

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

Applications were made to the Singapore Exchange Securities Trading Limited (“SGX-ST”) for permission to list and deal in and for quotation of all the units of the following sub-funds which may be issued from time to time:

- (i) iShares MSCI India Climate Transition ETF (formerly known as iShares MSCI India Index ETF) (the “MSCI India ETF”) on 20 April 2006;
- (ii) iShares MSCI Asia ex Japan Climate Action ETF (the “MSCI Asia Ex Japan ETF”) on 21 March 2023, (each, an “Index Fund” and together the “Index Funds”).

Such permission has been granted by SGX-ST for the Index Funds, and the units of the Index Funds have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission of each Index Fund to the Official List of the SGX-ST is not to be taken as an indication of the merits of any Index Fund, the units or the Manager.

## **iSHARES SOUTHEAST ASIA TRUST**

**A Singapore unit trust with the following sub-funds authorised under  
Section 286 of the Securities and Futures Act 2001 of Singapore**

### **PROSPECTUS**

**iSHARES MSCI INDIA CLIMATE TRANSITION ETF (FORMERLY KNOWN AS iSHARES MSCI  
INDIA INDEX ETF)  
(formerly known as iShares MSCI India)  
(Stock Codes: I98 and QK9)**

**iSHARES MSCI ASIA EX JAPAN CLIMATE ACTION ETF  
(Stock Codes: ICU and ICM)**

**Managed by  
BlackRock (Singapore) Limited**

**30 November 2023**



This Prospectus dated 30 November 2023 is a second replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act 2001 of Singapore and replaces the prospectus registered by the Monetary Authority of Singapore on 14 June 2023 (as replaced by a replacement prospectus dated 8 September 2023).

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## PRELIMINARY

It is possible that the iShares MSCI India Climate Transition ETF (formerly known as iShares MSCI India Index ETF) (the “MSCI India ETF”) and the iShares MSCI Asia ex Japan Climate Action ETF (the “MSCI Asia Ex Japan ETF”) may suffer greater tracking error than typical exchange traded index funds due to amongst other things foreign ownership restrictions on certain constituent stocks, the fees payable by the MSCI India ETF and the MSCI Asia Ex Japan ETF and the possible need for the manager, BlackRock (Singapore) Limited (the “Manager”) to adjust the constraints in a Representative Sampling Strategy (as described in “*Investment Strategy*” of the “*Introduction*” section of this Prospectus). In particular, potential investors should note that the MSCI India ETF and the MSCI Asia Ex Japan ETF may invest in financial derivative instruments for hedging and/or efficient portfolio management purposes.

This Prospectus relates to the offer in Singapore of units in the MSCI India ETF and the MSCI Asia Ex Japan ETF (“Units”), which are sub-funds of the iShares Southeast Asia Trust (the “Trust”), an umbrella unit trust established under Singapore law by a trust deed dated 31 May 2006 between the Manager and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) (as amended from time to time).

The directors of the Manager collectively and individually accept full responsibility for the accuracy of information contained herein and confirm, having made 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 Trust, the Index Fund(s) and the listing and quotation of the Index Fund(s), and the directors of the Manager 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 of the Manager 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.

The collective investment schemes offered in this Prospectus, the MSCI India ETF and the MSCI Asia Ex Japan ETF (together the “Index Funds” and each an “Index Fund”), are authorised schemes under the Securities and Futures Act 2001 of Singapore (the “Securities and Futures Act”). A copy of this Prospectus has been lodged with and, where applicable, 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 MSCI India ETF or the MSCI Asia Ex Japan ETF.

Applicants for Units should consult their financial advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable them to acquire Units and as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in the MSCI India ETF or the MSCI Asia Ex Japan ETF is appropriate for them.

The Units of the MSCI India ETF and the MSCI Asia Ex Japan ETF are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and traded on SGX-ST at market prices throughout the trading day. Market prices for Units may, however, be different from their net asset value. Listing for quotation of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Applications may be made to list units in additional Index Funds constituted under the Trust in the future

on the SGX-ST.

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

Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF have not been and will not be registered under the laws of India and are not intended to benefit from any laws in India promulgated for the protection of Unitholders. Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF are not being offered to, and may not be, directly or indirectly, sold or delivered within India, subscribed or acquired or dealt in by, transferred to or held by or for the benefit of (i) any "Person Resident in India" as such term is defined in the (Indian) Foreign Exchange Management Act, 1999 ("**FEMA**"), (ii) any person who is a "Non-Resident Indian" or an "Overseas Citizen of India" as such terms are defined in the (Indian) Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued under the FEMA, unless (A) the contribution by any such person, singly is below 25% of the total contribution in the corpus of MSCI India ETF or the MSCI Asia Ex Japan ETF; and (B) the aggregate contribution by all such persons is below 50% of the total contribution in the corpus of MSCI India ETF or the MSCI Asia Ex Japan ETF, (iii) any person for re-offering or re-sale, directly or indirectly, in India or to a resident of India or any entity incorporated or registered in India, and/or (iv) any person who has the intention of purchasing Units in the MSCI India ETF or the MSCI Asia Ex Japan ETF to circumvent or otherwise avoid any requirements applicable under the 2019 FPI Regulations and/or any other subsidiary regulations or circulars issued pursuant thereto, each a "**Restricted Entity**". The Manager does not knowingly permit the sale of Units in the MSCI India ETF or the MSCI Asia Ex Japan ETF or any beneficial interests therein to Restricted Entities.

A prospective investor in the MSCI India ETF and the MSCI Asia Ex Japan ETF may be required at the time of acquiring Units (or subsequently) to represent that such investor is not a Restricted Entity and is not acquiring Units for or on behalf of a Restricted Entity. Unitholders in the MSCI India ETF and the MSCI Asia Ex Japan ETF are required to notify the Manager immediately in the event that they become Restricted Entities or hold Units for the benefit of Restricted Entities. If it comes to the attention of the Manager that any Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF are legally or beneficially owned, directly or indirectly, by any person in breach of the above restrictions, whether alone or in conjunction with any other person, it will, to the extent the Units can be identified and redeemed, compulsorily redeem the Units so held.

As the MSCI India ETF and the MSCI Asia Ex Japan ETF invests in Indian listed securities, the Trustee and/or the Manager may be required, in accordance with the requirements, regulations or requests of the Securities and Exchange Board of India ("**SEBI**") or any other Indian governmental or regulatory authority, to provide information relating to the Unitholders and/or beneficial owners of Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF. The Trustee and/or the Manager may, from time to time, request the required information from investors either directly, or through their relevant depository participants, brokers, dealers, custodians, nominees, or any other intermediary.

By investing and continuing to invest in the MSCI India ETF and the MSCI Asia Ex Japan ETF (whether directly or indirectly), Unitholders and/or beneficial owners of the MSCI India ETF and the MSCI Asia Ex Japan ETF who hold Units above a certain threshold as prescribed by SEBI or any other Indian governmental or regulatory authorities are deemed to consent to provide information on their holdings and/or holdings of the clients (as the case may be) and for such information to be disclosed to the relevant depository participant and the SEBI by brokers, dealers, custodians, nominees, any other intermediary and

by the MSCI India ETF and the MSCI Asia Ex Japan ETF and its service providers. In addition, Unitholders may be required to provide information on themselves and the beneficial owners of the Units (as the case may be) for the purpose of determining whether or not the Unitholders or the beneficial owners are Restricted Entities.

If any Unitholder and/or beneficial owner fails to provide the requested information as required by SEBI or any other Indian governmental or regulatory authorities in a timely manner, and as a result the Manager determines that this negatively affects its ability to fulfil its obligations under applicable Indian regulations and its ability to continue to invest in the Securities in the Underlying Index, the Manager reserves the right to compulsorily redeem the Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF held by or for the benefit of such person.

In particular:

- (a) Units in each Index Fund have not been registered under the United States Securities Act of 1933 (as amended) (the “**Act**”) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of such Act).
- (b) The Index Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**1940 Act**”). Accordingly, Units may not, except pursuant to an exemption from, or in a transaction not subject to, the regulatory requirements of the 1940 Act, be acquired by a person who is deemed to be a US Person under the 1940 Act and regulations.
- (c) Units may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan. An ERISA Plan is defined as (i) any retirement plan subject to Title I of the United States Employee Retirement Income Securities Act of 1974, as amended; or, (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended.

Where the Manager becomes aware that the Units are directly or indirectly beneficially owned by any person in breach of the above restrictions, the Manager may give notice to such person requiring him to transfer such Units to a person who would not thereby be in contravention of such restrictions or to request in writing the redemption of such Units in accordance with the Trust Deed.

Investors should note that any amendment or supplement to, or replacement of, this Prospectus will be posted on the iShares website (<https://www.blackrock.com/sg/en/ishares>). Investors should refer to the “Information available on the Internet” section of this Prospectus for more details.

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## DIRECTORY

<b>Manager</b>	<b>Directors of the Manager</b>
BlackRock (Singapore) Limited Twenty Anson #18-01, 20 Anson Road, Singapore 079912 Company Registration No. 200010143N	HO Nyuk Choo Deborah Joanne Neeraj SETH Patrick Kar Peck LEUNG TAN Eng Beng Belinda Mary BOA Robert William LAMB Sarah Ariel ROMBOM Peter LOEHNERT
<b>Sub-Manager</b>	<b>Trustee and Registrar</b>
BlackRock Asset Management North Asia Limited 16/F Champion Tower 3 Garden Road Central Hong Kong	HSBC Institutional Trust Services (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2, #48-01 Singapore 018983 Company Registration No. 194900022R
<b>Auditors</b>	<b>Custodian</b>
PricewaterhouseCoopers 7 Straits View, Marina One East Tower, Level 12 Singapore 018936	The Hongkong and Shanghai Banking Corporation Limited 1, Queen's Road Central Hong Kong



## INTRODUCTION

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in each Index Fund. It contains important facts about the Trust as a whole and each Index Fund offered in accordance with this Prospectus.

The information in this Prospectus generally relates to equity Index Funds established under the Trust, and unless the context indicates otherwise, hereinafter a reference to an Index Fund shall be construed as a reference to an equity Index Fund. Please note that information relating to the offer of fixed income Index Funds (and any other type of Index Funds) established under the Trust will be set out in a separate prospectus.

### The Trust and the Index Funds

The Trust is a Singapore-constituted umbrella unit trust created by a trust deed dated 31 May 2006 made under Singapore law between BlackRock (Singapore) Limited (formerly known as Barclays Global Investors Southeast Asia Limited) as Manager and HSBC Institutional Trust Services (Singapore) Limited as Trustee (the “**Principal Deed**”). The Principal Deed has been amended by a supplemental deed dated 15 June 2006, an amending and restating deed dated 24 June 2010, a second amending and restating deed dated 6 May 2011, a third amending and restating deed dated 11 November 2011, a fourth amending and restating deed dated 30 March 2012, a second supplemental deed dated 15 November 2012, a fifth amending and restating deed dated 1 July 2013, a third supplemental deed dated 27 April 2015, a sixth amending and restating deed dated 28 June 2019, a seventh amending and restating deed dated 28 December 2020, a fourth supplemental deed dated 24 August 2021, an eighth amending and restated deed dated 11 November 2022 and a ninth amending and restating deed dated 14 June 2023, each made between the Manager and the Trustee (as amended, the “**Trust Deed**”). The Trustee shall establish a separate pool of assets within the Trust for each Index Fund (each such separate pool of assets constituting a sub-fund). The assets of each Index Fund shall at all times belong to that Index Fund and be segregated from the other Index Funds, and shall not be used to discharge the liabilities of or claims against any other Index Fund. The Manager reserves the right to establish additional Index Funds (whether equity Index Funds or otherwise) in the future.

As at the date of this Prospectus, there are four Index Funds established under the Trust. Two former Index Funds, the iShares Barclays Asia Local Currency Bond Index ETF and the iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF were terminated on 27 April 2015. This Prospectus relates to the following Index Funds, each of which is an exchange traded fund (or “**ETF**”):

1. iShares MSCI India Climate Transition ETF (formerly known as iShares MSCI India Index ETF); and
2. iShares MSCI Asia ex Japan Climate Action ETF.

The iShares J.P. Morgan USD Asia Credit Bond ETF (formerly known as iShares J.P. Morgan USD Asia Credit Bond Index ETF) and the iShares USD Asia High Yield Bond ETF (formerly known as iShares Barclays USD Asia High Yield Bond Index ETF) (which are fixed income Index Funds) are offered in a separate prospectus and will not be offered in this Prospectus.

ETFs are funds that are designed to track an index. Investors should note that the Index Funds differ from a typical unit trust offered in Singapore. The Units of each Index Fund are listed on the SGX-ST and trade like any other equity security listed on the SGX-ST. Only Participating Dealers may subscribe or redeem Units directly from an Index Fund at Net Asset Value. All other investors may only purchase and sell Units in each Index Fund on the SGX-ST or through a Participating Dealer, subject to such terms and conditions

as may be imposed by the Participating Dealer.

PRICES FOR AN INDEX FUND ON THE SGX-ST ARE BASED ON SECONDARY MARKET TRADING FACTORS AND MAY DIFFER SIGNIFICANTLY FROM THE NET ASSET VALUE OF THE INDEX FUND.

### **Registration and Expiry Date**

This Prospectus is a second replacement prospectus lodged with the Authority on 30 November 2023 which replaces the prospectus that was registered by the Authority on 14 June 2023 (as replaced by a replacement prospectus dated 8 September 2023). This Prospectus shall be valid for a period of 12 months after the date of registration (up to and including 13 June 2024) and shall expire on 14 June 2024.

### **Investment Objective**

The investment objective of each Index Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index relevant to the Index Fund.

An index is a group of securities which an Index Provider selects as representative of a market, market segment or specific industry sector. The Index Provider is independent of the Manager and determines the relative weightings of the Securities in the Underlying Index and publishes information regarding the market value of the Underlying Index.

The investment objective particular to each Index Fund is set out in the “*Description of the Index Funds*” section of this Prospectus. There can be no assurance that an Index Fund will achieve its investment objective.

