day as may be determined and agreed between the Trustee and the Manager, subject to the provisions of the Trust Deed. The net realisation proceeds shall be paid to the Participating Dealer.

How to redeem Units in-kind

77. You may, through the Participating Dealers, submit Redemption Requests on every Dealing Day for in-kind redemption of Units but it is expected that smaller investors who wish to redeem Units will do so by trading in the Units on the SGX-ST. The Manager has the absolute discretion to accept requests for the Redemption of Units in-kind.

78. The Manager may determine and designate the Index Securities and non-Index Securities comprising the Redemption Basket applicable to requests to redeem Units in Redemption Unit aggregations submitted with respect to each Dealing Day. The Manager may permit the redemption of a Redemption Unit or multiples thereof on every Dealing Day by Participating Dealers at the Redemption Price for that Redemption Unit. On receipt of a Redemption Request by the Registrar from a Participating Dealer on behalf of a Holder which complies with the requirements as set out in paragraph 84 below, the Manager shall effect the redemption of the Units, in Redemption Unit aggregations, specified in the Redemption Request for proceeds equivalent to the Redemption Price of the number of Redemption Unit aggregations to be redeemed, such proceeds to be paid by way of a transfer by or on behalf of the Trustee *in specie* of the Redemption Securities and payment by or on behalf of the Trustee in cash of the Cash Redemption Component (if positive) determined as at the Transaction Date. The Redemption Price of a Class for a Redemption Unit aggregation shall be ascertained as follows:

(i) by dividing the Value of the Deposited Property attributable to such Class at the Valuation Point of the relevant Dealing Day on which applications to redeem the Redemption Unit are deemed to be received by the Manager by the number of Units then in issue and deemed to be in issue;

(ii) by adjusting the resulting total per Unit to the nearest four (4) decimal places; and

(iii) by multiplying the resulting total by the number of Units comprising a Redemption Unit aggregation.

The Manager may set off against any Cash Redemption Component payable to a Participating Dealer such sum (if any) as the Manager may consider represents the appropriate provision for the Transaction Fee, which deduction shall be for the account of the Fund. To the extent that the Cash Redemption Component is insufficient to pay such Transaction Fee payable on such redemption, the Participating Dealer shall promptly pay the shortfall in RMB (for RMB Class Units) and SGD (for SGD Class Units) to or to the order of the Trustee and the Trustee shall not be obliged to deliver (and shall have a general lien over) the Redemption Securities until such shortfall is paid in full to or to the order of the Trustee. The Redemption Price for the Redemption Unit shall be based on forward pricing which means that the Redemption Price of the Units shall not be ascertainable at the time of request to redeem the Redemption Unit.

Procedures for redemption of Units in-kind

79. If you have applied to subscribe for Units in-kind on any Dealing Day, you will not be entitled to redeem the Units to be issued to you until after the Settlement Date in respect of that Dealing Day. If you wish to redeem Units in-kind, you must approach a Participating Dealer to do so on your behalf. The Participating Dealer may require you to complete a form. In addition, the Participating Dealer may request that you make certain representations or enter into agreements with respect to the order, for example, to provide for payments of cash, when required. You should be aware that your broker or dealer may not have executed a Participant Agreement and that, therefore, your broker or dealer would have to place orders to redeem Units through a Participating Dealer that has entered into a Participant Agreement. In such cases, you may have to pay additional charges. At any given time, there may be only one or a limited number of Participating Dealers through whom you may submit Redemption Requests.

80. Redemption Requests received from Participating Dealers and accepted by the Registrar on or before the Dealing Deadline on each Dealing Day (i.e. 5.30 pm (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require) will be processed at that Dealing Day's Redemption Price as calculated in accordance with paragraph 78 of this Prospectus. Redemption Requests received from Participating Dealers after the Dealing Deadline or on a day which is not a Dealing Day shall be deemed to be received by the Registrar on or before the Dealing Deadline for the next Dealing Day. If you place an order to redeem Units, you should afford sufficient time for the order to be properly submitted by the Participating Dealers to the Registrar prior to the Dealing Deadline on the relevant Dealing Day.

81. The Index Securities and non-Index Securities comprising the Redemption Basket ("**Redemption Securities**") distributable and the Cash Redemption Component payable (less any amount set-off pursuant to paragraph 78) to the Participating Dealer in respect of the redemption of Units may be transferred or paid sooner but shall, subject to the provisions of paragraphs 90 and 91 of this Prospectus, be distributable and payable on the Settlement Date in accordance with paragraph 82 provided that the Manager shall have received the Redemption Request duly signed (to the satisfaction of the Manager) by such Participating Dealer, and provided further that the Units, which are the subject of the Redemption Request, have been delivered in accordance with paragraph 82 and the full amount of the Cash

Redemption Component (if negative) and any Duties and Charges and the Transaction Fee payable have been deducted and set-off or otherwise paid in full. For the purposes of this paragraph 81, the Holder on whose behalf a redemption application is made by a Participating Dealer hereby authorises (i) the transfer of the Redemption Securities by book entry to the designated stock account and (ii) the payment of the Cash Redemption Component by book entry payment to the designated cash account or by telegraphic transfer to a bank account in the name or to the order, in each case, of that Participating Dealer by or through whom that Redemption Request was made. The Cash Redemption Component shall be paid in RMB (for RMB Class Units) and SGD (for SGD Class Units) and, if paid by telegraphic transfer, shall be paid to such bank account(s) determined by the Manager.

82. Where Units are to be redeemed on any Settlement Date, but subject as provided in paragraphs 90 and 91, the Manager shall proceed to effect any sales of Investments necessary to provide the cash required to pay the Cash Redemption Component (if applicable) and notify the Trustee that those Units are to be redeemed and cancelled. In such event (but subject as provided below) the Fund shall be reduced by the cancellation of those Units on that Settlement Date and (subject as otherwise provided in the Trust Deed including, without limitation, Clause 14.9 of the Trust Deed) for settlement on that Settlement Date (or such later date as may from time to time be determined by the Manager with the consent of the Trustee) the Trustee shall transfer the applicable Redemption Securities out of the Deposited Property to or to the order of the Participating Dealer through which the redeeming Holder made his Redemption Request and shall pay the Cash Redemption Component (with such deductions as are permitted by the Trust Deed) to the relevant Holder within two (2) Dealing Days after the relevant Dealing Day, or such other number of Dealing Days after the relevant Dealing Day as may be determined and agreed between the Trustee and the Manager. Notwithstanding the foregoing, no Redemption Securities shall be delivered and no Cash Redemption Component shall be paid unless Units, the subject of the Redemption Request, have been delivered to the Trustee for redemption by such time on the Settlement Date as the Trustee and the Manager shall for the time being prescribe for such Redemption Request. The Manager, with prior approval of the Trustee, may at its discretion extend the settlement period, such extension to be on such terms and conditions (including as to the payment of any fees it may determine to represent the administrative costs involved in extending the Settlement Date) as the Manager may determine. If Units are not delivered to the Trustee for redemption in accordance with the foregoing: (i) the Redemption Request shall be deemed never to have been made (except that the Transaction Fee therefor shall remain due and payable) and (ii) the Manager may, but shall not be bound to, charge the Holder's Participating Dealer (for the account of the Fund) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the Redemption Request, purchasing and/or selling any Investments and redelivering any Units, and any losses arising in respect of the Fund’s sale and purchase of Investments and any interest costs incurred by the Fund in connection with such failed redemption. In addition, the Manager may, but shall not be bound to, require the Holder's Participating Dealer to pay to the Trustee for the account of the Fund in respect of each Unit, the subject of the Redemption Request, the amount (if any) by which the Redemption Price of each such Unit on the relevant Dealing Day is less than the Issue Price which would have applied in relation to each such Unit as if the Manager had received on the date on which such Units were to be redeemed an application from such Holder's Participating Dealer for the creation of such Units in accordance with the provisions of Clause 11 of the Trust Deed.

83. The Cash Redemption Component of a Redemption Unit is the difference between the Redemption Price of the Redemption Unit calculated in accordance with paragraph 78 of this

Prospectus and the Value of the Index Securities and non-Index Securities constituting a Redemption Basket.

Acceptance of orders for redemption of Redemption Unit aggregations

84. To be effective, a Redemption Request:

(i) must be given to the Manager by a Participating Dealer in accordance with the relevant Participant Agreement;

(ii) must specify the (round) number of Redemption Unit aggregations the subject of the Redemption Request; and

(iii) may not be in respect of Units other than as comprising a Redemption Unit aggregation.

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

86. The Manager may from time to time in its absolute discretion substitute an amount of cash to replace any Index Security and non-Index Security comprised in a Redemption Basket in connection with a request to redeem any Redemption Unit aggregation. If the Manager exercises such discretion, the cash in lieu amount shall be equal to the Value of such substituted Index Securities or non-Index Securities and shall comprise part of the Cash Redemption Component and each such substituted Index Security or non-Index Security shall be deemed not to be a Redemption Security comprising part of the Redemption Basket. The Manager shall be entitled in its discretion to charge (for the account of the Fund) to the applicant of any Units for which cash is paid in lieu of delivering any Redemption Securities such additional sum it may consider represents the appropriate provision for Duties and Charges.

Applicable to redeeming Units in cash and in-kind

87. The Manager shall be entitled to limit the total number of Units which Holders are entitled to redeem on a Dealing Day to ten per cent. (10%) (or such higher percentage as the Manager may determine in any particular case) of the total number of Units in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied (subject as provided in the last sentence of this paragraph) pro rata to all Participating Dealers who have validly requested redemptions to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all Participating Dealers. Any Units which, by virtue of the powers conferred on the Manager hereby, are not redeemed in respect of a particular Dealing Day (a "**first relevant Dealing Day**") shall be carried forward for redemption (subject to any further application of the provisions of this paragraph) on the Dealing Day next following the first relevant Dealing Day (such Dealing Day shall be referred to as a "**second relevant Dealing Day**"). The Manager will inform the Participating Dealers of Units the redemption of which has been deferred within one Business Day after the first relevant Dealing Day and that (subject as aforesaid) they shall be redeemed on the second relevant Dealing Day. If on the second relevant Dealing Day the Manager shall decide to apply the limitation described in the first sentence of this paragraph, Units the subject of redemption requests first carried forward from the first relevant Dealing Day shall then (subject to the application of such limitation) be redeemed in priority to Units the subject of redemption requests received on the second relevant Dealing Day, and such second relevant Dealing Day

shall be treated as the first relevant Dealing Day for Holders whose redemption requests are to be carried forward hereunder after such second relevant Dealing Day.