In certain circumstances the Underlying Index of an Index Fund may be changed with the prior approval of the Authority and SGX-ST and notice to Unitholders via an announcement on SGXNET.

### **Investment Strategy**

The Manager uses a passive or indexing approach to try to achieve each Index Fund’s investment objective. The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index.

The Manager does not try to beat or perform better than the Underlying Index.

Each Index Fund aims to invest at least 95 per cent of its assets in achieving the investment objective. Depending on the Index Fund’s investment strategy discussed below, an Index Fund may invest, either directly or indirectly, in Securities included in the Underlying Index, or in Securities that are not included in its Underlying Index, but which the Manager believes will help the Index Fund achieve its investment objective.

An Index Fund may also invest in other investments including but not limited to money market instruments or funds that invest exclusively in money market instruments, in repurchase agreements, in stocks that are in the relevant market but not the Underlying Index (as indicated above), other collective investment schemes, and/or in combinations of futures contracts (including stock index futures contracts and single stock futures contracts), options on futures contracts, stock index options, swaps (including stock index swaps and single stock swaps), contracts for difference, cash, local currency and forward currency exchange contracts and cash and cash equivalents that the Manager believes will help the Index Fund achieve its investment objective.

The Manager may attempt to reduce tracking error by using futures contracts whose behaviour is expected to represent the market performance of the Underlying Index. The Manager will not use these instruments to leverage, or borrow against, the Index Fund's securities holdings or for speculative purposes. In some cases, the use of these special investment techniques can adversely affect the performance of the Index Fund.

The Manager does not currently intend to invest an Index Fund in commodities, precious metals, warrants and unlisted securities. However, an Index Fund may receive warrants and unlisted securities as a result of corporate actions by issuers of the underlying Securities.

The Manager may, in the future, invest an Index Fund in Securities, contracts and investments other than those listed herein, provided they are consistent with the Index Fund's investment objective and do not violate any investment restrictions or policies.

In managing an Index Fund, the Manager may use either a Representative Sampling Strategy or a Full Replication Strategy (both as described below). The particular strategy employed for each Index Fund is set out in the section of this Prospectus headed "Description of the Index Funds". A Representative Sampling Strategy may be more appropriate in view of the comparative illiquidity and possible settlement difficulties which may be experienced with certain Securities comprised in the Underlying Index. In managing each Index Fund, the Manager may adjust the constituents in a Representative Sampling Strategy.

Potential investors should note that the Manager may swap from a Representative Sampling Strategy to a Full Replication Strategy (as described below), without prior notice to Unitholders, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the relevant Index Fund. Any swap in such strategies will be announced on SGXNET as soon as practicable.

### **Representative Sampling Strategy**

"Representative Sampling" is an indexing strategy that involves investing, directly or indirectly, in a representative sample of the Securities in the Underlying Index that collectively has an investment profile that reflects the profile of the Underlying Index. An Index Fund when adopting a Representative Sampling Strategy, may or may not hold all of the Securities that are included in the Underlying Index, and may hold Securities which are not included in the Underlying Index, provided that the sample closely reflects the overall characteristics of the Underlying Index.

### **Full Replication Strategy**

"Full Replication" is an indexing strategy that involves investing in substantially all of the Securities in the Underlying Index, either directly or indirectly, in substantially the same weightings (i.e. proportions) as these Securities have in the Underlying Index.

### **Correlation**

An index is a theoretical financial calculation based on the performance of particular components that make up the index, whereas an Index Fund is an actual investment portfolio. The performance of an Index Fund and its Underlying Index may be different due to transaction costs, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between an Index Fund's portfolio and the Underlying Index. These differences may result for example from legal restrictions affecting the ability of the Index Fund to purchase or dispose of Securities or the employment of a Representative Sampling Strategy.

The Manager expects that, over time, the correlation between an Index Fund’s performance and that of its Underlying Index, before fees and expenses, will be 95% or better. A correlation of 100% would indicate perfect correlation. The use of a Representative Sampling Strategy can be expected to result in greater tracking error than a Full Replication Strategy. The consequences of “tracking error” are described in more detail in the “Risk Factors” section of this Prospectus.

## Investment and Borrowing Restrictions

Each Index Fund must comply with the investment and borrowing restrictions applicable to the relevant Index Fund as summarised in Schedule 1 of this Prospectus (which includes a summary of the investment restrictions set out in the Trust Deed, if any).

## Key Differences of the Index Funds

	MSCI India ETF	MSCI Asia Ex Japan ETF
Investment Objective	The investment objective is to track the performance of the MSCI India ESG Enhanced Focus CTB Select Index in US dollar terms.	The investment objective is to track the performance of the MSCI AC Asia ex Japan Climate Action Index in US dollar terms.
Index Provider	MSCI Inc.	MSCI Inc.
Investment Holdings	<p>Consist of a sub-set of Indian equity securities within MSCI India Index (being the parent index) which excludes issuers from the parent index based on the Index Provider’s ESG exclusionary criteria.</p> <p>The remaining constituents of the parent index are then weighted by the Index Provider, for inclusion in the Underlying Index using an optimisation process. The optimisation process aims to exceed decarbonisation and other minimum standards for an EU CTB and maximise exposure to issuers with higher ESG ratings, while targeting a similar risk profile and limiting the tracking error of the Underlying Index, each in relation to the parent index.</p>	<p>Consist of companies that have been assessed to lead their sector peers in terms of their positioning and actions relative to a climate transition.</p> <p>Issuers from the MSCI AC Asia ex Japan Index (being the parent index) are excluded based on the Index Provider’s exclusionary criteria (which involves screening on ESG controversies, ESG business involvement, emission intensity, and climate risk management). The remaining constituents of the parent index are then assessed relative to their sector peers based on their emissions intensity, emissions reduction commitments, climate risk management and revenue from greener businesses. The Underlying Index uses this assessment to select 50% of the companies from each Global Industry Classification Standard (“GICS”) sector in the parent index. Overall the Index targets a coverage of 50% of the companies per sector from the parent index.</p>
Benchmark	MSCI India ESG Enhanced Focus CTB Select Index	MSCI AC Asia ex Japan Climate Action Index

	MSCI India ETF	MSCI Asia Ex Japan ETF
Management Fee	0.65% of Net Asset Value p.a.	0.18% of Net Asset Value p.a.

Investors' attention is drawn to the "Risk Factors" section of this Prospectus and "*Specific Risks*" of each Index Fund in the "*Description of the Index Funds*" section of this Prospectus.

## DESCRIPTION OF THE INDEX FUNDS

### MSCI INDIA ETF

#### Key Information

The following table is a summary of key information in respect of the MSCI India ETF, and should be read in conjunction with the full text of this Prospectus.<sup>1</sup>

<b>Product Type</b>	Exchange Traded Fund and EIP
<b>Underlying Index</b>	Index: MSCI India ESG Enhanced Focus CTB Select Index Launch Date: 20 September 2022 Number of constituents: 101 (as of 31 August 2023) Total Market Capitalisation: approximately US\$837,301 million (as of 31 August 2023) Base Currency: US\$
<b>Listing Date (SGX-ST)</b>	15 June 2006
<b>Exchange Listing</b>	SGX-ST
<b>Stock Codes</b>	I98 and QK9
<b>Trading Board Lot Size</b>	1 Unit
<b>Base Currency (i.e. currency the ETF is denominated in)</b>	US dollars (US\$)
<b>Trading Currency</b>	Primary Currency: US dollars (US\$) Secondary Currency: Singapore dollars (SGD)
<b>Distribution Policy</b>	Currently no dividend distributions.
<b>Application Unit Size (only Participating Dealers)</b>	Minimum 170,000 Units (or multiples thereof)
<b>Management Fee</b>	0.65% p.a. of Net Asset Value calculated daily
<b>Investment strategy</b>	Representative Sampling Strategy
<b>Financial year end</b>	31 December
<b>Website</b>	<a href="https://www.blackrock.com/sg/en/ishares">https://www.blackrock.com/sg/en/ishares</a>
<b>ESG Fund</b>	The MSCI India ETF is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds (“ <b>ESG Circular</b> ”) issued by the MAS.

<sup>1</sup> Investors should note that the additional information required to be disclosed under paragraph 14 of the ESG Circular may be found on the Manager’s website at <https://www.blackrock.com/sg/en/ishares>.

## Investment Objective

The investment objective of the MSCI India ETF is to track the performance of the MSCI India ESG Enhanced Focus CTB Select Index in US dollar terms.

There can be no assurance that the MSCI India ETF will achieve its investment objective.

## Investment Strategy

The MSCI India ETF aims to invest at least 95 per cent of its assets in achieving the investment objective, which is to track the performance of the Underlying Index in US dollar terms. Please refer to the sub-sections headed “Underlying Index” and “Index Construction” in the section headed “DESCRIPTION OF THE INDEX FUNDS – MSCI INDIA ETF” for further information on the climate transition focus of the Underlying Index.

The MSCI India ETF includes environmental, social and governance (“**ESG**”) factors as its key investment strategy, with a focus on climate transition, by tracking the Underlying Index (as defined below), which is designed to exceed the minimum technical requirements of European Union (“**EU**”) Climate Transition Benchmarks (“**CTBs**”), while maximizing exposure to positive ESG factors while maintaining risk and return characteristics similar to those of its Parent Index (as defined below).

In order to aim to exceed minimum standards of a CTB, the optimisation process has the following transition and physical climate risk targets:

- reduction of weighted average greenhouse gas (GHG) intensity compared with the Parent Index;
- minimum decarbonisation rate of GHG intensity reduction per year;
- exposure to sectors with a high impact on climate change that is at least equivalent to the Parent Index to align with the objective of a CTB to include exposure to sectors that have a need to actively reduce GHG emissions;
- increased exposure to companies that publish emissions reduction targets, publish their annual emissions and reduce their GHG intensity;
- reduction of the weighted average potential emissions intensity compared with the Parent Index;
- have a ratio of overall green revenue to fossil fuels based revenue that is at least equivalent to the Parent Index, and
- maximise exposure to companies with higher ESG ratings, under the optimization constraints, in each sector of the Parent Index,

according to the thresholds for such constraints determined by the Index Provider in the index methodology.

Please refer to the sub-sections headed “Underlying Index” and “Index Construction” in the section headed “DESCRIPTION OF THE INDEX FUNDS – MSCI INDIA ETF” for further information on the climate transition focus of the Underlying Index.

The Manager intends to pursue a Representative Sampling Strategy to achieve the MSCI India ETF’s

investment objective by investing directly in Indian Securities. The MSCI India ETF is registered as a Foreign Portfolio Investor (“FPI”) with the Securities Exchange Board of India, allowing it to invest directly in Indian Securities. The Manager may overweight the holdings of Indian Securities of the MSCI India ETF relative to the respective weightings of the underlying Securities in the Underlying Index. For example such overweighting of holdings may occur if the Manager considers certain Securities in the Underlying Index should be excluded in view of the comparative illiquidity and possible settlement difficulties which may be experienced with such Securities. In addition, it may occur because a single FPI (along with its investor group as defined in the 2019 FPI Regulations) may only hold less than 10 per cent of the total issued capital of an Indian company (on a fully diluted basis) and the aggregate FPI holding in an Indian company (including any other direct or indirect foreign investments in an Indian company by FPIs) may not exceed 24 per cent of the total issued equity capital of the company on a fully diluted basis or the relevant sectoral caps or such other caps/limits as decided by the Indian company (with the approval of its shareholders and board of directors) as per the provisions of FEMA and/or resulting from any change in the applicable laws and regulations affecting the investment capacity of the FPI. In pursuing a Representative Sampling Strategy, the Manager will select underlying Securities, based on their contribution to certain capitalisation, industry and fundamental investment characteristics. For further details on investment restrictions on the FPIs, please refer to Schedule 2.

As a result, the MSCI India ETF may not from time to time have exposure to all of the constituent companies of the Underlying Index. The basis for adopting a Representative Sampling Strategy is so that the MSCI India ETF can meet its investment objective, which is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index. However a Representative Sampling Strategy entails certain additional risks, in particular a possible increased tracking error at the time of the switch. Tracking error is where the performance of MSCI India ETF diverges from the performance of the Underlying Index. The possible sources of tracking errors by the MSCI India ETF include the fees payable, transaction costs, foreign ownership limits, the possible imposition of Indian taxes on FPIs increasing the transaction costs and the Representative Sampling Strategy. In this regard the attention of prospective investors is drawn to the “*Specific Risks*” section below.

The MSCI India ETF may also invest in IAPs, being derivative instruments linked to Indian Securities issued by third parties, if such investment is solely for the purpose of compliance with any applicable written law, regulations, directions, rules or non-statutory instrument of the jurisdiction where the MSCI India ETF is constituted, operating in or investing in and which restrict or prohibit the Manager from investing directly in Indian Securities. An IAP represents only an obligation of the IAP Issuer to provide the economic performance of the underlying Indian Security, and is a financial derivative subject to the risks relating to derivatives in the “*Risk Factors*” section of this Prospectus. If applicable, the relative exposures of the MSCI India ETF to the IAP issuers will be published on the iShares website <https://www.blackrock.com/sg/en/ishares>.

The MSCI India ETF will be subject to the investment and borrowing restrictions as summarised in Schedule 1 of this Prospectus.

### **Suitability**

The MSCI India ETF is only suitable for investors who:

- (a) prefer capital growth rather than income;
- (b) seek an investment that tracks the performance of the Underlying Index in US dollar terms; and
- (c) are comfortable with a passively managed index tracking fund which value will rise and fall in correlation with its underlying index.



## Index and Indian Share Market

### Underlying Index

The objective of the Underlying Index aims to exceed the minimum technical requirements laid out for EU CTBs in the EU's Delegated Acts on climate benchmarks - Regulation (EU) 2016/1011 as amended by Regulation (EU) 2019/2089, as may be amended or replaced, while maximizing exposure to positive ESG factors while maintaining risk and return characteristics similar to those of its underlying market capitalisation weighted index, the MSCI India Index (the "**Parent Index**").

The Underlying Index will be constructed from a parent index, the MSCI India Index. The Parent Index is a free-float adjusted market capitalisation weighted index that is designed to track the equity market performance of Indian securities listed on the National Stock Exchange and the BSE Limited. The Parent Index is constructed based on the MSCI Global Investable Market Indices Methodology targeting a free float-market capitalisation coverage of 85% of the Indian equity universe.