88. Where any applications or requests for subscription, creation or redemption of Units in cash or in-kind are submitted by a Participating Dealer for its own account, Sections X and XI of this Prospectus shall apply with the necessary modifications to such applications or requests as if they were submitted by the Participating Dealer as Participating Dealer on behalf of itself as applicant for or Holder of the Units.

XII OBTAINING PRICES OF UNITS

89. The Issue Price and Redemption Price of Units will be available on the Business Day following each Dealing Day. You may check such prices on the Manager's website at www.nikkoam.com.sg.

XIII SUSPENSION OF DEALINGS

90. Subject to the provisions of the CIS Code, the Manager may at any time with the prior approval of the Trustee suspend the creation, issue and/or redemption of Units of the Fund and/or delay the payment of any monies and distribution of any Redemption Securities in respect of any such creation, issue and/or redemption during any of the following periods:

(a) any period when the SGX-ST is closed;

(b) any period when dealings of the Units on the SGX-ST are restricted or suspended;

(c) any period when dealings or trading between counterparties to the China Interbank Bond Market (CIBM) is suspended or restricted or when the payment, settlement or clearing of Index Securities on the CIBM is disrupted for any reason, including but not limited to any PRC laws, rules or directions of any regulatory authority affecting the CIBM;

(d) any period when settlement or clearing of securities in CDP is disrupted;

(e) the existence of any state of affairs as a result of which delivery of Index Securities or non-Index Securities comprised in a Deposit Basket or Redemption Basket or disposal of Investments for the time being comprised in the Deposited Property cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders;

(f) any period when, in the opinion of the Manager, funds cannot be normally remitted from the Deposited Property without prejudicing the interests of Holders;

(g) any period when the Index is not compiled or published;

(h) any breakdown in the means normally employed in determining the Value of the Deposited Property of the Fund or Class or liabilities of the Fund or Class or when for any other reason the Value of any Investment or other property for the time being comprised in the Deposited Property of the Fund or Class or the liabilities of the Fund or Class cannot be promptly and accurately ascertained;

(i) any 48 hours (or such longer period as the Manager and the Trustee may agree) prior to the date of any meeting of Holders of the Fund or the relevant Class, or any adjourned meeting thereof;

(j) any period when the business operations of the Manager or the Trustee in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;

(k) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority; or

(l) such circumstances as may be required under the provisions of the CIS Code.

91. Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof by the Manager and thereafter there shall be no creation or issue of Units, and/or (as the case may be) no redemption of Units and/or transfer of the Redemption Securities and payment of the Cash Redemption Component or cash Redemption Price in respect of any such redemption until the Manager shall declare the suspension at an end, except that subject to the provisions of the CIS Code, the suspension shall terminate as soon as practicable when (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised under the Trust Deed shall then exist, and in any event, within 21 days of the commencement of the suspension. The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Holders for the dealing in Units to remain suspended. Such extension should be subject to weekly review by the Trustee. Each declaration by the Manager pursuant to paragraph 90 shall be consistent with such official rules, regulations, codes and guidelines, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Fund and as shall be in effect at the time. To the extent not inconsistent with such official rules, regulations, codes and guidelines, and subject to the foregoing provisions hereof, the declaration of the Manager shall be conclusive. During any such suspension by reason of any of the circumstances set out in paragraphs 90(a) to (l) above, the calculation of the Value of the Deposited Property and each Unit (including the Issue Price and Redemption Price) may also be suspended and the Manager shall be under no obligation to rebalance or adjust the Deposited Property, in either case at the discretion of the Manager and with the prior approval of the Trustee. The Manager shall publish the fact that the calculation of the Value of the Deposited Property and each Unit is suspended immediately following such suspension and at least once a month during the period of such suspension in such newspaper or newspapers in Singapore or elsewhere as the Manager may from time to time think fit.

92. Any Participating Dealer may at any time after such a suspension has been declared and before termination of such suspension withdraw any redemption request or any application for the issue of Units by notice in writing to the Manager. If no such notification of the withdrawal of any such request or application has been received by the Manager before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Trust Deed, redeem Units in respect of which the Manager has received a valid redemption request and the Trustee and the Manager shall consider applications for the issue of Units as at the Dealing Day or (in the case of redemptions or issue of Units in cash) the Cash Dealing Day

next following the termination of such suspension. In addition, the period for distributing any proceeds the distribution of which has been delayed pursuant to the suspension shall be extended by a period equal to the length of the period of the suspension.

XIV PERFORMANCE OF THE SCHEME

93. As the Fund was incepted on 24 November 2020, a track record of at least one year is not available.

94. The benchmark against which the performance of the Fund will be measured is the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index.

95. Expense ratio

As the Fund was incepted on 24 November 2020, the Fund's expense ratio is not available as of 31 December 2020.

The Manager intends to cap the total expense ratio of the Fund at 0.30% per annum of the Deposited Property. Any fees and expenses that are payable by the Fund and are in excess of 0.30% per annum of the Deposited Property will be borne by the Manager and not the Fund.

96. Turnover ratio

As the Fund was incepted on 24 November 2020, the Fund's turnover ratio is not available as of 31 December 2020.

XV SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

97. In its management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

XVI CONFLICTS OF INTEREST

98. The Manager is part of a financial group, and the Manager and its affiliates provide the full suite of financial services to clients, and act simultaneously for a number and range of clients with various interests, requirements and positions.

98A. Other than the Fund, the Manager is also the manager of other collective investment schemes including but not limited to:

a) Nikko AM Shenton Japan Fund

b) Nikko AM Shenton Thrift Fund

c) Nikko AM Shenton Income Fund

d) Nikko AM Shenton Asia Pacific Fund

e) Nikko AM Global Green Bond Fund

f) Nikko AM Shenton Emerging Enterprise Discovery Fund

g) Nikko AM Shenton Global Opportunities Fund

h) Nikko AM Shenton Horizon Investment Funds

i) Nikko AM Shenton Eight Portfolios

j) Nikko AM Asia Investment Funds

k) Nikko AM Shenton Short Term Bond Funds

l) ABF Singapore Bond Index Fund

m) The Solidarity Fund

n) Nikko AM Singapore STI ETF

o) Nikko AM Japan Dividend Equity Fund

p) Nikko AM Asia High Yield Bond Fund

q) MSIG Asian Bond Fund

r) Nikko AM Global Multi Asset Conservative Fund

s) Nikko AM Asia Healthcare Fund

t) Nikko AM China Onshore Fund Series

u) Nikko AM All China Equity Fund

v) Nikko AM ASEAN Equity Fund

w) NikkoAM-StraitsTrading Asia ex Japan REIT ETF

x) Nikko AM Asia Limited Investment Fund Series

y) Nikko AM SGD Investment Grade Corporate Bond ETF

z) Nikko AM Dynamic Bond Fund

99. The Manager may from time to time have to deal with competing or conflicting interests arising from such other funds managed by the Manager. For example, the Manager may make a purchase or sale decision on behalf of some or all of the other funds managed by the Manager without making the same decision on behalf of the Fund, as a decision whether or not to make the same investment or sale for the Fund depends on factors such as the cash availability and portfolio balance of the Fund. However, the Manager will use its reasonable endeavours at all times to act fairly and in the best interests of the Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds managed by the Manager and the Fund, the Manager will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds managed by the Manager and the Fund. The Manager may also transact on the Fund's behalf with its affiliates. The Manager intends to deal with any conflicts of interests in a manner consistent with any applicable guidelines which may be issued from time to time by the Investment Management Association of Singapore.

100. The Manager is of the view that it is not in a position of conflict in managing its other funds as these funds and the Fund have different investment universes and investment restrictions. To the extent that there are overlapping investment objectives, the Manager will, as far as practicable, endeavour to have the same securities holdings for such overlapping areas with such securities allocated on a pro-rata basis among the relevant funds. The Manager will conduct all transactions with or for the Fund at arm's length.

101. Subject as otherwise provided herein, the Trustee, the Manager, the Investment Advisor (and/or its affiliates), the ultimate holding company of the Investment Advisor (and/or its affiliates) and

any Connected Person or Associate of the Trustee, the Manager, the Investment Advisor (and/or its affiliates) and the ultimate holding company of the Investment Advisor (and/or its affiliates) may:

(a) purchase, hold, deal in or dispose of Units;

(b) contract or enter into any financial, banking, insurance, brokerage or other transaction with one another, Holders, Participating Dealers or any corporation or body any of whose securities form part of the Deposited Property of the Fund, make profits from such contracts or other transactions and be interested in any such corporation or body; and

(c) invest in and deal with securities or any property of the kind included in the Deposited Property of the Fund or any other investments for their respective individual accounts or for the account of a third party or enter into contracts or other arrangements with one another and make profits from these activities.

102. Neither the Manager nor any of the directors of the Manager or any of its Associates is or will become entitled to receive any part of any brokerage charged to the Fund, or any part of any fees, allowances, benefits, etc received on purchases charged to the Fund.

103. Neither the Trustee nor the Manager may act as principal to buy or sell investments from or to the Trustee for the account of the Fund or otherwise deal as principal with the Fund. However, with the prior written consent of the Trustee, any Connected Person of the Manager may deal as principal in the sale or purchase of securities and other investments to or from the Fund. There will be no obligation on the part of such Connected Person to account to the Fund or to Holders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are entered into on an arm's length basis and at the best price available to the Fund having regard to the kind, size and time of the transaction.

104. Any cash of the Fund may be deposited with any Connected Person of either the Trustee or the Manager or invested in certificates of deposit or banking investments issued by any such Connected Person.

105. With the prior written consent of the Trustee, the Manager may effect transactions by or through the agency of another person for the account of the Fund with whom the Manager or any of its Connected Persons have an arrangement for the supply of goods, services or other benefits.

106. Where the Manager or any Connected Person of the Manager receives any cash rebate of all or any part of any commission paid out of the Fund, the Manager or that Connected Person shall not be entitled to retain that cash rebate but shall account for and pay the same to the Trustee to be held as property of the Fund.