The Parent Index is designed to measure the performance of the large and mid cap segments of the Indian market.

The Underlying Index was launched on 20 September 2022.

The Underlying Index measure the performance of a sub-set of Indian equity securities within the Parent Index which excludes issuers from the Parent Index based on the Index Provider's ESG exclusionary criteria. The remaining constituents of the Parent Index are then weighted by the Index Provider, for inclusion in the Underlying Index using an optimisation process. The optimisation process aims to exceed decarbonisation and other minimum standards for an EU CTB and maximise exposure to issuers with higher ESG ratings, while targeting a similar risk profile and limiting the tracking error of the Underlying Index, each in relation to the Parent Index.

### Index Provider

The Index Provider is MSCI Inc. ("**MSCI**"). The Manager has the non-exclusive right to use the Underlying Index in connection with the MSCI India ETF. MSCI is independent of, and is not a related corporation<sup>2</sup> of, the Manager or any of the Manager's respective affiliates. MSCI's sole purpose is to facilitate the creation of real time indices for the India market. The MSCI indices, including the Underlying Index, are used as performance benchmarks and as the basis for derivative trading as well as index tracking funds such as the MSCI India ETF.

### Index Construction

Constructing the Underlying Index involves the following steps:

- Define Exclusion Criteria: The following will be excluded from the Underlying Index:
  - Securities of companies involved in Very Severe business controversies as defined by the MSCI ESG Controversies Methodology are not eligible for inclusion in the Underlying Index. This is implemented by excluding constituents of the Parent Index with ESG Controversy Score = 0 ('Red Flag' companies).

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<sup>2</sup> Within the meaning of section 6 of the Companies Act.

- Companies that are involved in specific businesses which have high potential for negative social and/or environmental impact are ineligible for inclusion in the Underlying Index: Controversial Weapons, Nuclear Weapons, Civilian Firearms, Tobacco, Thermal Coal, Conventional Weapons, Unconventional Oil and Gas.
- Companies that fail to comply with the United Nations Global Compact Principles (which are widely accepted corporate sustainability principles that meet fundamental responsibilities in areas such as anti-corruption, human rights, labour and environment).
- In addition, companies with an Environment Controversy Score of 0 or 1 will also be excluded from the Underlying Index.
- Companies not assessed by MSCI ESG Research's MSCI ESG Controversy Scores and companies which are not rated by MSCI ESG Research for an MSCI ESG Rating.

The MSCI ESG ratings take into account numerous metrics that capture key ESG related issues. An MSCI ESG rating is designed to measure an issuer's resilience to long-term, industry material ESG risks and how well it manages those ESG risks relative to industry peers. The MSCI ESG rating methodology provides greater transparency and understanding of the ESG characteristics of issuers, identifying issuers with a strong MSCI ESG ratings as issuers that may be better positioned for future ESG-related challenges and that may experience fewer ESG-related controversies. Further details are available on the Index Provider's website at <https://www.msci.com/esg-ratings>.

- Defining the optimization constraints: The remaining constituents are then weighted by the Index Provider in the Underlying Index using the optimization process outlined above. In order to aim to exceed minimum standards of a CTB, the optimisation process has the following transition and physical climate risk targets:
  - reduction of weighted average greenhouse gas (GHG) intensity compared with the Parent Index;
  - minimum decarbonisation rate of GHG intensity reduction per year;
  - exposure to sectors with a high impact on climate change that is at least equivalent to the Parent Index to align with the objective of a CTB to include exposure to sectors that have a need to actively reduce GHG emissions;
  - increased exposure to companies that publish emissions reduction targets, publish their annual emissions and reduce their GHG intensity;
  - reduction of the weighted average potential emissions intensity compared with the Parent Index;
  - have a ratio of overall green revenue to fossil fuels based revenue that is at least equivalent to the Parent Index; and
  - maximise exposure to companies with higher ESG ratings, under the optimisation constraints, in each sector of the Parent Index,

according to the thresholds for such constraints determined by the Index Provider in the index methodology.

The optimisation process also applies certain risk diversification constraints to the constituents of the Underlying Index, for example minimum and maximum constituent weightings, sector weightings and country weightings, relative to the Parent Index. Turnover of the Underlying Index is also controlled by the optimisation process at each Underlying Index review.

- Determining the Optimized portfolio: The Underlying Index is constructed using the Barra Open Optimizer in combination with the relevant Barra Equity Model. The optimization uses universe of eligible securities and the specified optimization objectives and constraints to determine the constituents of the Underlying Index.

### Constituent Securities of the Underlying Index

As at 31 August 2023, the 10 largest constituent stocks of the Underlying Index represented 48.07% of the total market capitalisation, based on total shares in issue of the Underlying Index.

As at 31 August 2023, the complete list of constituent stocks of the Underlying Index are as follows:

Rank	Constituent Name	USD Market Cap. (Free Float Adj MMUSD)	% of Index
1.	RELIANCE INDUSTRIES	80,834	9.65%
2.	INFOSYS	60,013	7.17%
3.	ICICI BANK	54,497	6.51%
4.	HINDUSTAN UNILEVER	32,834	3.92%
5.	KOTAK MAHINDRA BANK	30,867	3.69%
6.	ASIAN PAINTS	29,966	3.58%
7.	MAHINDRA & MAHINDRA	29,841	3.56%
8.	TATA CONSULTANCY	29,302	3.50%
9.	AXIS BANK	28,545	3.41%
10.	BHARTI AIRTEL	25,787	3.08%

Source: MSCI.

Investors should note that, in tracking the Underlying Index, the Manager may adjust the constraints in a Representative Sampling Strategy for the MSCI India ETF. A Representative Sampling Strategy may be more appropriate in view of the comparative illiquidity and possible settlement difficulties which may be experienced with certain stocks comprised in the Underlying Index. This means that the MSCI India ETF may not hold all the constituents of the Underlying Index. However, the Manager may swap from a Representative Sampling Strategy to a Full Replication Strategy, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the MSCI India ETF by tracking the Underlying Index as closely as possible for the benefit of investors. Any swap in such strategies will be announced on SGXNET as soon as practicable.

### Underlying Index Calculation Times

The Underlying Index opens at 9:00 am (Mumbai time) (11:30 am (Singapore time)) and closes at 4:00 pm (Mumbai time) (6:30 pm (Singapore time)) each day on which the National Stock Exchange is open. The Underlying Index is calculated and is updated continuously until the market closes. The Underlying Index is published as end of day values in US dollars and Indian Rupees. The composition of the Underlying Index is reviewed quarterly every February, May, August and November.

The table below sets out the various commencement and closing times of the relevant exchanges and the Underlying Index:

	<b>Trading of the MSCI India ETF on the SGX-ST</b>	<b>National Stock Exchange</b>	<b>Underlying Index</b>
<b>Commencement time (Morning)</b>	9:00 am (Singapore time)	11:45 am (Singapore time)	11:30 am (Singapore time)
<b>Closing time (Afternoon)</b>	5:00 pm (Singapore time)	6:00 pm (Singapore time)	6:30 pm (Singapore time)

*\* Note that trading on the SGX-ST ends at 12:00 pm (Singapore time) and commences again at 1:00 pm (Singapore time).*

For the purposes of the creation or redemption of Units by a Participating Dealer on any Dealing Day, the Valuation Point will be as at the close of the National Stock Exchange at 6.00 pm (Singapore time) (or such other time as may be determined by the Manager from time to time with the approval of the Trustee). Because the National Stock Exchange operates in a different time zone to SGX-ST, the National Stock Exchange will be open after the SGX-ST is closed for trading. The attention of investors is drawn to the fact that Unitholders will not be able to trade Units after the SGX-ST is closed even if the value of the Securities comprising the Underlying Index changes before the National Stock Exchange closes on that day.

### Index Rebalancing

The constituent Shares and their respective weightings within the Underlying Index will change from time to time. In order for the MSCI India ETF to achieve its investment objective of tracking the Underlying Index, it will accordingly be necessary for the Manager to rebalance the MSCI India ETF's holdings corresponding to the Shares comprised in the Underlying Index. The Manager will take public information announced by the Index Provider and rebalance the holdings of the MSCI India ETF accordingly. As at the date of this Prospectus, the Underlying Index is rebalanced on a quarterly basis to coincide with the regular index reviews (semi-annual index reviews in May and November and quarterly index reviews in February and August) of the Parent Index.

In addition, the review and exclusion of index constituents involved in Very Severe business controversies (as defined by the MSCI ESG Controversies Methodology) and companies that fail to comply with the United Nations Global Compact Principles (UNGC) is conducted on a quarterly basis. With effect from 1 January 2024, such review and exclusion of index constituents will be conducted on a monthly basis.

### Information on the Underlying Index

Details of the Underlying Index and its methodology are available online at [www.msci.com](http://www.msci.com) and [www.msibarra.com](http://www.msibarra.com).

In addition, the Underlying Index level (Ticker: MXINEEFC) is published on Bloomberg.

### **Distribution Policy**

The Manager currently does not intend to make any distributions of the income of the MSCI India ETF to Unitholders. In the event that there is any change in distribution policy, this Prospectus will be updated accordingly, and distributions (if any) will be paid in the primary trading currency of the MSCI India ETF (i.e. USD).

### **Specific Risks**

In addition to the general risks identified in the “*Risk Factors*” section of this Prospectus, the MSCI India ETF is subject to the following additional specific risks:

- **Index-Related Risk**

There is no guarantee that the MSCI India ETF will achieve a high degree of correlation to the Underlying Index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the MSCI India ETF’s ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the MSCI India ETF and its Unitholders.

- **Foreign exchange risk**

The Manager does not intend to hedge the foreign currency exposure of the MSCI India ETF. The MSCI India ETF is denominated in US dollars whilst the underlying Shares are denominated in Rupees. Accordingly the ability of the MSCI India ETF to track the Underlying Index is in part subject to foreign exchange fluctuations as between the US dollar and the Rupee.

- **MSCI EU Climate Transition benchmark**

The Underlying Index is labelled by the Index Provider as an EU Climate Transition benchmark within the meaning of the EU’s Delegated Acts. The Underlying Index seeks to provide exposure to a portfolio that is on a trajectory towards reducing carbon emissions in a manner consistent with the long-term global warming objectives of the Paris Agreement.

Screening of issuers for inclusion within the Underlying Index is carried out by the Index Provider based on the Index Provider’s ESG ratings and / or screening criteria. This may be dependent upon information and data obtained from third-party data providers which may on occasion be incomplete, inaccurate or inconsistent. The Manager does not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the Index Provider’s information/data providers, ESG ratings, screening criteria or the way they are implemented. In the event that the status of a security previously deemed eligible for inclusion in the Underlying Index should change, the Manager does not accept liability in relation to such change. For the avoidance of doubt, the Manager will not monitor the securities that comprise the Underlying Index against the screening criteria applied by the Index Provider or assess the validity of the ESG ratings given by the Index Provider to each security, or assess the validity of any label attributed to the Underlying Index by the Index Provider.

ESG screens and standards are a developing area and the ESG screens and ratings applied by the

Index Provider may evolve and change over time.

- **Sustainability risk**

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk, whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in the MSCI India ETF.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly between different funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, the MSCI India ETF may invest in an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of the MSCI India ETF's units.

The impact of those risks may be higher as the MSCI India ETF has a geographic concentrations in India. For example, in the event that India becomes susceptible to adverse weather conditions, the value of the investments in the MSCI India ETF may be more susceptible to adverse physical climate events.

All or a combination of these factors may have an unpredictable impact on the MSCI India ETF's investments. Under normal market conditions such events could have a material impact on the value of the MSCI India ETF's units.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

- **Benchmark index screening**

The MSCI India ETF seeks to track the performance of the Underlying Index which is stated by the Index Provider to be screened against certain ESG criteria and to exclude issuers involved in, or deriving revenues (above a threshold specified by the Index Provider) from certain industries. Investors

should therefore be comfortable and satisfied with the extent of ESG-related screening undertaken by the Underlying Index prior to investing in the MSCI India ETF.

Investor sentiment towards issuers which are perceived as being climate or ESG conscious or attitudes towards climate and ESG concepts generally may change over time which may affect the demand for ESG based investments and may also affect their performance. Investors should note that different index providers and ETF issuers may adopt different approaches with respect to “climate transition” products.

Due to the ESG criteria being applied to the Parent Index / investment universe in order to determine eligibility for inclusion in the Underlying Index, the Underlying Index will comprise a narrower universe of securities compared to the Parent Index / investment universe and securities of the Underlying Index are also likely to have different GICS sector weightings and factor weightings compared to the Parent Index / investment universe. Where the Underlying Index targets a similar risk profile to the Parent Index / investment universe, the Underlying Index is nevertheless likely to have a different performance profile to the Parent Index / investment universe. This narrower universe of securities may not necessarily perform as well as those securities that do not meet the ESG screening criteria, which may adversely affect the performance of the MSCI India ETF relative to another collective investment scheme which tracks the Parent Index / investment universe.

Companies which have previously met the screening criteria of the Underlying Index, and have therefore been included in the Underlying Index and the MSCI India ETF, may unexpectedly or suddenly be impacted by an event of serious controversy which negatively impacts their price and, hence, the performance of the MSCI India ETF. This could occur when activities or practices of companies which have previously been hidden suddenly come to light and the resulting negative investor sentiment could drive down their price. Where these companies are existing constituents of the Underlying Index, they will remain in the Underlying Index and therefore continue to be held by the MSCI India ETF until the next scheduled rebalancing. At the time that the Underlying Index excludes the affected securities, the price of the securities may have already dropped and not yet recovered, and the MSCI India ETF could therefore be selling the affected securities at a relatively low price point.

### **Index Licence Agreement**

The Manager has been granted a licence by MSCI Inc. to use the Underlying Index to create the MSCI India ETF. The initial term of the licence commenced on 1 October 2022 and will automatically renew for successive terms of three years unless either party to the licence agreement provides written notice of its intention not to renew the licence at least 90 days prior to the end of the then current term to the other party.

### **Further Information**

Further information in relation to the MSCI India ETF (including details of its Net Asset Value) and the Underlying Index is available at the iShares website (<https://www.blackrock.com/sg/en/ishares>). Investors should refer to the “*Information available on the Internet*” section of this Prospectus for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

# MSCI ASIA EX JAPAN ETF

## Key Information

The following table is a summary of key information in respect of the MSCI Asia Ex Japan ETF, and should be read in conjunction with the full text of this Prospectus.<sup>3</sup>

<b>Product Type</b>	Exchange Traded Fund and EIP
<b>Underlying Index</b>	Index: MSCI AC Asia ex Japan Climate Action Index Launch Date: 4 October 2022 Number of constituents: 605 (as of 31 August 2023) Total Market Capitalisation: approximately US\$3,791,043 million (as of 31 August 2023) Base Currency: US\$
<b>Listing Date (SGX-ST)</b>	14 September 2023
<b>Exchange Listing</b>	SGX-ST
<b>Stock Codes</b>	ICU and ICM
<b>Trading Board Lot Size</b>	1 Unit
<b>Base Currency (i.e. currency the ETF is denominated in)</b>	US dollars (US\$)
<b>Trading Currency</b>	Primary Currency: US dollars (US\$) Secondary Currency: Singapore dollars (SGD)
<b>Distribution Policy</b>	Annual
<b>Application Unit Size (only Participating Dealers)</b>	Minimum 250,000 Units (or multiples thereof)
<b>Management Fee</b>	0.18% of Net Asset Value p.a., calculated daily
<b>Investment strategy</b>	Representative Sampling Strategy
<b>Financial year end</b>	31 December
<b>Website</b>	<a href="https://www.blackrock.com/sg/en/ishares">https://www.blackrock.com/sg/en/ishares</a>
<b>ESG Fund</b>	The MSCI Asia Ex Japan ETF is an ESG Fund under the ESG Circular issued by the MAS.

<sup>3</sup> Investors should note that the additional information required to be disclosed under paragraph 14 of the ESG Circular may be found on the Manager's website at <https://www.blackrock.com/sg/en/ishares>.



### **Investment Objective**

The investment objective of the MSCI Asia Ex Japan ETF is to track the performance of the MSCI AC Asia ex Japan Climate Action Index in US dollar terms.

There can be no assurance that the MSCI Asia Ex Japan ETF will achieve its investment objective.

### **Investment Strategy**

The MSCI Asia Ex Japan ETF aims to invest at least 95 per cent of its assets in achieving the investment objective, which is to track the performance of the Underlying Index in US dollar terms. Please refer to the sub-sections headed “Underlying Index” and “Index Construction” in the section headed “DESCRIPTION OF THE INDEX FUNDS – MSCI ASIA EX JAPAN ETF” for further information on the climate considerations of the Underlying Index.

The MSCI Asia Ex Japan ETF includes ESG factors as its key investment strategy, with a focus on climate transition, by tracking the MSCI AC Asia ex Japan Climate Action Index (i.e. the Underlying Index), which is designed to represent the performance of companies that have been assessed to lead their sector peers in terms of their positioning and actions relative to a climate transition.

Issuers from the underlying MSCI AC Asia ex Japan Index (the “**Parent Index**”) are excluded based on the Index Provider’s exclusionary criteria (which involves screening on ESG controversies, ESG business involvement, emission intensity, and climate risk management). The remaining constituents of the Parent Index are then assessed relative to their sector peers based on their emissions intensity, emissions reduction commitments, climate risk management and revenue from greener businesses. The Underlying Index uses this assessment to select 50% of the companies from each GICS® sector in the Parent Index. Overall, the Underlying Index targets a coverage of 50% of the companies per sector from the Parent Index. The Parent Index weights of the remaining selected securities are renormalized to 100%. Sector weights are limited to +/- 5% the weight of that sector in the Parent Index, and individual issuer weights are capped at 5% of the Underlying Index.

Please refer to the sub-sections headed “Underlying Index” and “Index Construction” in the section headed “DESCRIPTION OF THE INDEX FUNDS – MSCI ASIA EX JAPAN ETF” for further information on the climate transition focus of the Underlying Index.

The Manager intends to pursue a Representative Sampling Strategy to achieve the MSCI Asia Ex Japan ETF’s investment objective by investing directly in companies that have been assessed to lead their sector peers in terms of their positioning and actions relative to a climate transition. The MSCI Asia Ex Japan ETF is or will be registered as a FPI with the Securities Exchange Board of India, allowing it to invest directly in Indian Securities. The Manager may overweight the holdings of Securities of the MSCI Asia Ex Japan ETF relative to the respective weightings of the underlying Securities in the Underlying Index. For example such overweighting of holdings may occur if the Manager considers certain Securities in the Underlying Index should be excluded in view of the comparative illiquidity and possible settlement difficulties which may be experienced with such Securities. In addition, it may occur because a single FPI (along with its investor group as defined in the 2019 FPI Regulations) may only hold less than 10 per cent of the total issued capital of an Indian company (on a fully diluted basis) and the aggregate FPI holding in an Indian company (including any other direct or indirect foreign investments in an Indian company by FPIs) may not exceed 24 per cent of the total issued equity capital of the company on a fully diluted basis or the relevant sectoral caps or such other caps/limits as decided by the Indian company (with the approval of its shareholders and board of directors) as per the provisions of FEMA and/or resulting from any change in the applicable laws and regulations affecting the investment capacity of the FPI. In pursuing a Representative Sampling

Strategy, the Manager will select underlying Securities, based on their contribution to certain capitalisation, industry and fundamental investment characteristics, as appropriate, in order to achieve the investment objective of the MSCI Asia Ex Japan ETF. For further details on investment restrictions on the FPIs, please refer to Schedule 2.

As a result, while the Manager generally intends to invest only in the constituent companies of the Underlying Index, the MSCI Asia Ex Japan ETF may not from time to time have exposure to all of the constituent companies of the Underlying Index. The basis for adopting a Representative Sampling Strategy is so that the MSCI Asia Ex Japan ETF can meet its investment objective, which is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index. However a Representative Sampling Strategy entails certain additional risks, in particular a possible increased tracking error at the time of the switch. Tracking error is where the performance of MSCI Asia Ex Japan ETF diverges from the performance of the Underlying Index. The possible sources of tracking errors by the MSCI Asia Ex Japan ETF include the fees payable, transaction costs, foreign ownership limits, the possible imposition of Indian taxes on FPIs and the Representative Sampling Strategy. In this regard the attention of prospective investors is drawn to the “*Specific Risks*” section below.

The MSCI Asia Ex Japan ETF will be subject to the investment and borrowing restrictions as summarised in Schedule 1 of this Prospectus.

### **Suitability**

The MSCI Asia Ex Japan ETF is only suitable for investors who:

- (a) prefer capital growth rather than income;
- (b) seek an investment in an index tracking fund that includes key ESG factors in its investment strategy, with a focus on climate transition, by tracking the MSCI AC Asia ex Japan Climate Action Index;
- (c) seek an investment that tracks the performance of the Underlying Index in US dollar terms; and
- (d) are comfortable with a passively managed index tracking fund which value will rise and fall in correlation with its underlying index.

### **Underlying Index**

The Underlying Index is designed to represent the performance of companies that have been assessed to lead their sector peers in terms of their positioning and actions relative to a climate transition.

Issuers from the underlying MSCI AC Asia ex Japan Index (the “**Parent Index**”) are excluded based on the Index Provider’s exclusionary criteria (which involves screening on ESG controversies, ESG business involvement, emission intensity, and climate risk management). MSCI Climate Action Indexes use MSCI ESG Business Involvement Screening Research and MSCI Climate Change Metrics to identify companies that are involved in the following business activities such as controversial weapons, tobacco, thermal coal mining, oil sands and nuclear weapons. The remaining constituents of the Parent Index are then assessed relative to their sector peers based on their emissions intensity, emissions reduction commitments, climate risk management and revenue from greener businesses. The Underlying Index uses this assessment to select 50% of the companies from each GICS® sector in the Parent Index. Overall, the Underlying Index targets a coverage of 50% of the companies per sector from the Parent Index. The Parent Index weights of the remaining selected securities are renormalized to 100%. Sector weights are limited to +/- 5% the weight of that sector in the Parent Index, and individual issuer weights are capped at 5% of the Underlying Index.

The Parent Index captures large and mid cap representation across 2 of 3 developed markets countries (which includes Hong Kong and Singapore) (excluding Japan) and 8 emerging markets countries (which includes China, India, Korea, Malaysia, the Philippines, Taiwan and Thailand) in Asia. The Parent Index covers approximately 85% of the free float-adjusted market capitalisation in each country.

The Underlying Index was launched on 4 October 2022.

### **Index Provider**

The Index Provider is MSCI. The Manager has the non-exclusive right to use the Underlying Index in connection with the MSCI Asia Ex Japan ETF. MSCI is independent of, and is not a related corporation<sup>4</sup> of, the Manager or any of the Manager's respective affiliates. MSCI's sole purpose is to facilitate the creation of real time indices for the Asian market. The MSCI indices, including the Underlying Index, are used as performance benchmarks and as the basis for derivative trading as well as index tracking funds such as the MSCI Asia Ex Japan ETF.

### **Index Construction**

Constructing the Underlying Index involves the following steps:

- **Applicable Universe:** The Applicable Universe includes all the existing constituents of the Parent Index. This approach aims to provide an opportunity set with sufficient liquidity and investment capacity.
- **Eligible Universe:** The Eligible Universe is constructed from the Applicable Universe by excluding securities of companies based on the exclusion criteria below:
  - *ESG Controversy Score Eligibility*
    - **ESG Controversies:** All securities having faced very severe controversies pertaining to ESG issues – Defined as companies that are assessed as “Red Flag” based on MSCI ESG Controversy (MSCI ESG Controversy Score = 0). Companies not assessed by MSCI ESG Research on ESG Controversies are also excluded.
    - **Environmental Harm:** All companies assessed as having involvement in very severe controversies pertaining to Environmental issues – Defined as companies that are assessed as “Red Flag” based on MSCI Environmental Controversy (MSCI Environmental Controversy Score = 0). Companies not assessed by MSCI ESG Research on Environmental Controversy Score are also excluded.
  - *ESG Business Involvement Eligibility*
    - The MSCI Climate Action Indexes use MSCI ESG Business Involvement Screening Research and MSCI Climate Change Metrics to identify companies that are involved in the following business activities. Companies that meet the business involvement criteria are excluded from the MSCI Climate Action Indexes. Please refer to <https://www.msci.com/our-solutions/indexes/climate-action-indexes> for details on these criteria.
      - Controversial Weapons
      - Tobacco
      - Thermal Coal Mining
      - Oil Sands
      - Nuclear Weapons
  - *Emission Eligibility*

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<sup>4</sup> Within the meaning of section 6 of the Companies Act.

- Securities which either have higher Emission Intensity than the High Emission Threshold (defined below) or higher total potential emission than the High Potential Emission Threshold (defined below) and do not yet have approved science-based targets are excluded.
  - High Emission Threshold – Emission Intensity of the constituent(s) of the MSCI ACWI Index<sup>5</sup> at the 95th percentile based on Emission Intensity. This 95th percentile calculation excludes securities without emissions data.
  - High Potential Emission Threshold – Total Potential Carbon Emissions excluding Metallurgical Coal of the constituent(s) of the MSCI ACWI Index at the 95th percentile based on Total Potential Carbon Emissions excluding Metallurgical Coal. This 95th percentile calculation only includes companies which are considered most likely to use their fossil fuel reserve for energy applications. Securities without Total Potential Carbon Emissions data are not included in this calculation of 95th percentile.
- Additionally, Securities without Emission Intensity data (securities for which Emission Intensity cannot be calculated) are also excluded.
- *Climate Risk Management Eligibility*
  - All securities which are in the lowest quartile of their GICS sector based on their Climate Risk Management Score<sup>6</sup> are excluded.
- Selection of Eligible Securities
  - Security-level assessment<sup>7</sup>
    - Intensity Score - Each security is assigned to a quartile based on its sector relative Scope 1+2+3 Greenhouse Gas (GHG) Intensity. This quartile is labelled as the ‘Intensity Score’ and is thus an integer between 1 and 4<sup>8</sup>. For example, securities which constitute the lowest 25% of their sector based on emissions intensity would be assigned an ‘Intensity Score’ of 1.
    - Each security is assigned a final Assessment by adjusting the initial Intensity Score according to the following sequence:
      - The Intensity Score is lowered by two quartiles (e.g. the Intensity Score is lowered from 4 to 2, or from 3 to 1) for all securities that either have an approved science-based targets (SBTi)<sup>9</sup> or are assessed to have Credible Track Record<sup>10</sup>.

<sup>5</sup> The MSCI ACWI Index is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets.

<sup>6</sup> This refers to a security’s Climate Risk Management Weighted Average Score, which is the weighted average of a set of climate change related key issue management scores (i.e. an assessment of the issuer’s approach to key issues related to climate change risk and environmental opportunities). The key issue management scores comprises a security’s Carbon Emissions Management Score, Product Carbon Footprint Management Score, Climate Change Vulnerability Management Score, Biodiversity and Land use Management Score, Opportunities in Clean Tech Management Score, Opportunities in Green Building Management Score and the Opportunities in Renewable Energy Management Score. The Climate Risk Management Weighted Average Score is then calculated based on the weight of each key issue applicable to that security.

<sup>7</sup> Please refer to Appendix II of the MSCI Climate Action Index methodology on the Index Provider’s website for further examples on calculation steps of the security-level assessment.

<sup>8</sup> Generally, securities of a company that has a higher emissions intensity relative to other companies within its sector will be placed in a “higher” quartile and will be assigned a higher initial Intensity Score prior to the final Assessment.