107. The Manager may, in accordance with applicable law and regulation, effect agency cross transactions where both the sale and purchase of an investment are effected for clients (including the Fund on the one hand) of the Manager and/or its Connected Persons provided that the sale and purchase decisions are in the interests of both clients, permitted within the investment guidelines/objectives of both clients and the transactions are executed on an arm's length basis and at the best price available to the Fund having regard to the kind, size and time of the transaction.

108. The Manager may, in the course of its business, have potential conflicts of interest with the Fund. In such circumstances, the Manager will have regard to its obligations under the Trust Deed and, in particular, to its obligation to act in the best interests of the Fund and the Holders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. If such conflicts do arise, the Manager will use its best efforts to resolve such conflicts fairly.

109. In respect of voting rights where the Manager may face a conflict between its own interest and that of the Holders, the Manager shall cause such voting rights to be exercised in consultation with the Trustee.

110. The Trustee is presently also offering registrar and valuation services to the Fund. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property of the Fund under the provisions of the Trust Deed.

111. The Manager and the Trustee will conduct all transactions with or for the Fund on an arm's length basis.

112. The Manager or its affiliates (together the "**Parties**") are or may be involved in other financial, investment and professional activities (including but not limited to providing discretionary investment management or investment advisory services to other clients) which may on occasion cause conflicts of interest with the management of the Fund. Notwithstanding paragraph 100 above, the Parties will be free, in their absolute discretion, to make recommendations to others, or effect transactions on behalf of themselves or for others which may be the same as or different from those effected for the Fund, and to do so prior to, at the same time as, or after effecting such transactions. The Parties shall not be obliged to purchase, retain or sell for the Fund any security which the Parties may purchase, retain or sell on behalf of themselves or for others, or which the Parties may recommend to others to purchase, retain or sell. Furthermore, the Parties shall be free to purchase, sell, deal in or compete for the same financial instruments as the Fund or to take positions opposite to the positions of the Fund, on behalf of themselves or for others, or to recommend others to take positions opposite to the position of the Fund. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement and that any such activities will be conducted on an arm's length basis. If a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.

112A. The Trustee or its affiliates (the "**Trustee Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of the Fund. Each of the Trustee Parties will ensure that the performance of their respective duties will not be impaired by any such involvement and that any such activities will be conducted on an arm's length basis. If a conflict of interest does arise, the Trustee Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.

113. Subject to the provisions of the Trust Deed, the Manager or the Trustee may acquire, purchase, hold, deal in or dispose of Units as though they were not a party to the Trust Deed. If any conflict of interest arises as a result of such dealing, the Manager and the Trustee, following consultation with the other, will resolve such conflict in a just and equitable manner as they shall deem fit. Such dealings, where entered into, will be on an arm's length basis.

XVII REPORTS

114. The Fund's financial year ends on 31 December in each year.

115. Holders may obtain electronic copies of the annual accounts of the Fund, reports of the auditors on the annual accounts of the Fund and the annual reports of the Fund for the relevant financial year (collectively, the "**Reports**"), once available, from the Manager's website at www.nikkoam.com.sg. The Reports will be made available on the Manager's website within three (3) months of the financial year-end of the Fund and will remain on the Manager's website for at least 12 months from the date of posting on the Manager's website. The Reports will also be made available on SGXNET. Printed copies of the Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Reports may submit the relevant request to the Manager.

116. Holders may obtain electronic copies of the semi-annual report and semi-annual accounts of the Fund (collectively, the "**Semi-Annual Reports**"), once available, from the Manager's website at www.nikkoam.com.sg. The Semi-Annual Reports will be made available on the Manager's website within two (2) months of the end of the period covered by the relevant report and accounts and will remain on the Manager's website for at least 12 months from the date of posting on the Manager's website. The Semi-Annual Reports will also be made available on SGXNET. Printed copies of the Semi-Annual Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Semi-Annual Reports may submit the relevant request to the Manager.

XVIII QUERIES AND COMPLAINTS

117. You may call the telephone number 1800 535 8025 to reach the Manager to raise any queries or make any complaints.

XIX OTHER MATERIAL INFORMATION

118. Book-entry Securities

Units will be deposited, cleared and settled by the CDP. Units are held in book-entry form, which means that no Unit certificates are issued. CDP or its nominee is the registered owner (i.e. the sole Holder of record) of all outstanding Units deposited with the CDP and is therefore recognised as the legal owner of such Units. Investors owning Units are beneficial owners as shown on the records of CDP or the Participating Dealers (as the case may be).

119. Units' Trading Prices and Designated Market Makers

The trading prices of Units on the SGX-ST may differ in varying degrees from their daily NAV and can be affected by market forces such as supply and demand, economic conditions and other factors.

120. It is the intention of the Manager to assist in the creation of liquidity for investors by appointing Designated Market Makers before the listing of the Fund to maintain a market for the Units. Units may be purchased from and sold to the Designated Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. You may obtain a list of appointed Designated Market Makers from the Manager. In maintaining a market for Units,

the Designated Market Makers may realise profits or sustain losses in the amount of any differences between the prices at which they buy Units and the prices at which they sell Units. Any profit made by the Designated Market Makers may be retained by them for their absolute benefit and they shall not be liable to account to the Fund in respect of such profits.

121. Additional Listing

The Manager may seek a listing of the Units on any other internationally recognised regulated stock or investment exchange or marketplace having regard to such factors as commercial viability of the proposed listing, legal and regulatory readiness of the market concerned, prevailing market environment, operational requirements and market development. Any costs associated with any such listing will be funded out of the Deposited Property.

122. Distributions

The Manager shall have the absolute discretion to determine whether a distribution is to be made.

SGD Class Units

The Manager currently intends to make semi-annual distributions, less the expenses of the Class, to Holders around January and July of each year. Where the Manager has determined that a distribution is to be made, details of the distributions will be announced on SGXNET. However, there is no assurance that the Manager will declare such distributions. An announcement will be made on SGXNET if no distributions are declared. There is currently no dividend reinvestment service.

On each distribution, in relation to each distribution period as determined by the Manager, the Trustee will allocate for distribution among the Holders of the Fund as at the Record Date such amount that the Manager determines to be distributed in its absolute discretion. Amounts to be distributed in respect of each Unit will be rounded down to the nearest S$0.01 per Unit. The Record Dates may be changed, or added to, as determined by the Manager with the approval of the Trustee. Distributions will only be paid to the extent that they are available for distribution pursuant to the Trust Deed. Income received by the Fund pending distribution may be invested by the Manager in a manner consistent with achieving the investment objective of the Fund. Any monies payable to a Holder which remain unclaimed after a period of twelve months shall be accumulated by the Trustee in a special account (the "**Unclaimed Monies Account**") and, subject to Clause 33 of the Trust Deed, the Trustee shall cause such sums which represent monies unclaimed by a Holder for more than six (6) years and interest, if any, earned thereon to be paid into court after deducting all fees, costs and expenses incurred in relation to such payment from the sum thereof provided that if the said sum is insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.

RMB Class Units

Currently, no distributions will be made for the RMB Class Units.

Taxation Considerations

123. As with any investment, you should consider how your investment in Units will be taxed. The tax information in this Prospectus is provided as general information and does not constitute tax or legal advice. You should consult your own tax advisers about the tax consequences of an investment in Units.

Singapore Tax

124. The following summary of certain Singapore income tax consequences of the purchase, ownership and disposition of Units is based upon laws and regulations now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Units and does not purport to deal with the consequences of application to all categories of investors, some of which may be subject to special rules. The comments herein are not binding on the Singapore tax authorities and there can be no assurance that it will not take a position contrary to any of the comments herein. You are advised to consult your own tax advisers concerning the application of Singapore tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of Units arising under the laws of any other tax jurisdictions.

125. Taxation of the Fund

The Fund was granted approval for the Enhanced-Tier Fund Tax Incentive Scheme (hereinafter referred to as an "**Enhanced-Tier Fund**") pursuant to Section 13X of the Income Tax Act, Chapter 134 of Singapore. As an Enhanced-Tier Fund, the Fund will enjoy tax exemption on Specified Income (as defined in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the "**Regulations**")) derived by the Enhanced-Tier Fund from Designated Investments (as defined in the Regulations). The list of Designated Investments and Specified Income is enhanced as announced in the 2019 Singapore Budget.

Distributions made by the Enhanced-Tier Fund out of tax-exempt income should also be exempt from Singapore income tax in the hands of Unitholders.

The Manager will endeavour to conduct the affairs of the Fund in such a way that it will satisfy the qualifying conditions for the Enhanced-Tier Fund. Notwithstanding the foregoing, there is no assurance that the Manager will, on an on-going basis, be able to ensure that the Fund will always meet all the qualifying conditions for the Enhanced-Tier Fund. Upon any such disqualification, the Fund will be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate. The Fund can however, enjoy the tax exemption under the Enhanced-Tier Fund in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

126. Disposal or redemption of Units

Singapore does not impose tax on capital gains. Any gains on disposal or redemption of Units are not liable to Singapore income tax provided Units are held as investment assets. Where Units are held as trading assets of a trade or business carried on in Singapore, any gains on disposal or redemption of Units are liable to Singapore income tax under Section 10(1)(a) of the Income Tax Act. Where Units were purchased with the intention or purpose of making a profit by disposal or redemption and not with the intention to be held for long-term investment purposes, any gains on disposal or redemption of Units could be construed as "gains or profits

of an income nature" liable to tax under Section 10(1)(g) of the Income Tax Act.

Holders who have adopted or are required to adopt Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**"), Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**") or their equivalents under the Singapore Financial Reporting Standard International ("**SFRS(I)**") for financial reporting purposes may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on Units, irrespective of disposal.

Holders and prospective Holders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of Units arising from the adoption of FRS 39, FRS 109 or their equivalents under SFRS(I).