<sup>9</sup> Company level emission reduction targets which have been approved by the Science Based Targets initiative (SBTi), which is a global standard that provides a framework and guidance for companies to set science-based net zero targets. Targets are considered ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

<sup>10</sup> A security is assessed to have Credible Track Record if its Track Record Score is 1. A security’s Track Record Score is calculated based on a security’s Emission Track Record. An Emission Track Record is assigned to a security which meets the following conditions: (i) has an Average Yearly Emission Change of less than - 2%; (ii) reports Scope 1 and 2 emissions, and (iii) has published an emission reduction target. The Emission Track Record of the security will be equal to the security’s Average Yearly Emission Change.

A security’s “Average Yearly Emission Change” is the geometric average of a security’s last 3 yearly changes in emissions calculated for the last 4 years. An Average Yearly Emission Change is not calculated for securities with less than 4 years of emission data.

- For the remaining securities, the Intensity Score is lowered by one quartile (e.g. the Intensity Score is lowered from 4 to 3, from 3 to 2, or from 2 to 1) for any securities in the fourth quartile<sup>11</sup> based on sector-relative Climate Risk Management Weighted Average Score or Green Business Revenue<sup>12</sup>.
          - The Intensity Score of fourth quartile<sup>11</sup> companies based on sector relative Green Business Revenue is lowered only if the Green Business Revenue  $\geq$  5%.
            - The Security-Level Assessment is floored at 1.
  - Ranked Universe
    - After the Security-Level Assessment, the Ranked Universe is then constructed by sorting eligible securities of each GICS sector, in ascending order of Security-Level Assessment and descending order of float adjusted market capitalization.
  - Security selection
    - For each GICS sector in the Ranked Universe, 50% of the number of securities in the Applicable Universe are selected in the following order -
      - Securities are selected from the top until the number of selected stocks is less than or equal to 40% of the number of securities in the Applicable Universe.
      - Securities which are ranked between 40% and 60% of the number of securities in the Applicable Universe and are also current constituents of the Underlying Index are selected.
      - Remaining securities which are ranked between 40% and 60% of the number of securities in the Applicable Universe are selected until the total number of selected securities is less than or equal to 50% of the number of securities in the Applicable Universe. Any security which takes the number of selected securities beyond 50% of the number of securities in the Applicable Universe is also selected.
- Weighting of Selected Securities
  - The Parent Index weights of selected securities are renormalized to 100%. Sector weights are limited to +/- 5% the weight of that sector in the Parent Index, and individual issuer weights are capped at 5% of the Underlying Index.

Further details are available on the Index Provider's website at <https://www.msci.com/our-solutions/indexes/climate-action-indexes>.

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<sup>11</sup> The "fourth quartile" here corresponds in broad terms to strong climate risk management or high sector relative green business revenues (as appropriate).

<sup>12</sup> Where a security has a strong Climate Risk Management Weighted Average Score or a high sector-relative Green Business Revenue, the Intensity Score of such security will be lowered. "Green Business Revenue" is a cumulative percentage of revenue (in %) from six 'Clean Tech' themes including alternative energy, energy efficiency, sustainable water, green building, pollution prevention and sustainable agriculture.

## Constituent Securities of the Underlying Index

As at 31 August 2023, the 10 largest constituent stocks of the Underlying Index represented 28.18% of the total market capitalisation, based on total shares in issue of the Underlying Index.

As at 31 August 2023, the complete list of constituent stocks of the Underlying Index are as follows:

Rank	Constituent Name	USD Market Cap. (Free Float Adj MMUSD)	% of Index
1.	TAIWAN SEMICONDUCTOR MFG	209238	5.52%
2.	ALIBABA GRP HLDG (HK)	204998	5.41%
3.	TENCENT HOLDINGS LI (CN)	183254	4.83%
4.	RELIANCE INDUSTRIES	95355	2.52%
5.	MEITUAN B	89267	2.35%
6.	INFOSYS	69222	1.83%
7.	ICICI BANK	64467	1.70%
8.	PDD HOLDINGS A ADR	53920	1.42%
9.	HONGKONG EXCH & CLEARING	50298	1.33%
10.	DBS GROUP HOLDINGS	48112	1.27%

Source: MSCI.

Investors should note that, in tracking the Underlying Index, the Manager may adjust the constraints in a Representative Sampling Strategy for the MSCI Asia Ex Japan ETF. A Representative Sampling Strategy may be more appropriate in view of the comparative illiquidity and possible settlement difficulties which may be experienced with certain stocks comprised in the Underlying Index. This means that the MSCI Asia Ex Japan ETF may not hold all the constituents of the Underlying Index. However, the Manager may swap from a Representative Sampling Strategy to a Full Replication Strategy, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the MSCI Asia Ex Japan ETF by tracking the Underlying Index as closely as possible for the benefit of investors. Any swap in such strategies will be announced on SGXNET as soon as practicable.

### Underlying Index Calculation Times

The Underlying Index opens each day on which the Markets on which the Securities constituting the Underlying Index are listed on are open. The Underlying Index is calculated and is updated continuously until the official close of trading on the last relevant Market to close. The Underlying Index is published as end of day values in US dollars. The composition of the Underlying Index is reviewed semi-annually every May and November.

For the purposes of the creation or redemption of Units by a Participating Dealer on any Dealing Day, the Valuation Point will be as at the official close of trading on the last relevant Market (on which the Securities constituting the Underlying Index are listed on) to close.

### Index Rebalancing

The constituent shares and their respective weightings within the Underlying Index will change from time to time. In order for the MSCI Asia Ex Japan ETF to achieve its investment objective of tracking the Underlying Index, it will accordingly be necessary for the Manager to rebalance the MSCI Asia Ex Japan ETF's holdings corresponding to the shares comprised in the Underlying Index. The Manager will take public information announced by the Index Provider and rebalance the holdings of the MSCI Asia Ex Japan ETF accordingly. As at the date of this Prospectus, the Underlying Index is rebalanced on a semi-annual basis to coincide with the regular index reviews (semi-annual index reviews in May and November) of the Parent Index.

In addition, the review and exclusion of index constituents of the Underlying Index based on the "ESG Controversy Score Eligibility" and "ESG Business Involvement Eligibility" is conducted on a quarterly basis.

### **Information on the Underlying Index**

Details of the Underlying Index and its methodology are available online at [www.msci.com](http://www.msci.com).

In addition, the Underlying Index level (Ticker: MXASCANU) is published on Bloomberg.

### **Distribution Policy**

The Manager currently intends to make distributions of the Distributable Amount of the MSCI Asia Ex Japan ETF to Unitholders annually, at the Manager's discretion (usually in November/December each year) (if any). Distributions will be paid in the primary trading currency of the MSCI Asia Ex Japan ETF (i.e. USD). There is currently no dividend reinvestment service.

On each Ex. Dividend Date, which does not immediately precede a Final Record Date, the Registrar, in accordance with the instructions of the Manager, shall allocate rateably the Distributable Amount among the Unitholders of the MSCI Asia Ex Japan ETF in accordance with the number of Units of the MSCI Asia Ex Japan ETF held by them respectively on the relevant Record Date.

On or before the relevant Interim Distribution Date the amount of cash required to effect such interim distribution shall be transferred to a separate account in the name of the Trustee entitled the "**Distribution Account**".

On or before each Interim Distribution Date the Trustee (through the Registrar or in such other manner as the Trustee may determine, provided that the Trustee shall give reasonable prior written notice to the Registrar if the distribution is not through the Registrar), shall distribute to Unitholders of MSCI Asia Ex Japan ETF, by way of interim distribution, the proportion of the Distributable Amount allocated to each Unitholder.

On the Ex. Dividend Date, which immediately precedes the Final Record Date, the Registrar, in accordance with the instructions of the Manager, shall allocate rateably the Distributable Amount among the Unitholders of the MSCI Asia Ex Japan ETF in accordance with the number of Units of the MSCI Asia Ex Japan ETF held by them respectively on the relevant Final Record Date.

On or before the relevant Final Distribution Date the amount of cash required to effect such final distribution shall be transferred to the Distribution Account.

On or before each Final Distribution Date the Trustee (through the Registrar or in such other manner as the Trustee may determine, provided that the Trustee shall give reasonable prior written notice to the Registrar if the distribution is not through the Registrar), shall distribute to Unitholders of the MSCI Asia Ex

Japan ETF, by way of final distribution, the proportion of the Distributable Amount allocated to each Unitholder.

Amounts to be distributed in respect of each Unit shall be rounded to the nearest US\$0.01.

The Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay US\$0.01 in respect of each Unit or such other amount as the Trustee shall determine.

Any distribution from the MSCI Asia Ex Japan ETF payable to a Unitholder which remain unclaimed after a period of twelve months shall be accumulated by the Trustee in a special account (the “**Unclaimed Monies Account**”) and the Trustee shall cause such sums which represent monies unclaimed by a Unitholder for more than six 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 of the MSCI Asia Ex Japan ETF.

**Investors should note that the distributions of MSCI Asia Ex Japan ETF are not guaranteed and are not in any way a forecast or projection of the future or likely performance of the MSCI Asia Ex Japan ETF.** The making of any distribution shall not be taken to imply that further distributions will be made. While the Manager will endeavour to make the distributions as set out above, certain market or economic conditions prevailing at the time of the intended distributions may render the intended distributions non-viable. In such instances, the Manager may, in consultation with the Trustee, vary the frequency and/or amount of the distributions.

The Manager may make distributions out of distributable income and/or the capital of the MSCI Asia Ex Japan ETF. Distributions (whether out of income and/or capital) may have the effect of lowering the Net Asset Value of the MSCI Asia Ex Japan ETF and this will be reflected in the Redemption Price of the Units. Moreover, distributions out of capital may amount to a reduction of a Unitholder’s original investment. Unitholders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Unitholders.

### **Specific Risks**

In addition to the general risks identified in the “*Risk Factors*” section of this Prospectus, the MSCI Asia Ex Japan ETF is subject to the following additional specific risks:

- **Distribution Yield**

Whether or not distributions will be made by the MSCI Asia Ex Japan ETF is at the discretion of the Manager taking into account various factors and its own distribution policy. Some factors are beyond the control of the Manager, such as whether dividends are declared and paid in respect of the Securities of the Underlying Index. There can be no assurance that the distribution yield of the MSCI Asia Ex Japan ETF is the same as that of its Underlying Index due to factors such as expenses incurred by the MSCI Asia Ex Japan ETF.

- **Index-Related Risk**

There is no guarantee that the MSCI Asia Ex Japan ETF will achieve a high degree of correlation to the Underlying Index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the MSCI Asia Ex Japan ETF’s ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data may occur from time



to time and may not be identified and corrected for a period of time, and may have an adverse impact on the MSCI Asia Ex Japan ETF and its Unitholders.

- **Foreign exchange risk**

The Manager does not intend to hedge the foreign currency exposure of the MSCI Asia Ex Japan ETF. The MSCI Asia Ex Japan ETF is denominated in US dollars whilst the underlying Securities are denominated in various currencies. Accordingly the ability of the MSCI Asia Ex Japan ETF to track the Underlying Index is in part subject to foreign exchange fluctuations as between the US dollar and the relevant currencies.

- **Risk relating to investments in other collective investment schemes (including exchange traded funds)**

The MSCI Asia Ex Japan ETF may invest directly in, or obtain exposure to, certain markets via investment in other collective investment schemes (including exchange traded funds) in accordance with its investment strategy. Consequently, the MSCI Asia Ex Japan ETF is also subject to the risks of these underlying collective investment schemes. Although the Manager will only invest in these other collective investment schemes if it considers that doing so is in the best interest of the MSCI Asia Ex Japan ETF and its Unitholders, there is no guarantee that these other collective investment schemes will achieve their respective investment objectives and any tracking error of these other collective investment schemes will also contribute to the tracking error of the MSCI Asia Ex Japan ETF. Further, although the Manager will only invest in other collective investment schemes that track indices that have a high correlation with the Underlying Index of the MSCI Asia Ex Japan ETF, the difference of the underlying constituents between the indices tracked by the relevant other collective investment schemes and the Underlying Index may also contribute to tracking error. In particular, investors should also note that the other collective investment schemes (including exchange traded funds) which the MSCI Asia Ex Japan ETF may invest in may have exposure to securities that are excluded from the Underlying Index pursuant to its index methodology, and as such the MSCI Asia ex Japan ETF may have indirect exposure to such securities as well. In selecting any other collective investment schemes (including exchange traded funds), the Manager will have regard to a number of factors, including whether the underlying collective investment scheme will facilitate the MSCI Asia Ex Japan ETF in tracking the Underlying Index and whether the MSCI Asia Ex Japan ETF will continue to comply with the ESG Circular.

- **Risks relating to investments in securities with a focus on climate transition**

Investors should note that the index methodology of the Underlying Index does not guarantee that the below risks will be eliminated or mitigated.

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk, whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public

perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in the MSCI Asia Ex Japan ETF.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly between different funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, the MSCI Asia Ex Japan ETF may invest in an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of the MSCI Asia Ex Japan ETF's units.

The impact of those risks may be higher as the MSCI Asia Ex Japan ETF has a geographic concentrations in Asia Ex Japan. For example, in the event that countries within Asia Ex Japan become susceptible to adverse weather conditions, the value of the investments in the MSCI Asia Ex Japan ETF may be more susceptible to adverse physical climate events.

All or a combination of these factors may have an unpredictable impact on the MSCI Asia Ex Japan ETF's investments. Under normal market conditions such events could have a material impact on the value of the MSCI Asia Ex Japan ETF's units.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

- **ESG Regulatory Risk**

The regulatory framework with respect to sustainable investments is constantly developing and evolving. The lack of common or harmonised definitions and labels regarding ESG and sustainability criteria or clear guidelines on the required level of disclosure may result in different approaches by index providers and / or investment managers when integrating ESG and sustainability criteria into their investment process and providing relevant disclosures in the offering documentation of their investment products. This would mean that the MSCI Asia Ex Japan ETF may not invest in the same set of Securities as another investment manager deploying an ESG-integrated investment approach in respect of another investment product, and could also mean that the level and type of disclosure in this Prospectus may be different from the level and type of disclosure inserted in the offering documentation of other investment products. As such, it may be difficult to compare investment products with similar objectives, as these investment products may employ different security selection and exclusion criteria. Consequently, the performance profile of the MSCI Asia Ex Japan ETF may differ more substantially than might otherwise be expected as compared to other investment products with similar objectives. This also means that the approach which has been selected by the MSCI Asia Ex Japan ETF may potentially differ from positions adopted at a later stage by the relevant regulatory authorities, which might entail a reputational risk or be considered as involuntary greenwashing.

- **Benchmark index screening**

The MSCI Asia Ex Japan ETF seeks to track the performance of the Underlying Index which is stated by the Index Provider to be screened against certain ESG criteria and to exclude issuers with high emission intensities (among other climate risk considerations) and issuers involved in, or deriving revenues (above a threshold specified by the Index Provider) from, certain industries or business activities. Investors should therefore be comfortable and satisfied with the extent of ESG-related screening undertaken by the Underlying Index prior to investing in the MSCI Asia Ex Japan ETF.

Investor sentiment towards issuers which are perceived as being climate or ESG conscious or attitudes towards climate and ESG concepts generally may change over time which may affect the demand for ESG based investments and may also affect their performance. Investors should note that different index providers and ETF issuers may adopt different approaches with respect to “climate action” products.

Due to the ESG criteria being applied to the Parent Index / investment universe in order to determine eligibility for inclusion in the Underlying Index, the Underlying Index will comprise a narrower universe of securities compared to the Parent Index / investment universe and securities of the Underlying Index are also likely to have different GICS sector weightings and factor weightings compared to the Parent Index / investment universe. Where the Underlying Index targets a similar risk profile to the Parent Index / investment universe, the Underlying Index is nevertheless likely to have a different performance profile to the Parent Index / investment universe. This narrower universe of securities may not necessarily perform as well as those securities that do not meet the ESG screening criteria, which may adversely affect the performance of the MSCI Asia Ex Japan ETF relative to another collective investment scheme which tracks the Parent Index / investment universe.

Companies which have previously met the screening criteria of the Underlying Index, and have therefore been included in the Underlying Index and the MSCI Asia Ex Japan ETF, may unexpectedly or suddenly be impacted by an event of serious controversy which negatively impacts their price and, hence, the performance of the MSCI Asia Ex Japan ETF. As examples, this could occur when activities or practices of companies which have previously been hidden suddenly come to light, when there are new sources of information or metrics to assess companies, or when companies report higher GHG emissions or decide to engage in business activities that meet the exclusionary criteria, and the resulting negative investor sentiment and/or negative public perception or reputation could drive down their price. Where these companies are existing constituents of the Underlying Index, they will remain in the Underlying Index and therefore continue to be held by the MSCI Asia Ex Japan ETF until the next scheduled rebalancing, as the Manager may not have the discretion under the investment policy to remove such companies from the holdings of the MSCI Asia Ex Japan ETF. At the time that the Underlying Index excludes the affected securities, the price of the securities may have already dropped and not yet recovered, and the MSCI Asia Ex Japan ETF could therefore be selling the affected securities at a relatively low price point.

Screening of issuers for inclusion within the Underlying Index of the MSCI Asia Ex Japan ETF is carried out by the Index Provider based on the ESG ratings and / or screening criteria of the Index Provider or other third parties. This may be dependent upon information and data obtained from third-party data providers which may on occasion be incomplete, inaccurate or inconsistent. There may also be a time lag between the date as at which the data is captured and the date on which the data is used, which may impact the timeliness and quality of the data. The Manager does not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the Index Provider's or data provider's information, ESG ratings, screening criteria or the way they are implemented. In the event that the status of a security previously deemed eligible for

inclusion in the Underlying Index should change, the Manager does not accept liability in relation to such change. For the avoidance of doubt, the Manager is not liable for ensuring that the Securities that comprise the Underlying Index will meet the screening criteria applied by the Index Provider or ensure that the ESG ratings given by the Index Provider or other third parties to each security are valid. If a MSCI Asia Ex Japan ETF's Underlying Index does not meet the ESG criteria in its index methodology at an index rebalance, it may in turn impact the ability of the MSCI Asia Ex Japan ETF to meet its ESG criteria.

### **Index Licence Agreement**

The Manager has been granted a licence by MSCI Inc. to use the Underlying Index to create the MSCI Asia Ex Japan ETF. The initial term of the licence commenced on 5 June 2023 and will automatically renew for successive terms of three years unless either party to the licence agreement provides written notice of its intention not to renew the licence at least 90 days prior to the end of the then current term to the other party.

### **Further Information**

Further information in relation to the MSCI Asia Ex Japan ETF (including details of its Net Asset Value) and the Underlying Index is available at the iShares website (<https://www.blackrock.com/sg/en/ishares>). Investors should refer to the "*Information available on the Internet*" section of this Prospectus for more details. Unitholders are encouraged to refer to the information available on the iShares website on a regular basis.

## **CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**

### **Investment in an Index Fund**

There are two types of investors in an Index Fund, with two corresponding methods of investment in Units and realisation of an investment in Units. The first type of investor is a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the Index Fund. Only a Participating Dealer can create and redeem Units directly with the Index Fund. A Participating Dealer may create and redeem Units on their own account or for the account of their clients.

The second type of investor is any person, other than a Participating Dealer, who buys and sells the Units on the SGX-ST or through a Participating Dealer, subject to such terms and conditions as may be imposed by the Participating Dealer.

This section relates to the first type of investor: Participating Dealers, and should be read in conjunction with the Operating Guidelines and the Trust Deed. The “*Exchange Listing and Trading (Secondary Market)*” section of this Prospectus relates to the second type of investor.

### **Participating Dealer**

The role of the Participating Dealer is to create and redeem Units in an Index Fund from time to time. A Participating Dealer has no obligation to create or redeem Units. The Manager shall instruct the Trustee to effect for the account of the Trust, the creation of Units in Application Unit Size in exchange for either Securities or cash or a combination of both in accordance with the Operating Guidelines and the Trust Deed. In its absolute discretion, the Participating Dealer may also create Units on behalf of its clients from time to time. The Manager may from time to time appoint one or more additional Participating Dealers.

The criteria for the eligibility and selection of any such additional Participating Dealers by the Manager is as follows: (i) the Participating Dealer must be suitably licensed to carry on dealing in securities in Singapore or elsewhere or be exempt from such licensing; and (ii) the Participating Dealer must be acceptable to the Trustee.

A list of the current Participating Dealer(s) for an Index Fund is available at <https://www.blackrock.com/sg/en/ishares>. Any change to the list of Participating Dealer(s) will be announced on SGXNET.

## **Creations and Redemptions by Participating Dealers**

### **Continuous Offering of Units**

Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF are continuously offered to Participating Dealers who may apply in multiples of an Application Unit on any Dealing Day on their own account or for the account of their clients in accordance with the Operating Guidelines.

See the “*Procedures for Creations in Application Unit Size*” section and “*Procedures for Redemptions in Application Unit Size*” section of this Prospectus for the Dealing Deadlines.

All dealing requests are dealt with at the same Net Asset Value as at the same Valuation Point on the relevant Dealing Day.

### **Application Unit**

Units in the Index Funds are offered and issued at their Net Asset Value only in aggregations of a specified number of Units (each, an “**Application Unit**”) which is currently 170,000 Units (or whole multiples thereof), in respect of the MSCI India ETF, and 250,000 Units (or whole multiples thereof), in respect of the MSCI Asia Ex Japan ETF. Any change to the Application Unit Size will be announced on the SGXNET. Applications submitted in respect of Units other than in Application Unit Size or whole multiples thereof will not be accepted.

### **Issue Price and Redemption Value**

The Issue Price per Unit of an Index Fund, created and issued pursuant to a Creation Application, shall be the Net Asset Value of the relevant Index Fund as at the Valuation Point on the relevant Dealing Day divided by the total number of Units in issue rounded to the nearest 4 decimal places (or such other method of rounding as the Manager may determine from time to time with the approval of the Trustee).

The Redemption Value per Unit of an Index Fund on a Dealing Day shall be the Net Asset Value of the relevant Index Fund as at the Valuation Point on the relevant Dealing Day divided by the total number of Units in issue for the Index Fund rounded to the nearest 4 decimal places (or such other method of rounding as may be determined by the Manager from time to time with the approval of the Trustee).

Investors should note that the Participating Dealer(s) may make an over-the-counter market in the Units of an Index Fund in Singapore. As a consequence, the attention of prospective investors is drawn to the fact that their subscription orders placed through the Participating Dealer(s) may not be filled at a price equal to the Net Asset Value per Unit but at a price based on the Net Asset Value per Unit plus any bid-ask spread that the Participating Dealer(s) may take for such Unit. The Participating Dealer(s) have no obligation to fill subscription orders for the Units at prices equal to their Net Asset Value although they may at their sole discretion choose to do so upon specific requests by investors. Investors should check with the Participating Dealer(s) for further details.

### **Procedures for Creation of Application Unit Size**

Only Participating Dealers may apply to the Manager for Units. The Manager shall instruct the Trustee to effect, for the account of the Trust, the creation of Units in an Index Fund in Application Unit Size in accordance with any of (a), (b) or (c) below (or a combination of any or all of the same) as determined by the Manager in its discretion:

- (a) in exchange for a transfer, by the Participating Dealer, to or for the account of the Trustee of Securities constituting an Application Basket for the relevant Units, a cash amount equivalent to any Duties and Charges payable plus, if the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component. If the Cash Component is a negative value, the Trustee shall be required to make a cash payment equivalent to the amount of the Cash Component to the Participating Dealer. In the event that the relevant Index Fund has insufficient cash required to pay any Cash Component payable by that Index Fund, the Manager may effect sales of the Deposited Property of that Index Fund, or may borrow moneys in accordance with the Trust Deed, to provide the cash required;
- (b) if permitted by the Manager in relation to a particular Index Fund, in exchange for a cash payment by the Participating Dealer equivalent to the relevant Application Basket Value (which shall be accounted for as Deposited Property) plus an amount equivalent to any Cash Component, which the Manager shall use to purchase the Securities comprised in the Application Basket, provided that the Manager shall be entitled in its discretion to (a) charge (for the account of the relevant

Index Fund) to the applicant of any Units for which cash is paid in lieu of delivering any Securities such additional sum as represents the appropriate provision for Duties and Charges and (b) cause to be paid to the Participating Dealer such amount as is determined by the Manager for the purpose of compensating the Participating Dealer up to an amount equal to the positive difference (if any) between the prices used when valuing the Securities of the Index Fund for the purpose of such creation and the purchase prices actually paid or to be paid out of the Deposited Property in relation to the relevant Index Fund in acquiring such Securities for the Index Fund (after the addition to the relevant purchase prices of any Duties and Charges in respect of such acquisition of Securities); or

- (c) in exchange for a cash payment by the Participating Dealer equivalent to the Issue Price of the relevant Units plus such sum as the Manager in its discretion considers appropriate for the Duties and Charges,

provided that the Manager shall have the right to reject or suspend a Creation Application if (i) in the opinion of the Manager, acceptance of any Security included in an Application Basket would have certain adverse tax consequences for the relevant Index Fund; (ii) the Manager reasonably believes that the acceptance of any Security included in an Application Basket would be unlawful; (iii) the acceptance of any Security included in an Application Basket would otherwise, in the opinion of the Manager, have an adverse effect on the Index Fund; (iv) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (v) the Manager has suspended the rights of Participating Dealers pursuant to the Trust Deed, or (vi) an Insolvency Event occurs in respect of the Participating Dealer.

Once the Units are created, the Manager shall effect, for the account of the Trust, the issue of Units to a Participating Dealer in accordance with the Operating Guidelines.

No fractions of a Unit shall be created or issued by the Trustee.

A Creation Application for the creation and issue of Units shall only be made or accepted (as the case may be) on a Dealing Day, shall only be in respect of Units constituting an Application Unit Size or whole multiples thereof and shall only be accepted if made by or through a Participating Dealer in accordance with the terms of a Participation Agreement and including the certifications required in the Operating Guidelines in respect of creations of Units, together with such certifications and opinions of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the creation of Units which are the subject of the Creation Application. A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Issue Price of Units 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.

A Creation Application received (or deemed received) and accepted in accordance with the Operating Guidelines on a Dealing Day shall be issued at that Dealing Day's Issue Price but, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the Register will be updated on Settlement Day or the Dealing Day immediately following Settlement Day if the settlement period is extended pursuant to the Trust Deed.

If a Creation Application is received on a day which is not a Dealing Day or is received after the Dealing

Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application.

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

No Units shall be issued to any Participating Dealer unless the application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines.

The Manager may charge a Transaction Fee in respect of Creation Applications for the benefit of the Trustee and may on any day vary the amount of the Transaction Fee it charges (but not as between different Participating Dealers in respect of the same Index Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units (and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Creation Application(s)) for the benefit of the Trustee.

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

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the Register if at any time the Trustee is of the opinion that the provisions of the Trust Deed, in regard to the issue of Units, are being infringed.

Numerical example of how Units are allotted in the case of a cash Creation Application

The following is an illustration of the total amount payable by a Participating Dealer in making a cash Creation Application based on the following hypothetical figures:

One Application Unit Size of 170,000 Units and an Issue Price per Unit of US\$1.20 plus Duties and Charges of US\$50 and the Transaction Fee of US\$2,000.

(170,000 Units Application Unit Size proposed to be subscribed	x	US\$1.20) Issue Price per Unit	+	US\$50 Duties and Charges	+	US\$2,000 Transaction Fee	=	US\$206,050 Total amount payable
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One Application Unit Size of 250,000 Units and an Issue Price per Unit of US\$1.20 plus Duties and Charges of US\$50 and the Transaction Fee of US\$2,000.

(250,000 Units Application Unit Size proposed to be subscribed	x	US\$1.20) Issue Price per Unit	+	US\$50 Duties and Charges	+	US\$2,000 Transaction Fee	=	US\$302,050 Total amount payable
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Note: The above examples are purely hypothetical and for illustration purposes only and should not be taken as any forecast of future performance. Investors subscribing through a Participating Dealer should



note that there may be other additional fees and charges payable to the Participating Dealer, and that the Participating Dealer may ultimately pass on fees and charges which it paid to the Manager and/or Trustee for the Creation Application to the end investors. Investors should consult the relevant Participating Dealer for details on all additional fees and charges payable by investors. Investors should also note that in addition to any additional fees and charges payable to the Participating Dealer, they will also bear all brokerage fees which are charged by their stockbrokers.