127. Meetings of Holders

The Trust Deed sets out procedures to be followed in respect of meetings of the Holders, including provisions as to the giving of notice, appointment of proxies and quorum. A meeting of Holders of the Fund or relevant Class duly convened and held in accordance with the provisions of the First Schedule of the Trust Deed shall be competent by Extraordinary Resolution:

(i) to sanction any modification, alteration or addition to the provisions of the Trust Deed which shall be agreed by the Trustee and the Manager as provided in Clause 39 of the Trust Deed;

(ii) to sanction an increase in the maximum permitted limit or any change in the structure of the fees payable to the Manager and/or the Trustee as provided in Clause 23 of the Trust Deed;

(iii) to sanction any alteration of the investment objective as provided in Clause 17.1 of the Trust Deed;

(iv) to remove the Auditors as provided in Clause 22 of the Trust Deed;

(v) to remove the Trustee as provided in Clause 30 of the Trust Deed;

(vi) to remove the Manager as provided in Clause 31 of the Trust Deed;

(vii) to direct the Trustee to take any action pursuant to Section 295 of the SFA;

(viii) to terminate the Fund or Class as provided in Clause 32 of the Trust Deed;

(ix) to permit other types of fees payable out of the Deposited Property; and

(x) to sanction such other matters as may be proposed by the Manager or the Trustee,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee.

All expenses of and incidental to the holding of a meeting in accordance with the provisions of the First Schedule of the Trust Deed or the circulation of resolutions shall be paid out of the Deposited Property. The Manager, the Custodian and any of their respective Connected Persons are prohibited from voting their beneficially held Units at, or being part of a quorum for, any meeting to approve any matter which it or he has a material interest in the business to be conducted.

Amending the Trust Deed without Holders' Approval

128. The Trustee and the Manager shall be entitled to alter, modify or vary the terms of the Trust Deed by deed supplemental thereto (and without the sanction of an Extraordinary Resolution) if the Trustee certifies that such alteration, modification or variation:

(a) does not materially prejudice the interests of the Holders and does not release to any material extent the Manager from any responsibility to the Holders;

(b) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or

(c) is made to remove obsolete provisions or to correct manifest errors.

129. No alteration, modification or variation whether or not approved by an Extraordinary Resolution, shall impose upon any Holder any obligation to make any further payments in respect of any of the Units held by him or to accept any liability in respect thereof.

130. All of the costs and expenses incurred by the Trustee or the Manager in connection with any such supplemental deed referred to in paragraph 128 of this Prospectus or entered into to effect any alteration, modification or variation approved by an Extraordinary Resolution (including expenses incurred in the holding of a meeting of Holders of the Fund or a Class, where necessary) may be charged to the Fund or relevant Class.

131. Indemnities in favour of Trustee and Manager

The Trust Deed includes the following indemnities in favour of the Trustee and the Manager. Please refer to the Trust Deed for more information.

(a) Neither the Manager nor the Trustee shall incur any liability by reason of any loss which a Holder may suffer by reason of any depletion in the Value of the Deposited Property which may result from any borrowings made pursuant to Clause 18 of the Trust Deed by reason of fluctuations in the rates of exchange or increases in interest rates and or expenses charged in connection with such borrowings and the Trustee and the Manager shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of Clause 18 of the Trust Deed and the arrangements referred to therein.

(b) Any indemnity expressly given to the Trustee or to the Manager in the Trust Deed is in addition to and without prejudice to any indemnity or right of contribution allowed by law and all the powers, privileges, rights and immunities expressly given to the Trustee or to the Manager are in addition to and without prejudice to any powers, privileges, rights and immunities granted to the Trustee or to the Manager by law Provided That no provision in the Trust Deed shall in any case where the Trustee or the Manager have failed to show the degree of care and diligence required of them as trustee and manager of the Fund, exempt them or indemnify them against any liability for breach of trust.

(c) The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, participate in, prosecute or defend any action or suit in respect of the provisions of the Trust Deed or in respect of the Deposited Property or any part thereof or any action by any other person which in its opinion would or might involve it in expense or liability unless the Manager shall so request in writing and the Trustee shall be indemnified out of the Deposited Property to its satisfaction. Without prejudice to the foregoing, the Trustee shall promptly send to the Manager a copy of all notices of claims or proceedings (or threatened claims or proceedings) which it receives from third parties in respect of the Fund. The Trustee shall give to the Manager all such information and assistance (subject as otherwise provided in the Trust Deed) as the Manager may reasonably request in writing in relation to all such notices.

(d) The Trustee (and its directors, officers and employees) shall not be liable, except to the extent of any fraud, negligence or wilful default on its (or their) part, and shall, except to the extent of any fraud, negligence or wilful default on its (or their) part, be indemnified and held harmless out of the Deposited Property (in addition to any right of indemnity given by law) against any action, costs, claims, damages, expenses or liabilities to which it (or they) may be put or which it (or they) may incur by virtue of the Trustee acting as trustee of the Fund, executing the trusts of the Trust Deed or in the exercise of any powers, authorities or discretions vested in the Trustee under the Trust Deed, and the Trustee shall for such purpose have recourse to the Deposited Property or any part thereof. Subject to the foregoing and as otherwise provided in the Trust Deed, the Trustee shall in the exercise of the powers, authorities and discretions vested in it act in the exclusive interests of the Holders.

(e) Subject to the provisions of the CIS Code, the Manager (and its directors, officers and employees) shall not be liable, except to the extent of any fraud, negligence or wilful default on its (or their) part, and shall, except to the extent of any fraud, negligence or wilful default on its (or their) part, be indemnified and held harmless out of the Deposited Property (in addition to any right of indemnity given by law) against any action, costs, claims, expenses, damages or liabilities to which it (or they) may be put or which it (or they) may incur as a result of the Manager acting as manager of the Fund, managing and administering the trusts under the Trust Deed or in the exercise of any powers, authorities or discretions vested in the Manager under the Trust Deed, and the Manager shall for such purpose have recourse to the Deposited Property or any part thereof. In any event, for the purposes of the Trust Deed, the Manager shall not be liable for any indirect, special or consequential loss (including, without limitation, loss of profits) or punitive damages. Subject to the foregoing and as otherwise provided in the Trust Deed, the Manager shall in the exercise of the powers, authorities and discretions vested in it act in the exclusive interests of the Holders.

(f) Without prejudice to Clauses 28.8 and 28.18 of the Trust Deed, neither the Trustee or the Manager shall be responsible for any negligence, recklessness, bad faith, fraud, default, misconduct, inaccuracy, omission, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of the Index Licensor (or any of its Connected Persons, employees or affiliates) in connection with their compilation or publication of the Index nor anything which the Index Licensor (or any of its Connected Persons, employees or affiliates) shall do or omit to do relating to the Index. In the event that the Trustee and/or the Manager has any liability whatsoever to the Index Licensor pursuant to the terms of the Licence Agreement (including, but not limited to,

under any representation, warranty and/or indemnity that the Trustee or, as the case may be, the Manager gives thereunder) or to any Holder of the Units or any other person from the use of the Index or any data included therein, except to the extent of any fraud, negligence or wilful default on the part of the Trustee or the Manager, the Trustee and the Manager shall be indemnified and held harmless against such liability and shall have recourse to the Deposited Property or any part thereof in respect of all of such liability.

(g) Subject to any applicable laws and to the Trust Deed and without prejudice to any rights of indemnity by law given to trustees, the Trustee shall be entitled for the purposes of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Manager to reimburse the Trustee out of the Deposited Property in respect of all such matters as fall within Clause 23.2 of the Trust Deed.

(h) The Manager shall indemnify and hold harmless the Trustee for itself as trustee and for each of its affiliates and its and their respective directors, officers, employees or agents from and against all or any actions, proceedings, liabilities, costs, claims, damages, expenses (including all legal, professional and other similar expenses) or demands to which each may respectively be put or suffer respectively arising from the Manager's fraud, wilful default or negligence.

(i) Where the Manager provides instructions, notices, documents or other information to the Trustee by way of facsimile or electronic transmission (collectively "**Faxed or Electronic Information**"), the fact that a transmission report produced by the originator of such transmission discloses that the transmission was sent will not be sufficient proof of receipt by the Trustee. The Manager shall indemnify and hold harmless the Trustee and its directors, officers, employees or agents, on an after tax basis from and against any and all actions, losses, costs, charges, expenses and demands of any and every kind which may at any time hereafter be incurred by the Trustee in consequence of accepting and acting upon Faxed or Electronic Information from the Manager, whether or not such Faxed or Electronic Information was given or sent or purported to have been given or sent by the Manager or other person duly authorised to give such Faxed or Electronic Information, except where such actions, losses, costs, charges, expenses and demands are incurred as a result of the fraud or wilful default or negligence of the Trustee or its directors, officers, employees or agents.

(j) The Manager shall not do or commit any act or matter or thing which would otherwise cause the Trustee to be in breach of its legal and/or regulatory obligations or its obligations under the data protection policy of the Trustee, and the Manager shall fully defend, indemnify and hold harmless the Trustee, its related corporations or associated companies as well as their respective employees, representatives, agents and officers from and against any loss, damage, claims, complaints, demands, fines, penalties, expenses, costs (including legal fees) and legal proceedings that each or all or any of them may suffer or incur as a result of the failure of the Manager, the Manager's employees, representatives, agents to comply with the Manager's obligations set out in any of the terms and conditions of the Trust Deed, or the breach or non-compliance by the Manager, the Manager's employees, representatives, agents of any data protection or privacy law in any relevant jurisdiction including

without limitation any similar laws that may be enacted or in existence, from time to time, in Singapore.

Termination of the Fund

132. Notwithstanding the termination of the Fund, the Holder of any Unit in respect of which any amount remains unpaid shall remain liable for such amount until payment to that Holder by the Trustee of the final distribution to be made in accordance with the Trust Deed.

133. The Fund is of indeterminate duration and can only be terminated in accordance with the Trust Deed. The Fund may be terminated by the Trustee, with the prior approval of the Manager (except in the case of sub-paragraphs (i), (iv), (vii), (viii) and (ix) below whereupon the Trustee may terminate the Fund forthwith) by notice in writing as hereinafter provided in any of the following events, namely:

(i) if it becomes illegal to continue the Fund;

(ii) if in the opinion of the Trustee it becomes impossible or impracticable to continue the Fund;

(iii) if the Units cease to be listed on the SGX-ST;

(iv) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the Securities and Futures Act;

(v) if the Index ceases to be compiled or published, and there is no Successor Index;

(vi) if the Licence Agreement is terminated and a new licence agreement relating to the Index or any Successor Index is not entered into by the Manager within three (3) months thereafter;

(vii) if the Manager has ceased to carry on business, goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms notified in writing to the Trustee two (2) months before the effective date of liquidation) or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a judicial manager or a receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the law of Singapore or such other law as may be applicable in the circumstances where, after the expiration of a period of three months, the Trustee has not appointed a new manager in accordance with Clause 31.3 of the Trust Deed;

(viii) if on the expiration of three (3) months after notifying the Manager that in the Trustee's opinion a change of manager is desirable in the interests of the Holders pursuant to Clause 31.1.2 of the Trust Deed the Trustee has not found another company ready to accept the office of manager of the Fund of which the Trustee and the Authority shall approve; or

(ix) if the Trustee has given three (3) months' written notice to the Manager of its intention to retire in accordance with the provisions of the Trust Deed and no other company

eligible to be the trustee of the Fund in accordance with the Securities and Futures Act and approved by the Manager and the Authority can be found by the expiration of the three (3) months' notice.