The Dealing Deadlines for Creation Applications for the Index Funds are as follows (or such other times as the Manager (with the approval of the Trustee) may from time to time determine and notify to the relevant Participating Dealers, either generally or for a particular Index Fund):

Index Fund	Dealing Deadline (Singapore time)
MSCI India ETF	1.30 p.m.
MSCI Asia Ex Japan ETF	11:30 a.m.

Units of the Index Funds are denominated in US dollars.

#### **Cancellation of Creation Application of Units in an Index Fund**

The Trustee shall cancel a Creation Application of Units in an Index Fund if:

- (a) (if applicable) all the Securities relating to the Creation Application have not been vested by or on the relevant Settlement Day upon the trusts hereof in the Trustee or to the Trustee's satisfaction or evidence of title and instruments of transfer satisfactory to the Trustee have not been produced to or to the order of the Trustee; and/or
- (b) the full amount of any cash payable in connection with the relevant Creation Application including any Duties and Charges and/or Transaction Fee payable have not been received by or on behalf of the Trustee by such time on the relevant Settlement Day as prescribed in the Operating Guidelines,

provided that, in either event the Manager may at its discretion, with the approval of the Trustee, (i) extend the settlement period (either for the Creation Application as a whole or for a particular Security) on such terms and conditions (including as to the payment of any fees to the Manager or the Trustee or their Connected Persons or otherwise) as the Manager may determine or (ii) partially settle the Creation Application to the extent to which Securities and/or cash have vested in, or paid to the account of the Trustee, on such terms and conditions as the Manager may in its absolute discretion determine including terms as to any extension of the settlement period for the outstanding Securities and/or cash.

Upon the cancellation of any Creation Application as provided for above or if a Participating Dealer otherwise withdraws a Creation Application other than in the circumstances contemplated in the Trust Deed, the Securities deposited for exchange that have been vested in the Trustee and/or any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) and the relevant Units shall be deemed for all purposes never to have been created and the applicant therefor shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that:

- (a) the Manager may charge the Participating Dealer for the account of the Trustee an Application

Cancellation Fee;

- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee for the account of the relevant Index Fund in respect of each Unit so cancelled Cancellation Compensation, being (i) the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if a Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application in accordance with the Trust Deed and (ii) such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Index Fund as a result of such cancellation;
- (c) the Trustee shall be entitled to the Transaction Fee payable in respect of a Creation Application; and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

### **Procedures for Redemption of Application Unit Size**

Only Participating Dealers may apply to the Manager to redeem Units. The Manager shall have the exclusive right, at any time (subject to the Trust Deed) and from time to time following a Redemption Application made by a Participating Dealer in accordance with the Trust Deed and the Operating Guidelines, by notice in writing to the Trustee to effect a reduction of the Trust Fund on the relevant Settlement Day by requiring the Trustee to cancel the number of Units specified in such notice.

A Redemption Application shall only be made or accepted (as the case may be) on a Dealing Day in respect of Units constituting an Application Unit Size or whole multiples thereof and accepted if made by or through a Participating Dealer in accordance with the terms of a Participation Agreement. There is no minimum holding requirement.

The Redemption Value 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.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

Subject to the Trust Deed, the Manager shall, on receipt of an effective Redemption Application for an Index Fund from a Participating Dealer, effect the redemption of the relevant Units in Application Unit Size in accordance with any of (a), (b) or (c) below (or a combination of any or all of the same) as determined by the Manager in its discretion:

- (a) require the Trustee to transfer to the Participating Dealer, in accordance with the Operating Guidelines, Securities constituting an Application Basket for the relevant Units plus, if the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component. If the Cash Component is a negative value, the Participating Dealer shall be required to make a cash payment equivalent to the amount of the Cash Component to the Trustee;
- (b) require the Trustee to pay to the Participating Dealer, (i) a cash amount equivalent to the relevant Application Basket Value plus (ii) an amount determined by the Manager for the purpose of compensating the Participating Dealer up to the amount by which the prices used when valuing the Securities of the Index Fund for the purpose of such Redemption Application are less than the sale prices actually received or to be received in selling the Securities for the Index Fund (after the deduction from the relevant sale prices of any Duties and Charges in respect of such disposal of Securities); or
- (c) require the Trustee to pay to the Participating Dealer a cash amount equivalent to the Redemption Value of the relevant Units minus such sum as the Manager in its discretion considers appropriate for the Duties and Charges.

In the event that the relevant Index Fund has insufficient cash to pay any cash amount payable, the Manager may effect sales of the Deposited Property of that Index Fund, or borrow moneys in accordance with the Trust Deed, to provide the cash required. The Participating Dealer shall be required to make a cash payment (if any) in respect of any Redemption Application in accordance with the Operating Guidelines.

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with a Participation Agreement;
- (b) specify the number of Application Units which is the subject of the Redemption Application; and
- (c) include the certifications required in the Operating Guidelines in respect of redemptions of Units, together with such certifications and opinions of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

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

The Manager may deduct from and set off against any cash payable to a Participating Dealer on the redemption of Units such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges and/or the Transaction Fee. To the extent that the cash is insufficient to pay such Duties and Charges and/or the Transaction Fee payable on such redemption the Participating Dealer shall promptly pay the shortfall in the currency of account for the Index Fund to or to the order of the Trustee. The Trustee shall not be obliged to deliver (and shall have a general lien over) any Securities to be transferred in respect of the relevant Redemption Application until the Units to be redeemed are received to the order of the Trustee and such shortfall and any cash, Transaction Fee, Extension Fee and any other fees payable by the Participating Dealer under the Trust Deed are paid in full in cleared funds to or to the order of the Trustee.

Unless specifically requested to do so by the Participating Dealer concerned, not later than one month after the relevant Dealing Day, the Trustee shall be under no obligation to check the calculation of the Redemption Value in connection with any redemption or cancellation of Units but shall be entitled at any time before the audited accounts of the Trust, covering the relevant Dealing Day, have been prepared, to require the Manager to justify its calculation of the Redemption Value.

Any Securities transferable or cash payable (less any amount deducted pursuant to the Trust Deed) to a Participating Dealer in respect of a Redemption Application may be transferred and/or paid on the Settlement Day in accordance with the Trust Deed provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and, where any amount is to be paid by telegraphic transfer to a bank account in Singapore or New York State, verified in such manner as may be required by, and to the satisfaction of, the Trustee) has been received in accordance with the Operating Guidelines and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the full amount of any cash payable by the Participating Dealer and any Duties and Charges and the Transaction Fee payable have been deducted or otherwise paid in full.

On the relevant Settlement Day in relation to an effective Redemption Application:

- (a) the Units, which are the subject of the Redemption Application, shall be redeemed and cancelled;
- (b) the Trust Fund shall be reduced by the cancellation of those Units but, for valuation purposes only, such Units shall be deemed to have been redeemed and cancelled after the Valuation Point as at the Dealing Day on which the Redemption Application was received; and
- (c) the name of the Unitholder of such Units shall be removed from the Register of the relevant Index

Fund in respect of those Units on the relevant Settlement Day,

the Trustee shall (if applicable) transfer the Securities relevant to the Redemption Application out of the Deposited Property of the relevant Index Fund to the Participating Dealer and/or pay the cash relevant to the Redemption Application out of the Deposited Property of the Index Fund to the Participating Dealer.

No Security shall be transferred and no cash shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Manager for redemption by such time on the Settlement Day as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally. In the event that Units, which are the subject of a Redemption Application, are not delivered to the Manager for redemption in accordance with the foregoing:

- (a) the Redemption Application shall be deemed never to have been made except that the Transaction Fee in respect of such application shall remain due and payable by the Participating Dealer and once paid, shall be retained by the Trustee;
- (b) the Manager may charge the Participating Dealer for the account of the Trustee an Application Cancellation Fee;
- (c) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the relevant Index Fund, in respect of each Unit Cancellation Compensation, being (i) the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if a Participating Dealer had, on the final day permitted for delivery of Units which are the subject of the Redemption Application, made a Creation Application in accordance with the Trust Deed and (ii) such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the relevant Index Fund as a result of any such cancellation; and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

The Manager, with 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 an Extension Fee) as the Manager may determine but, in any event, not later than one month from the receipt of an effective Redemption Application.

The Manager may charge a Transaction Fee in respect of Redemption Applications for the benefit of the Trustee and may on any day vary the amount of the Transaction Fee it charges (but not as between different Participating Dealers in respect of the same Index Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee.

*Numerical example of how Units are redeemed in the case of a cash Redemption Application*

The following is an illustration of the redemption proceeds a Participating Dealer will receive in making a cash Redemption Application based on the following hypothetical figures:

One Application Unit Size of 170,000 Units and a Redemption Value per Unit of US\$1.20 minus Duties and Charges of US\$50 and the Transaction Fee of US\$2,000.

(170,000 Units Application Unit Size proposed to be redeemed	x	US\$1.20) Redemption Value per Unit	-	US\$50 Duties and Charges	-	US\$2,000 Transaction Fee	=	US\$201,950 Redemption Proceeds
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One Application Unit Size of 250,000 Units and a Redemption Value per Unit of US\$1.20 minus Duties and Charges of US\$50 and the Transaction Fee of US\$2,000.

(250,000 Units Application Unit Size proposed to be redeemed	x	US\$1.20) Redemption Value per Unit	-	US\$50 Duties and Charges	-	US\$2,000 Transaction Fee	=	US\$297,950 Redemption Proceeds
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Note: The above examples are purely hypothetical and for illustrative purposes only and should not be taken as any forecast of future performance. Investors redeeming through a Participating Dealer should note that there may be other additional fees and charges payable to the Participating Dealer, and that the Participating Dealer may ultimately pass on fees and charges which it paid to the Manager and/or the Trustee for the Redemption Application to the end investors. Investors should consult the relevant Participating Dealer for details on all additional fees and charges payable by investors. Investors should also note that in addition to any additional fees and charges payable to the Participating Dealer, they will also bear all brokerage fees which are charged by their stockbrokers.

The Dealing Deadlines for Redemption Applications for the Index Funds are as follows (or such other times as the Manager (with the approval of the Trustee) may from time to time determine and notify to the relevant Participating Dealers, either generally or for a particular Index Fund):

Index Fund	Dealing Deadline (Singapore time)
MSCI India ETF	1.30 p.m.
MSCI Asia Ex Japan ETF	11:30 a.m.

There is no minimum holding requirement for the Index Funds.

## Redemption Gate

In respect of all Index Funds (other than the MSCI India ETF), the Manager may also, with a view to protecting the interests of all Unitholders of the relevant Index Fund and with the approval of the Trustee, limit the total number of Units which Participating Dealers may redeem on any Dealing Day to 10% of the total number of Units of such Index Fund then in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied pro rata to all Participating Dealers who have validly made Redemption Applications for Units of such Index Fund on such Dealing Day. Any Units of such Index Fund which, by virtue of the powers conferred on the Manager by Clause 7.18A of the Trust Deed, are not redeemed shall be redeemed (subject to any further application of the provisions of Clause 7.18A of the Trust Deed) on the next succeeding Dealing Day provided that if on such next succeeding Dealing Day the total number of Units to be redeemed, including those carried forward from any earlier Dealing Day, exceeds such limit, the Manager shall be entitled to further carry forward the redemptions of Units until such time as the total number of Units to be redeemed on a Dealing Day falls within such limit and provided further that any Units which have been carried over as aforesaid shall on any such succeeding Dealing Day be redeemed in priority to any new Units due to be redeemed on that Dealing Day. If redemptions of Units are carried forward as aforesaid, the Manager shall, within 7 Business Days of such carrying forward,

give notice to the Participating Dealers affected thereby that such Units have not been redeemed and that (subject as aforesaid) they shall be redeemed on the next succeeding Dealing Day.

### **Directed Cash Dealing**

Where a Participating Dealer subscribes or redeems in cash, the Manager may at its sole discretion (but shall not be obliged to) transact with a broker/dealer nominated by the Participating Dealer. Should the nominated broker/dealer default on, or change the terms for, any part of the transaction, the Participating Dealer shall bear all the associated risks and costs. In such circumstances the Manager has the right to transact with another broker/dealer and amend the terms of the Creation or Redemption Application to take into account the default and the changes to the terms.

### **Suspension of Creations and Redemptions**

Subject to the provisions of the Code relating to suspension of dealings, the Manager may, at its discretion, at any time after giving notice to the Trustee and where practicable following consultation with the relevant Participating Dealers, suspend the right of Participating Dealers to require the redemption of Units of any Index Fund and/or delay the payment of any moneys and transfer of any Securities in respect of any Redemption Application during:

- (a) any period when a Market on which a Security (being a component of the Underlying Index for the relevant Index Fund or the Application Basket) has its primary listing, or the official clearing and settlement depository (if any) of such Market, is closed; or
- (b) any period when dealings on a Market on which a Security (being a component of the Underlying Index for the relevant Index Fund or the Application Basket) has its primary listing are restricted or suspended; or
- (c) any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depository (if any) of such Market is disrupted; or
- (d) the existence of any state of affairs as a result of which delivery or purchase of Securities or disposal of investments for the time being comprised in the relevant Index Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Index Fund; or
- (e) any period when the Underlying Index for the relevant Index Fund is not compiled or published; or
- (f) any breakdown in the means normally employed in determining the Net Asset Value of the relevant Index Fund or the Net Asset Value per Unit of the relevant Index Fund or when for any other reason the Value of any Securities or other property for the time being comprised in the relevant Index Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained; or
- (g) any 48 hour period (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Unitholders (or any adjourned meeting thereof); or
- (h) any period when the business operations of the Manager or the Trustee in relation to the operations of the Trust are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (i) any period when the dealing of Units of the relevant Index Fund is suspended pursuant to any order

or direction issued by the Authority; or

- (j) such circumstances as may be required or permitted under the Code.

In addition, the Manager will suspend the right to redeem Units when dealings in the Units on the SGX-ST are restricted or suspended.