134. The Fund may also be terminated by the Manager, with the prior written approval of the Trustee (except in the case of sub-paragraphs (i), (iv) and (ix) below whereupon the Manager may terminate the Fund forthwith) by notice in writing as hereinafter provided in any of the following events, namely:

(i) if it becomes illegal to continue the Fund, or if in the opinion of the Manager, it becomes impossible or impracticable to continue the Fund and termination of the Fund is in the best interest of Holders;

(ii) if the Fund shall become liable to taxation (whether in Singapore or elsewhere) in respect of income or capital gains at a rate considered by the Manager to be excessive in relation to the rate which would be borne by the Holders if they owned directly the Index Securities and non-Index Securities in question;

(iii) if the Units cease to be listed on the SGX-ST;

(iv) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the Securities and Futures Act;

(v) if the Index ceases to be compiled or published, and there is no Successor Index;

(vi) if the Licence Agreement is terminated and a new licence agreement relating to the Index or any Successor Index is not entered into by the Manager within three (3) months thereafter;

(vii) if the size of the Fund falls below US$100 million (or its equivalent in any applicable currency) on any day falling two (2) years or more after the date of the Trust Deed;

(viii) if the average of the daily Value of the Deposited Property is less than US$100 million (or its equivalent in any applicable currency) over any rolling three-month period; or

(ix) if the Manager has given three (3) months' written notice to the Trustee of its intention to retire in accordance with the provisions of the Trust Deed and no other company eligible to be the manager of the Fund in accordance with the Securities and Futures Act and approved by the Trustee and the Authority can be found by the expiration of the three (3) months' notice.

The decision of the Trustee and/or the Manager in any of the events specified in paragraphs 133 and 134 shall be final and binding upon all parties concerned but the Trustee and/or the Manager shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph or otherwise.

135. The party terminating the Fund shall give written notice of termination of the Fund to the Holders in the manner herein provided and shall by such notice fix the date at which such termination is to take effect, which date shall not be less than three (3) months after the service of such notice (except where the Fund is terminated by reason that it is illegal to continue in accordance

with paragraph 133(i) or paragraph 134(i) in which case termination may take effect forthwith without any prior notice to Holders).

136. The Fund may be terminated at any time by Extraordinary Resolution of the Holders and such termination shall take effect from the date on which such Extraordinary Resolution is passed or such later date (if any) as the Extraordinary Resolution may provide.

137. The Manager shall give prior written notice of the termination of the Fund to the Authority in accordance with the CIS Code and the Securities and Futures Act.

138. In the event of termination of the Fund, the Manager shall provide such information, documents and assistance as may be necessary or reasonably required by the Trustee to enable the Trustee to fulfil its obligations under the Trust Deed, the CIS Code and the Securities and Futures Act.

139. Upon the Fund being terminated, the Manager and/or the Trustee shall sell or realise all Investments in the manner provided in Clause 33.1 of the Trust Deed. Subject to Clause 33.3 of the Trust Deed, the Trustee may at such time or times as it may deem convenient distribute *in specie* to the Holders pro rata to the number of Units held or deemed to be held by them respectively all Index Securities and non-Index Securities then remaining in its hands as part of the Deposited Property. Each Holder shall be entitled to receive approximately a proportionate amount of each type of Index Security and non-Index Security (provided that no fraction of any Index Security or non-Index Security shall be distributed) available for distribution together with a balancing payment in cash in the case of Holders who shall not receive the full proportionate amount of any Index Securities and non-Index Securities and for such purpose the Manager and/or the Trustee may sell any Index Securities and non-Index Securities remaining in its hands as part of the Deposited Property. Such distribution, and the distribution of any income from the Income Account (as defined in the Trust Deed), shall be carried out and completed in such manner and within such period after the termination of the Fund as the Trustee in its absolute discretion thinks advisable.

140. The Trustee shall be entitled to retain any moneys or Index Securities or non-Index Securities in its hands under the provisions of Clause 33 of the Trust Deed to the extent required, in its absolute discretion, to make full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee being either in connection with or arising out of the liquidation of the Fund or otherwise properly payable out of the Deposited Property in accordance with the Trust Deed or law and out of the moneys so retained to be indemnified and saved harmless against any costs, charges, expenses, claims and demands.

141. Any unclaimed Index Securities and non-Index Securities held by the Trustee under the provisions of Clause 33 of the Trust Deed may at any time after the expiration of twelve (12) months from the date on which the same were to be distributed under Clause 33.2 of the Trust Deed be sold by the Manager and/or the Trustee and the net proceeds together with any unclaimed cash held by the Trustee at such time be paid into Court subject to the right of the Trustee to deduct therefrom any expenses it may incur in carrying out Clause 33 of the Trust Deed.

142. No further Units shall be issued and no outstanding Units may be redeemed from the time of and upon liquidation of the Fund.

Termination of a Class

143. A Class may be terminated by the Manager, with the prior written approval of the Trustee (except in the case of sub-paragraphs (i), (ii), (iii) and (iv)) below whereupon the Manager may terminate the Class forthwith) by notice in writing as hereinafter provided in any of the following events, namely:

(i) if it becomes illegal to continue the Class, or if in the opinion of the Manager, it becomes impossible or impracticable to continue the Class and termination of the Class is in the best interest of Holders;

(ii) if Units of the Class cease to be listed on the SGX-ST;

(iii) if the size of the Class falls below US$100 million (or its equivalent in any applicable currency) on any day falling two (2) years or more after the date of the Trust Deed; or

(iv) if the average of the daily Value of each Class is less than US$100 million (or its equivalent in any applicable currency) over any rolling three-month period.

The decision of the Manager in any of the events specified in paragraph 143 shall be final and binding upon all parties concerned but the Manager shall be under no liability on account of any failure to terminate the Class pursuant to this paragraph or otherwise.

144. The Manager shall give written notice of termination of the Class to the Holders in the manner herein provided and shall by such notice fix the date at which such termination is to take effect, which date shall not be less than three (3) months after the service of such notice (except where the Class is terminated by reason that it is illegal to continue in accordance with paragraph 143 in which case termination may take effect forthwith without any prior notice to Holders).

145. A Class may be terminated at any time by Extraordinary Resolution of the Holders of such Class and such termination shall take effect from the date on which such Extraordinary Resolution is passed or such later date (if any) as the Extraordinary Resolution may provide.

Remuneration of Manager and Trustee

146. The Manager shall, in addition to any other amounts which it is entitled to receive or retain for its own use and benefit under the Trust Deed, be entitled to receive for its own account out of the Deposited Property as soon as practicable after the last Dealing Day in each month in each year, commencing with the month in which the initial Units of the Fund are issued (until, upon determination of the Fund, the final distribution shall have been made pursuant to the Trust Deed), the amount of Management Fee payable in respect of such month accrued and remaining unpaid. The Management Fee shall accrue on a daily basis. The amount of the Management Fee shall not exceed a maximum of zero point three five per cent. (0.35%) per annum of the daily Value of the Deposited Property of the Trust or Class (as the case may be) provided that (i) the Manager may at any time charge a smaller percentage with authority, and on giving notice to the Trustee and at least one (1) month's prior notice to the Holders, increase it to a larger percentage not greater than the percentage permitted by the Trust Deed; (ii) the Manager may, on giving notice to the Trustee, at any time alter the dates of payment and basis of accrual provided that, in the opinion of the Trustee, it does not materially prejudice the interests of the Holders and at least one (1) month's prior notice is given to the Holders (if required under the CIS Code); and (iii) the Manager may not increase the Management Fee to

a percentage greater than the percentage permitted by the Trust Deed or change the structure of the fees payable to the Manager without the sanction of an Extraordinary Resolution.

147. The Trustee shall, in addition to any other amounts which it is entitled to receive or retain for its own use and benefit under the Trust Deed, be entitled to receive for its own account out of the Deposited Property as soon as practicable after the last Dealing Day in each month in each year, commencing with the month in which the initial Units are issued (until, upon determination of the Fund, the final distribution shall have been made pursuant to the Trust Deed) the amount of Trustee Fee payable in respect of such month accrued and remaining unpaid. The Trustee Fee shall accrue on a daily basis. The amount of Trustee Fee (inclusive of Registrar Fee) shall not exceed a maximum of zero point one zero per cent. (0.10%) per annum of the daily Value of the Deposited Property of the Trust subject to a monthly minimum fee of S$1,500 provided that (i) the Trustee may at any time charge a smaller percentage with authority, and with the prior approval of the Manager and on giving at least one (1) month's prior notice to the Holders, increase it to a larger percentage not greater than the percentage permitted by the Trust Deed; and (ii) the Trustee may, with the prior approval of the Manager, at any time alter the dates of payment and basis of accrual if, in the opinion of the Trustee, it does not materially prejudice the interests of the Holders and at least one (1) month's prior notice is given to the Holders (if required under the CIS Code); and (iii) the Trustee may not increase the Trustee Fee to a percentage greater than the percentage permitted by the Trust Deed or change the structure of the fees payable to the Trustee without the sanction of an Extraordinary Resolution.

Costs and Expenses Payable by the Fund or Class

148. The following is a summary of the fees, costs and expenses which under the provisions of the Trust Deed, the Trustee and the Manager shall be entitled to make payment out of the Deposited Property to the extent they have been incurred in relation to the Fund or Class:

(i) all fees paid to the Authority in connection with or arising out of the Fund and/or its authorisation pursuant to the Securities and Futures Act;

(ii) any costs, fees and expenses to be paid under any licence and data supply contracts entered into by the Trustee and/or the Manager in respect of the Fund (including, without limitation, the Licence Agreement);

(iii) all fees and expenses to be paid to liquidity providers (including, without limitation, any stipends or incentives to be paid to the designated market makers of the Fund);

(iv) all stamp and other duties, taxes, governmental charges, brokerage, commissions, exchange costs and commissions and bank charges in relation to transactions involving the whole or any part of the Deposited Property or on the creation, cancellation or redemption of Units or payable in respect of the Trust Deed;

(v) all professional fees relating to the agreeing and/or contesting of taxation liabilities or recoveries to be discharged out of or paid into the Fund;

(vi) the fees and expenses of any person (including, without limitation, the Trustee and the Manager) acting as the Registrar, the administrator for the Fund and the Custodian, pursuant to the terms of the agreements entered into by the Trustee and/or the

Manager with the Registrar, the administrator for the Fund or the Custodian respectively;

(vii) the charges, expenses and disbursements of any legal counsel, accountant, auditor, investment advisor, valuer, broker or other professional person appointed by the Trustee or the Manager in connection with their respective duties in relation to the Fund, the trusteeship and/or the management and administration of the Deposited Property;

(viii) all charges, expenses and disbursements incurred in relation to the safe-custody, acquisition, holding, realisation of or other dealing with any Investment for the account of the Fund (including, without limitation, bank charges, Duties and Charges, telex and facsimile and other communication charges);

(ix) all charges and expenses incurred by the Manager and the Trustee insuring the assets and property of the Fund;

(x) all charges and expenses incurred by the Manager and the Trustee in conducting legal proceedings or applying to any court for any purposes related to the Fund;

(xi) all charges and expenses incurred by the Manager and the Trustee in communicating with each other and with Holders, the Registrar, the Custodian, the administrator for the Fund, the Participating Dealers or otherwise in relation to the Fund;

(xii) all charges and expenses incurred by the Manager and the Trustee in connection with the meetings of Holders of the Fund or Class;

(xiii) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of Units on or delisting the Units from the SGX-ST or any other securities exchange, and/or the authorisation or other official approval or sanction of the Fund under the Securities and Futures Act or any other law or regulation in any part of the world;

(xiv) the fees, costs, charges and expenses incurred in connection with depositing and holding Units in the CDP (including, without limitation, (i) the fees, costs, charges and expenses of or charged by the CDP arising out of or in connection with any services to be provided by the CDP in relation to the Fund or the Units and (ii) the fees, costs, charges and expenses incurred by the Manager or the Trustee in the performance of their respective duties or obligations under any agreement with the CDP in relation to the Fund or the Units);

(xv) all costs incurred in respect of the calculation and publication of the Value per Unit and/or the Issue Price and the Redemption Price and/or prices for Units and/or the suspension of creations and issues and redemptions of Units in such newspaper or newspapers in Singapore and elsewhere as the Manager may from time to time think fit;

(xvi) to the extent permitted by the CIS Code, all costs incurred in respect of the maintenance of a website or webpage dedicated entirely to the Fund;

(xvii) all fees, costs and expenses incurred in respect of preparing, printing, distributing and updating this Prospectus and the product highlights sheet for the Fund, and any supplementary and replacement prospectuses relating to the Fund;

(xviii) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Trust Deed and in respect of preparing any agreement in connection with the Fund;

(xix) all costs incurred in respect of the preparation, publication and distribution of the audited accounts and unaudited interim accounts in accordance with the Trust Deed and of all cheques, statements, notices and other documents relating to the Fund;

(xx) all fees and expenses incurred in connection with the retirement or removal of the Manager or the Trustee or the appointment of a new manager or a new trustee for the Fund;

(xxi) all fees and expenses of the Auditors in connection with the Fund;

(xxii) all fees and expenses incurred in connection with the retirement or removal of the Auditors or the appointment of new auditors for the Fund;

(xxiii) all expenses incurred in the collection of income for the Income Account (as defined in the Trust Deed);

(xxiv) all costs and expenses associated with the distributions declared pursuant to the Trust Deed (including, without limitation, costs and expenses payable in connection with the delivery of distributions to the CDP);

(xxv) all fees and expenses incurred by the Manager and the Trustee in establishing or terminating the Fund or Class;

(xxvi) all other reasonable costs, charges and expenses which in the opinion of the Trustee and the Manager are properly incurred in the administration of the Fund and the Deposited Property and pursuant to the performance of their respective duties under the Trust Deed;

(xxvii) all such charges, costs, expenses and disbursements as under the general law the Trustee is entitled to charge to the Fund;

(xxviii) all GST paid or to be paid in respect of services rendered to or by the Manager or the Trustee;

(xxix) any other fees or charges expressly provided by the Trust Deed to be paid out of the Deposited Property;

(xxx) all taxation payable in respect of income or the holding of or dealings with the Deposited Property;

(xxxi) all fees and expenses incurred by the settlement agent and/or trading agent appointed in respect of any investments by the Fund, including any fees and expenses relating to the purchase and settlement of Index Securities on the China Interbank Bond Market;

(xxxii) any amounts required to indemnify the Trustee pursuant to the Trust Deed; and

(xxxiii) such other items as may be authorised or permitted by the Trust Deed.

149. Except to such extent as the Manager may from time to time determine that the whole or any part of the Management Fee, the Trustee Fee or any costs, charges, fees or expenses (including, without limitation, any interest and expenses referred to in paragraph 148 above) that may be charged against the Deposited Property shall be charged against the Deposited Property, the same shall be charged as far as possible against the Income Account (as defined in the Trust Deed) first.

150. The costs of establishing the Fund (which shall not exceed S$250,000) may be paid out of the Deposited Property and may be amortised over a period of one (1) year from the date of the first issue of Units.

Valuation of the Fund

151. The Manager shall calculate or procure the calculation of the Value of the Fund and determine its NAV as at each Valuation Point by valuing the Deposited Property in accordance with paragraphs 152 and 153 below, and deducting the liabilities of the Fund in accordance with paragraph 153 below, as at such Valuation Point. The Manager may appoint any professional person to perform such calculation.

152. The Value of the assets comprised or to be comprised in the Deposited Property shall be ascertained on the following basis:

(i) The Value of Index Securities and non-Index Securities shall be determined by reference to the last known transacted price or last closing price for such Investments furnished by the Index Licensor, or a pricing service or by selected brokers approved by the Manager and the Trustee ("**Selected Brokers**").

(a) The Value of Index Securities may be taken from the Index Licensor (where available). Other acceptable pricing services for Index Securities (where appropriate Values are not available from the Index Licensor) and non-Index Securities include, but are not limited to, Refinitiv, Reuters or any successors thereto.

(b) Index Securities and non-Index Securities for which quotations are not readily available are valued at fair value as determined by the pricing service or by Selected Brokers.

(c) The pricing service or Selected Brokers may employ electronic data processing techniques and/or a matrix system to determine valuations.

(ii) The Value of any other Investments quoted, listed or normally dealt in on a Recognised Exchange shall be determined by reference to prices for such Investments furnished by a pricing service approved by the Manager and the Trustee.

(a) The pricing service shall be required to determine or estimate the price of each such Investment based on the last known transacted price or last closing price on the most appropriate Recognised Exchange at the Valuation Point.

(b) Investments for which quotations are not readily available are valued at fair value as determined by the pricing service using methods which include consideration of prices of Investments of comparable quality, type, expiration date, strike price, and the like; indications as to value from dealers; and general market conditions.

(iii) Cash, deposits and similar properties shall be valued at face value (together with accrued interests) unless, in the opinion of the Manager, any adjustment should be made to reflect the fair value thereof.

(iv) Notwithstanding any of the foregoing sub-paragraphs, the Manager may with the written consent of the Trustee (who shall determine if Holders should be informed of any change in method of valuation) adjust the Value of any Investment or permit some other method of valuation to be used if, having regards to currency, applicable rates of interest, maturity, marketability and such other considerations as the Manager may deem relevant, the Manager considers that such adjustment or other method of valuation is required to reflect more fairly the Value of such Investment or other property.

(v) Other Investments, and properties other than Investments shall be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree.

153. In calculating the Value of the Deposited Property or any part thereof at any Valuation Point:

(i) every Unit agreed to be issued in relation to an application received on or before the Dealing Deadline on a Transaction Date shall be deemed to be in issue on the Dealing Day immediately following the Transaction Date (and, in particular but without limitation, every Unit applied for in accordance with Clause 11 of the Trust Deed shall be deemed to be in issue on the Dealing Day immediately following the Transaction Date) and the Deposited Property shall be deemed to include the amount of any cash and/or Value of any Deposit Securities to be paid and/or received in respect of each such Unit on the Dealing Day immediately following the Transaction Date;

(ii) where, in consequence of any redemption request duly given pursuant to Clause 14 of the Trust Deed on or before the Dealing Deadline on a Transaction Date, the Units in question shall be deemed not to be in issue with effect from the Dealing Day immediately following the Transaction Date (and, in particular, every Unit the subject of a redemption request given in accordance with Clause 14 of the Trust Deed shall be deemed not to be in issue with effect from the Dealing Day immediately following the Transaction Date) and any amount payable in cash and the Value of the Redemption Securities transferable out of the Deposited Property in pursuance of such redemption

shall be deducted with effect from the Dealing Day immediately following the Transaction Date;

(iii) where any Investment has been agreed to be purchased or otherwise acquired or sold or otherwise disposed of but such purchase, acquisition, sale or disposal has not been completed, such Investment shall be included or excluded and the gross purchase or acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed on the Dealing Day immediately following the date of the agreement to so purchase or acquire or sell or dispose of the Investment;

(iv) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Manager may have determined to amortise pursuant to Clause 23.5 of the Trust Deed less the amount thereof which have previously been or are then to be written off;

(v) income derived from loans and deposits and from Investments (other than Index Securities and non-Index Securities) bearing fixed interest shall be deemed to accrue from day to day;

(vi) the outstanding liabilities, costs and expenses attributable to the Fund shall be deducted from the Deposited Property which shall include (without limitation):

(a) any amount of Management Fee and Trustee Fee accrued up to and including the relevant time but remaining unpaid;

(b) the amount of tax (if any) on gains or profits accrued up to the end of the last Accounting Period or part thereof but remaining unpaid and any other expenses accrued but remaining unpaid;

(c) the aggregate amount for the time being outstanding of any borrowing effected under Clause 18 of the Trust Deed and the amount of any interest and expenses referred to in Clause 18 of the Trust Deed but not paid;

(d) an amount equal to the Value of any Investment which is a negative amount;

(e) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Trust Deed to be payable out of the Deposited Property;

(f) an appropriate allowance for any contingent liabilities; and

(g) there shall be taken into account such sum (if any) as in the estimate of the Manager will fall to be paid or reclaimed in respect of taxation related to income and transactions prior to or on the relevant Dealing Day; and

(vii) liabilities shall (where appropriate) be treated as accruing from day to day.

In respect of paragraph 153 above, the Value of the proportion of the Deposited Property attributable to each Class shall be calculated by apportioning the Value of the relevant

Deposited Property (obtained in accordance with paragraphs 152 and 153 above provided that no deduction or addition shall be made in respect of expenses, charges or other amounts which are not common to all the Classes) between the Classes and then deducting from or adding to the Value of the proportion of the Deposited Property for each Class any expense, charge or other amount attributable to such Class (including, but not limited to, the Management Fee or any other fee, if it differs between the Classes). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Deposited Property pursuant to this Deed is attributable only to a particular Class, such amount shall only be deducted from or added to the value of the Deposited Property which is attributable to that Class and shall not affect the calculation of the Value of the Deposited Property attributable to the other Classes.

Valuation policy and performance measurement standards of the Manager

154. Valuations shall be done on every Dealing Day. There will not be a suspension of valuation by reason of an exchange holiday. In such cases, the last available security prices shall continue to be applied for valuation purposes.

Notwithstanding the foregoing, the Manager's pricing committee will subject to the provisions of the CIS Code and the conditions set out in Section XIII of this Prospectus retain the discretion to suspend valuation if deemed necessary. The Manager's pricing committee is responsible for considering and arriving at a consensus decision to address any pricing disputes or valuation methodology that requires ad hoc decision due to market situation. Subject to the provisions of the CIS Code, the Manager may request for approval to suspend the valuation and dealing of the Fund if the fair value of a material portion of the Fund's assets cannot be determined.

The Manager collates and maintains portfolio and series data in the performance systems on a periodic basis and generates performance results to meet reporting requirements. Time-weighted rate of return (TWRR) methodology is adopted for portfolio returns calculation.

Hard-to-value or illiquid assets

155. If the most recent available price for a security invested into by the Fund exceeds one month for reasons of non-availability of prices from regular market sources and/or counterparties, an appropriate liquidity reserve shall be applied on the last available price in accordance with the Manager's pricing and valuation policy. The adjusted price shall be approved by the Manager's pricing committee prior to application.

156. Compulsory Redemption of Units

156.1 The Manager has the right (in consultation with the Trustee) to compulsorily redeem any holdings of Units in the Fund or Class held by:

(a) any Holder:

(i) whose subscription for or holding of Units, in the opinion of the Manager, is or may be in breach of any applicable law or regulation in any jurisdiction; or

(ii) where such redemption is, in the opinion of the Manager, necessary or desirable for the compliance by the Manager or the Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or

(b) any Holder whose holdings of Units, in the opinion of the Manager:

(i) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or

(iii) may cause the offer of the Units of the Fund, the Fund, this Prospectus, the Trust Deed, the Manager or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or

(c) any Holder whose holdings of Units, in the opinion of the Manager:

(i) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or

(ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or the Holders might otherwise not have incurred or suffered; or

(d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where any information and/or documentary evidence requested by the Manager and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or

(e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Manager and/or the Trustee pursuant to any laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any inter-governmental agreement entered into between the United States and Singapore in connection with the FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or

(f) any Holder who does not consent, or withdraws his consent, for the Manager or the Trustee to collect, use and/or disclose information or data relating to the Holder, where such information or data is necessary for, or reasonably required by, the Manager, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of (i) the Fund and/or (ii) the Holder in relation to his holdings of Units in the Fund.

156.2 If the Manager and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Manager (in consultation with the Trustee) shall be entitled to compulsorily redeem such number of Units held by that Holder as may be necessary to discharge the liability arising. The Manager and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such redemption in payment, reimbursement and/or set-off against the liability.

156.3 Any compulsory redemption under paragraphs 156.1 or 156.2 may be carried out by the Manager on any Dealing Day after giving prior written notice to the relevant Holder, and shall be carried out in accordance with, and at the Redemption Price determined under, the relevant provisions of the Trust Deed.

156.4 The Manager, the Trustee and their respective delegates, agents or Associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Manager, the Trustee and/or any of their respective delegates, agents or Associates under paragraphs 156.1, 156.2 or 156.3.

157. Securities Lending and Repurchase Transactions

157.1 Subject to the provisions of the Trust Deed, the CIS Code and the limits and/or restrictions (if any) applicable to Excluded Investment Products, the Fund may carry out securities lending and repurchase transactions on transferable securities and money market instruments for the sole purpose of efficient portfolio management, subject to the following limits:

(a) The collateral of the securities lending or repurchase transactions should exceed the market value of the transferable securities or money market instruments transferred;

(b) The counterparty would be required to provide additional collateral to the Fund or its agent no later than the close of the next business day when the current value of the eligible collateral tendered for the securities lending or repurchase transactions falls below the required collateral requirements;

(c) For the purposes of securities lending and repurchase transactions, collateral may only consist of:

(i) cash;

(ii) money market instruments; or

(iii) bonds.

For the purpose of the above, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, an entity or trust that has a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and Poor's (including sub-categories or gradations therein) (collectively, "**eligible collateral**").

Notwithstanding the above, securitised debt instruments as well as money market instruments or bonds with embedded financial derivatives are not eligible as collateral;

(d) The maturity period of a repurchase transaction should not exceed 6 months; and

(e) The Manager may lend the securities of the Fund to its related corporations and/or any third party and such transactions will be carried out on an arm's length basis. There will be no revenue sharing arrangement between the Fund and the Manager.

157.2 Risks relating to securities lending or repurchase transactions

Securities lending or repurchase transactions involve counterparty risk/credit risk, liquidity risk, sufficiency of collateral risk, collateral investment risk, delivery risk and operational risk, as described below:

(a) Counterparty risk/credit risk refers to the risk when a counterparty defaults on its obligations by becoming insolvent or otherwise being unable to complete a transaction.

(b) Liquidity risk is the risk that the counterparty cannot settle an obligation for the full value when it is due, but would be able to settle on some unspecific date thereafter. This may affect the ability of the Fund to meet their redemption obligations and other payment commitments.

(c) Sufficiency of collateral risk. Following a default by a counterparty, the Fund can sell its collateral in the market to raise funds to replace the lent securities. It will suffer a loss if the value of the collateral securities falls relative to the lent securities.

(d) Collateral investment risk. The value of the securities in which the Manager invests the cash collateral may decline due to fluctuations in interest rates or other market-related events.

(e) Delivery risk occurs both when securities have been lent and collateral has not been received at the same time or prior to the loan, and when collateral is being returned but the loan return has not been received.

(f) Operational risk is risk that the custodian or the lending agent did not administer the program as agreed. This includes the failure to mark to market collateralization levels, call for additional margin, or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

158. Liquidity Risk Management

The Manager has established liquidity risk management policies which enable the Manager to identify, monitor, and manage the liquidity risks of the Fund. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Holders, and safeguard the interests of remaining Holders against the redemption behaviour of other investors and mitigate against systemic risk.

The Manager's liquidity risk management policies take into account the Fund's liquidity terms, asset class, liquidity tools and regulatory requirements.

The liquidity risk management tools available to manage liquidity risk include the following:

(a) The Fund may, subject to the provisions of the Trust Deed, borrow up to 10% of its latest available net asset value (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month, provided always and subject to the borrowing restrictions in the Code;

(b) The Manager may, pursuant to the Trust Deed, suspend the realisation of Units of the Fund or any Class with the prior approval of the Trustee, and if the Manager and the Trustee so agree, delay the payment of any moneys and distribution of any Redemption Securities; and

(c) The Manager shall, and pursuant to the Trust Deed, be entitled to limit the total number of Units which Holders are entitled to redeem on a Dealing Day to ten per cent. (10%) (or such higher percentage as the Manager may determine in any particular case) of the total number of Units in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied (subject as provided in the last sentence of this paragraph) *pro rata* to all Participating Dealers who have validly requested redemptions

to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all Participating Dealers.

159. The Trust Deed

You and your professional advisers should note that this Prospectus only summarises selected provisions of the Trust Deed. The Trust Deed is a legal document which sets out the rights, responsibilities and obligations of the Manager, Trustee and Holders. You may wish to inspect a copy of the Trust Deed at the business address of the Manager indicated in paragraph 5 above. If you have any doubt regarding the contents of this Prospectus, you should contact the Manager at the telephone number provided in paragraph 117 above, or consult your solicitor, financial adviser or other professional adviser.

160. Documents Available for Inspection

You may inspect copies of the following documents at the business address of the Manager during normal business hours:

(i) the Trust Deed;

(ii) the Depository Agreement between the Manager, the Trustee and the CDP;

(iii) the Licence Agreement; and

(iv) a sample agreement between the Manager, Trustee and Participating Dealers.

XX GLOSSARY

161. Unless the context otherwise requires, the following words or expressions shall have the meanings respectively assigned to them, namely:-

"**Associate**" has the meaning ascribed to it under the Listing Rules;

"**Authority**" means the Monetary Authority of Singapore;

"**Business Day**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and PRC and the SGX-ST is open for business;

"**Cash Dealing Day**" means every Dealing Day or such other day(s) as from time to time determined by the Manager with the prior approval of the Trustee;

"**Cash Settlement Date**" has the meaning as ascribed to it in paragraph 55 of this Prospectus or such other time/date as from time to time determined by the Manager with the prior approval of the Trustee;

"**CDP**" means The Central Depository (Pte.) Limited, a wholly-owned subsidiary of Stock Exchange Limited;

"**CIS Code**" means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority;

"**Connected Persons**" has the meaning ascribed to it under the Securities and Futures Act, and the Listing Rules, and in relation to any firm, limited liability partnership or corporation or company (as the case may be) means:

(a) another firm, limited liability partnership or corporation in which the first mentioned firm, limited liability partnership or corporation has control of not less than twenty per cent. (20%) of the voting power in that other firm, limited liability partnership or corporation; or

(b) a director, chief executive officer or substantial shareholder or Controlling Shareholder (as defined in the Trust Deed) of the company or any of its subsidiaries or an Associate of any of them;

"**CPF**" means the Central Provident Fund;

"**Creation Request**" means a request for the creation of Units in-kind as set out in paragraphs 57 to 65 of this Prospectus;

"**Creation Unit**" means a multiple of 20,000,000 Units or of such other number of Units as may be determined by the Manager from time to time, with the prior approval of the Trustee;

"**Custodian**" means the Trustee and/or such other person or persons for the time being appointed by the Trustee with the prior approval of the Manager as the custodian of the Fund to hold all the assets and property of the Fund;

"**Dealing Day**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and PRC and the SGX-ST is open for normal trading (other than a day on which trading on the SGX-ST is scheduled to close prior to its regular weekday closing time) and the Index is compiled and published and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee;

"**Dealing Deadline**" means:

(a) 12 noon (Singapore time) on the relevant Cash Dealing Day, for purposes of the subscription of Units in cash or redemption of Units for cash on any Cash Dealing Day (or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require); and

(b) 5.30 pm (Singapore time) on the relevant Dealing Day, for purposes of the subscription or redemption of Units in kind on any Dealing Day (or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require);

"**Deposit Basket**" means a portfolio of Index Securities and non-Index Securities determined and designated, or approved, by the Manager in respect of each Dealing Day for the purposes of the creation of Units in a Creation Unit aggregation for that Dealing Day;

"**Deposited Property**" means all the assets (including cash) for the time being held or deemed to be held upon the trusts of the Trust Deed excluding any amount for the time being standing to the credit of the Income Account (as defined in the Trust Deed) which the Manager has determined is to be distributed to the Holders pursuant to Clause 20 of the Trust Deed;

"**Designated Market Maker**" means a person who has entered into an agreement with the Manager to make a market in the Units on the SGX-ST;

"**Ex. Dividend Date**" means each date in each year which falls one (1) Business Day (or such other number of days as may from time to time be determined by the Manager with the prior approval of the Trustee) immediately before a Record Date being the date or dates in each year for the purpose of allocating the income from the Income Account (as defined in the Trust Deed) and/or any capital of the Deposited Property for distribution to Holders of record on the following Record Date;

"**Excluded Investment Products**" means any capital markets products that belong to a class of capital markets products listed in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018;

"**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of seventy-five per cent. (75%) or more of the total number of votes cast for and against such resolution at a meeting of Holders of the Fund or a Class or (as the case may be) Depositors (as defined in the Trust Deed) named in the depository register as at 48 hours before the time of such meeting as certified by the CDP to the Manager or the Trustee;

"**Fitch**" means Fitch Incorporated;

"**Former Index Security**" means a share which was formerly, but has ceased to be, an Index Security;

"**Fund**" means the NikkoAM-ICBCSG China Bond ETF;

"**Future Index Security**" means a bond which the Index Licensor has announced will be included in the Index or which the Manager and the Trustee reasonably believe will be included in the Index within 30 days of including it in the Deposited Property and/or the Deposit Basket/Redemption Basket;

"**Holder**" means the person for the time being entered in the register (kept and maintained in Singapore by the Trustee in such manner as may be required by applicable law and regulation) as the holder of a Unit and (where the context so admits) persons jointly so entered;

"**Index**" means the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index or such other index as the Fund may track from time to time;

"**Index Licensor**" means the licensor for the time being of the Index being at the date of registration of this Prospectus, ChinaBond Pricing Center Co., Ltd. or such successor(s) or such

other person(s) which licence the Index or any Successor Index to the Manager in respect of the Fund;

"**Index Securities**" means any securities which are for the time being constituent securities of the Index;

"**Licence Agreement**" means the licence agreement entered or to be entered into between ChinaBond Pricing Center Co., Ltd. and the Manager relating to the "ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index" or any subsequent licence agreement entered into by the Manager with an Index Licensor relating to the Index including any Successor Index;

"**Listing Rules**" means the listing rules for the time being applicable to the listing of the Fund as an investment fund on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time;

"**Market Day**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for business;

"**Moody's**" means Moody's Investors Service, Inc. U.S.A.;

"**NAV**" means net asset value calculated by reference to the provisions and principles set out in paragraphs 151 to 153 of this Prospectus;

"**Notice on the Sale of Investment Products**" means the Notice on the Sale of Investment Products issued by the Authority, as the same may be modified, amended or revised from time to time;

"**non-Index Securities**" means securities other than Index Securities;

"**OTC**" means over-the-counter;

"**Participant Agreement**" means an agreement entered into between the Trustee, the Manager, and a Participating Dealer setting out, *inter alia*, the arrangements in respect of the issue, redemption and cancellation of Units;

"**Participating Dealer**" means any participant who is a broker or dealer or such other person as may be approved by the Manager and the Trustee and who has entered into a Participant Agreement in form and substance acceptable to the Manager and the Trustee;

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

"**prescribed capital markets products**" shall have the meaning as set out in the Securities and Futures (Capital Markets Products) Regulations 2018, as the same may be modified, amended or revised from time to time;

"**Redemption Basket**" means a portfolio of Index Securities and non-Index Securities determined and designated, or approved, by the Manager in respect of each Dealing Day for the purposes of the redemption of Units in a Redemption Unit aggregation for that Dealing Day;

"**Redemption Request**" means a request for the redemption of Units in-kind as set out in paragraphs 77 to 86 of this Prospectus;

"**Redemption Securities**" means, in relation to any redemption of Redemption Units, the Index Securities and non-Index Securities comprising a Redemption Basket to be distributed, subject to paragraph 86, from the Fund to or for the account of a Participating Dealer on behalf of a Holder pursuant to a Redemption Request submitted by that Participating Dealer for that Holder in accordance with paragraphs 77 to 84;

"**Redemption Unit**" means a multiple of 20,000,000 Units or of such other number of Units as may be determined by the Manager from time to time, with the prior approval of the Trustee;

"**Recognised Exchange**" means an internationally recognised stock or investment exchange or marketplace which is regulated, operates regularly and is open to the public and which is approved by the Trustee and the Manager;

"**Record Date**" means the date or dates determined by the Manager (with the prior approval of the Trustee) as the date or dates for the purpose of determining the Holders of record entitled to receive any distributions of income and/or capital of the Deposited Property;

"**Registrar**" means DBS Trustee Limited (Company Registration No.: 197502043G) as described in paragraph 16 of this Prospectus;

"**RMB**" means Renminbi, the lawful currency of the PRC;

"**S&P**" means Standard and Poor's Corporation, U.S.A.;

"**S$", "SGD" or "Singapore dollars**" means the lawful currency of the Republic of Singapore;

"**Securities Accounts**" means the securities account or sub-account maintained by a Depositor (as defined in the Trust Deed) with CDP;

"**Securities and Futures Act**" means Securities and Futures Act (Chapter 289) of Singapore;

"**Settlement Date**" has the meaning ascribed to it in paragraph 61 of this Prospectus or such other time/date as may be determined and agreed between the Trustee and the Manager (on either a general or case by case basis) provided always that the Trustee and the Manager may agree upon different Settlement Dates for creations and redemptions with respect to a Transaction Date;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited or any successor thereto;

"**SRS**" means Supplementary Retirement Scheme;

"**Subscription Value**" means the Issue Price at the relevant Valuation Point ascertained in accordance with paragraph 58 of this Prospectus;

"**Transaction Date**" means the Dealing Day (Singapore time) on which the Registrar receives or is treated as having received a valid application for Units in accordance with Clause 9.5 of

the Trust Deed or a valid request to redeem Units in accordance with Clause 14.2 of the Trust Deed;

"**Unclaimed Monies Account**" has the meaning ascribed to it in paragraph 122 of this Prospectus;

"**US$", "USD" or "United States dollars**" means the lawful currency of the United States of America;

"**Valuation Point**" means the close of business of the relevant Dealing Day (or such other time or times as from time to time determined by the Manager with the prior approval of the Trustee (who shall determine if Holders should be notified of such change) provided that there shall always be a Valuation Point on each Dealing Day; and

"**Value**" means with reference to the Deposited Property of the Fund or any part thereof, its net asset value, or with reference to any asset or liability comprised or to be comprised in the Deposited Property (except where otherwise expressly stated) the value thereof, calculated by reference to the provisions and principles set out in paragraphs 151 to 153 of this Prospectus.

APPENDIX 1: UNDERLYING INDEX

The information presented in this Appendix has been extracted from publicly available documents that have not been prepared or independently verified by the Manager, the Trustee or any of their respective affiliates or advisers in connection with the offering and listing of Units and none of them makes any representation as to or takes any responsibility for the accuracy or completeness of this Appendix. The information presented in this Appendix is subject to change by the Index Licensor.

As at 23 August 2021, the composition and weightings of the top 10 constituent securities of the Index were as follows:

S/N	Issuer	Coupon	Maturity	Weighting
1	Ministry of Finance of the People's Republic of China	3.27%	19/11/2030	1.29%
2	Ministry of Finance of the People's Republic of China	2.93%	10/12/2022	1.27%
3	Ministry of Finance of the People's Republic of China	2.86%	16/7/2030	1.27%
4	Ministry of Finance of the People's Republic of China	3.02%	22/10/2025	1.26%
5	Ministry of Finance of the People's Republic of China	2.77%	24/6/2030	1.26%
6	Ministry of Finance of the People's Republic of China	2.68%	21/5/2030	1.20%
7	Ministry of Finance of the People's Republic of China	2.85%	4/6/2027	1.20%
8	Ministry of Finance of the People's Republic of China	2.88%	5/11/2023	1.19%
9	Ministry of Finance of the People's Republic of China	1.99%	9/4/2025	1.17%
10	Ministry of Finance of the People's Republic of China	3.28%	3/12/2027	1.17%

Source: ChinaBond Pricing Center Co., Ltd.

NIKKO ASSET MANAGEMENT ASIA LIMITED

BOARD OF DIRECTORS

Seet Oon Hui Eleanor
Director

Kiyotaka Ryu
Director
(signed by Seet Oon Hui Eleanor
for and on behalf of Kiyotaka Ryu)

Hiroki Tsujimura
Director (signed by Seet Oon Hui Eleanor
for and on behalf of Hiroki Tsujimura)

This page intentionally left blank

This page intentionally left blank

This page intentionally left blank

Nikko Asset Management Asia Limited
12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961
Website: www.nikkoam.com.sg