Subject to the provisions of the Code relating to suspension of dealings, such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the relevant Index Fund until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised under the Trust Deed shall exist.

Whenever the Manager declares such a suspension it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, publish an announcement on its website containing information about the suspension of the determination of the Net Asset Value and/or suspension of dealings. Such suspension will also be publicly announced by the Manager on the SGXNET.

No Units will be created or issued during any period of suspension. The Manager may at any time by notice to the Trustee suspend the issue of Units of an Index Fund if, as a result of the investment of the proceeds of issue of such Units, the relevant Index Fund would breach a provision of the Code and the Authority has not agreed to waive that provision, and the relevant provisions relating to suspension of the right of Unitholders to redeem Units shall also apply in accordance with the provision of the Trust Deed.

### **Transfer of Units**

Units held by Unitholders may be transferred by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect of such Units. Units held by Unitholders are only transferable in multiples of Application Units.

For so long as the Units are listed on the SGX-ST, transfers of Units between depositors (i.e. direct account holders with the CDP and depository agents whose names are entered in CDP's register in respect of Units held by them) shall be effected electronically through the CDP making an appropriate entry in CDP's electronic register of the Units that have been transferred in accordance with CDP trading requirements, and the above paragraph will not apply to such transfers.

### **Restrictions on Unitholders**

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

- (a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the relevant Index Fund suffering any adverse effect which the Trust or the relevant Index Fund might not otherwise have suffered; or
- (b) in the circumstances which, in the Manager's opinion, may result in the Trust, the MSCI India ETF or the MSCI Asia Ex Japan ETF incurring any tax liability or suffering any other pecuniary disadvantage



which the Trust or the relevant Index Fund might not otherwise have incurred or suffered.

Upon notice that any Units are so held, the Manager may require such holders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed.

The Manager has, pursuant to its powers, imposed restrictions on Units in the MSCI India ETF and the MSCI Asia Ex Japan ETF being held by any Restricted Entity and as otherwise required by Indian Law. Please also refer to the "*Preliminary*" section and "*Exchange Listing and Trading (Secondary Market)*" section of this Prospectus for more details.

### **No Certificates**

Certificates will not be issued in respect of Units in any Index Fund. Units will be deposited, cleared and settled by the CDP, and held in book-entry form. CDP is the registered owner (i.e. the sole Unitholder 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).

## **EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**

Dealings in the Units of the Index Funds on the SGX-ST have already commenced. Units of the Index Funds are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges.

Units will trade on the SGX-ST in board lot of 1 Unit. The purpose of the listing of the Units on the SGX-ST is to enable investors to buy and sell Units on the secondary market via a broker/dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Units in the primary market.

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

It is the Manager's expectation that at least one Market Maker will maintain a market for the Units of each Index Fund. A Market Maker is a broker or a dealer registered by the SGX-ST as a designated market maker to act as such by making a market for the Units in the secondary market on the SGX-ST. A Market Maker's obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for Units on the SGX-ST. Market Makers accordingly facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the SGX-ST. Given the nature of the Market Maker's roles, the Manager will make available to the Market Makers the portfolio composition information made available to Participating Dealers.

Subject to applicable regulatory requirements, for so long as the Units in the Index Funds are listed on SGX-ST, the Manager intends to appoint at all times at least one Market Maker for each Index Fund to facilitate efficient trading in the secondary market. The latest list of Market Maker(s) of the Index Funds is available at [www.sgx.com](http://www.sgx.com). Any change to the Market Makers (including in the event that there is not at least one Market Maker for the Index Funds) will be announced on the SGXNET.

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

Investors wishing to purchase or sell Units on the secondary market should contact their broker. Brokerage and other fees may be payable when selling (and purchasing) Units. Units may not be acquired by, transferred to or held for or on the account of and/or for the benefit of a person who is a Restricted Entity.

Investors cannot acquire or redeem Units directly from an Index Fund. Only Participating Dealers may submit creation or redemption applications to the Manager. The Manager expects that Participating Dealers

will generally accept and submit creation or redemption requests received from third parties, subject to normal market conditions and their client acceptance procedures. Participating Dealers may impose fees and charges in handling any creation/redemption request which would increase the cost of investment and or reduce the redemption proceeds. Investors are advised to check with the Participating Dealers as to relevant fees and charges. You should note although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

If trading of the Units of an Index Fund on the SGX-ST is suspended or trading generally on the SGX-ST is suspended, there will be no secondary market dealing for those Units.

### **Clearance and Settlement under the Depository System**

Upon listing, the Units will be cleared and settled 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.

The Units will be registered in the name of CDP or its nominee and held by CDP 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 Unitholders in respect of the number of Units credited to their respective Securities Accounts. Investors 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 (investors should refer to the CDP's website at [www.sgx.com](http://www.sgx.com) for the latest applicable transfer fee). 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 can be 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.

Dealings in the Units will be carried out in US dollars 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 Business Day following the transaction date. CDP holds securities on behalf of investors in

Securities Accounts. An investor 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.

### Clearing Fee and SGX Trading Fee

The clearing fee and SGX trading fee for the trading of Units on the SGX-ST is currently 0.0325 per cent and 0.0075 per cent of the transaction value respectively. The clearing fee, SGX trading fee, instrument of transfer, deposit fee and unit withdrawal fee may be subject to GST.

### Dual Currency Trading

The Index Funds can be traded in two different currency denominations on the SGX-ST, i.e. USD and SGD. Investors can buy and/or sell units in each Index Fund in USD or SGD, regardless of the currency in which it was first bought and/or sold.

<b>Currency denomination available for trading</b>	<b>Counter Name</b>	<b>Stock Code</b>	<b>Traded Currency</b>
<b>MSCI India ETF</b>			
<b>Primary Counter</b>	IS INDIA CLIMATE US\$ (formerly known as IS MS INDIA US\$)	I98	USD
<b>Secondary Counter</b>	IS INDIA CLIMATE S\$D (formerly known as IS MS INDIA S\$D)	QK9	SGD
<b>MSCI Asia Ex Japan ETF</b>			
<b>Primary Counter</b>	ISHARES AXJCLIMATE US\$	ICU	USD
<b>Secondary Counter</b>	ISHARES AXJCLIMATE S\$	ICM	SGD

Unit holdings will be consolidated in investors' CDP accounts so the total number of Units in each Index Fund can be viewed at a glance – for example, 1,000 USD-denominated Units and 2,000 SGD-denominated Units will be reflected as 3,000 Units in an investor's CDP account.

In most cases, the traded prices in the two currency counters of an Index Fund 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, the price relationship and difference between the two counters might not necessarily be the foreign exchange rate between both counters.

Investors should refer to the SGX website at [www.sgx.com](http://www.sgx.com) for more information on dual currency trading.

## DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each Index Fund will be determined as at the close of trading on the Market in which the relevant Index Fund is invested on each Dealing Day (or at such other time as the Manager and the Trustee determine) by valuing the assets of the relevant Index Fund and deducting the liabilities of the relevant Index Fund, in accordance with the terms of the Trust Deed.

The Trust Deed provides amongst other things that:

- (i) for the purposes of this paragraph (i), a reference to “Quoted Security” shall be deemed to be a reference to a Quoted Security excluding any Futures Contract. Unless the Manager (with the approval of the Trustee) determines that some other method of valuation is more appropriate in relation to assets comprised in any one or more Index Funds, the Value of any Quoted Security shall be calculated by reference to the price appearing to the Manager to be the official closing price or if unavailable, the last traded price on the Market on which Quoted Security (or, in the case of any Security which consists of a warrant or purchase option, the underlying Security that such warrant or option relates to) is quoted, listed or ordinarily dealt in provided that:
  - (a) if any Quoted Security or any underlying Security is quoted, listed or normally dealt in on more than one Market, the Manager may adopt the price quoted on the Market which, in its opinion, provides the principal market for such Security or (as the case may be) such underlying Security;
  - (b) in the case of any Quoted Security or (as the case may be) any underlying Security which is quoted, listed or normally dealt in on a Market but in respect of which, for any reason, prices on that Market may not be available at any relevant time, the Value thereof shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager or, if the Trustee so requires, by the Manager after consultation with the Trustee;
  - (c) in the case of a Quoted Security which is a constituent of the Underlying Index, the Value of such Quoted Security shall be determined in accordance with the Underlying Index’s valuation policy (this being the fair value), and the Manager and Trustee shall be entitled to use prices furnished by the Underlying Index provider, a pricing service or selected brokers approved by the Manager and Trustee;
  - (d) there shall be taken into account interest accrued on interest-bearing Securities up to (and including) the date as at which the valuation is made, unless such interest is included in the quoted or listed price;
  - (e) for the purpose of the foregoing provisions, the Manager and the Trustee shall be entitled to use and rely upon electronically transmitted information from such source or sources as they may from time to time think fit with regard to the pricing of Securities on any Market notwithstanding that the prices so used are not the official closing prices or last traded prices (as the case may be);
- (ii) the Value of any Unquoted Security shall be based on its fair value (being the price that the relevant Index Fund would reasonably expect to receive based on the current sale of the Unquoted Security) made by a professional person approved by the Trustee as qualified to value such investments, save that paragraph (iv) below shall apply to shares in any mutual fund corporation and units in any unit trust other than a unit trust which does not provide for units therein to be realised at the option of their holders

and a mutual fund corporation whose shares are redeemable only at the option of its manager or upon the occurrence of certain specified events;

(iii) the value of any Futures Contract shall be calculated on the following basis:

(a) For the purpose of the formulae set out in sub-paragraphs (b) and (c) below:

A = the Contract Value of the relevant Futures Contract ("**the open Contract**")

B = the amount determined by the Manager to be the Contract Value of the Futures Contract which the Manager would need to enter into on behalf of the relevant Index Fund in order to close the open Contract, such determination to be made by reference to the latest available price or (if bid and offered quotations are made) the latest available middle market quotation on the date as at which the valuation is to be made on the Market in which the open Contract was entered into on behalf of the relevant Index Fund; and

C = the amount expended out of the relevant Index Fund in entering into the open Contract, including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith.

(b) The Value of a Futures Contract under which the relevant Index Fund is the seller of the relevant Security, share price index or other subject matter of such Futures Contract, shall be the positive or negative amount given by the formula:

$$A - (B + C)$$

(c) The Value of a Futures Contract under which the relevant Index Fund is the buyer of the relevant Security, share price index or other subject-matter of such Futures Contract, shall be the positive or negative amount produced by applying the following formula:

$$B - (A + C)$$

(iv) subject to paragraph (i) above the value of any unit in any unit trust and any share in any mutual fund corporation (other than a unit in a unit trust which does not provide for units therein to be realised at the option of their holders and a share in a mutual fund corporation whose shares are redeemable only at the option of its manager or upon the occurrence of certain specified events) shall be the latest available net asset value or latest realisation price per unit in such unit trust or per share in such mutual fund corporation or (if such net asset value or realisation price is not available or not considered by the Manager to be appropriate) a price calculated by aggregating the latest available bid price for such a unit or share and the latest available offer price therefor and dividing the resulting sum by two, unless in any case the Manager considers that the latest available bid price is a more appropriate method of valuation;

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

(vi) notwithstanding the foregoing, the Manager may adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment is required to reflect the fair value of the investment.

Any changes by the Manager to the method of determining the Net Asset Value as provided in Schedule 1 of the Trust Deed (and as summarized above) will require the prior approval of the Trustee, and the Trustee shall determine if Holders should be informed of such changes.

### **Suspension of Valuations and Dealings**

Subject to the provisions of the Code relating to suspension of dealings, the Manager may, after giving notice to the Trustee, declare a suspension of the determination of the Net Asset Value of any Index Fund for the whole or any part of any period during which:

- (a) there is in existence any state of affairs prohibiting the normal disposal of the investments of the relevant Index Fund; or
- (b) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Index Fund or the Net Asset Value per Unit of the relevant Index Fund, or when for any other reason the value of any security or other asset in the relevant Index Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained; or
- (c) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Securities held or contracted for the account of that Index Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of that Index Fund; or
- (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities of the MSCI India or the subscription or realisation of Units of the relevant Index Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or
- (e) the right to redeem Units of the relevant Index Fund is suspended pursuant to the Trust Deed; or
- (f) such circumstances as may be required or permitted under the Code.

## FEES AND EXPENSES

There are 3 levels of fees and expenses<sup>13</sup> applicable to investing in an Index Fund, as set out in the following table, current as at the date of this Prospectus.

Fees and expenses payable by Participating Dealers in respect of creation and redemption of Units (primary market)		Amount
Transaction Fee <sup>14</sup>	MSCI India ETF	US\$2,000 per cash Application. US\$1,875 per in-kind Application.
	MSCI Asia Ex Japan ETF	US\$2,000 per cash Application.
Daylight Settlement Fee <sup>15</sup>		US\$1,125 per Application.
Application Cancellation Fee <sup>4</sup>		US\$1,125 per Application.
Extension Fee <sup>4</sup>		US\$1,125 per Application.
Partial Delivery Request Fee <sup>4</sup>		US\$1,125 per Application.
Fees and expenses payable by investors on SGX-ST (secondary market)		Amount
Brokerage		Market rates. Investors will have to bear brokerage fees charged by their stockbrokers.
Clearing fee		The clearing fee for trading Units on the SGX-ST is currently 0.0325 per cent of the transaction value.
SGX trading fee		The SGX trading fee is currently 0.0075 per cent of the transaction value.

<sup>13</sup> Where applicable, GST at the current prevailing rate may apply on the supply of services made in Singapore.

<sup>14</sup> A Transaction Fee is payable by the Participating Dealer to the Manager for the benefit of the Trustee.

<sup>15</sup> Such fee is payable by the Participating Dealer for the account of the relevant Index Fund on each occasion the Manager grants the Participation Dealer's request for daylight settlement, partial delivery, cancellation or extended settlement in respect of a Creation or Redemption Application.



Fees and expenses payable by an Index Fund (see further disclosure below)		Amount
Management Fee <sup>16</sup>	MSCI India ETF	Currently 0.65% of Net Asset Value p.a. Maximum 2.00% of Net Asset Value p.a.
	MSCI Asia Ex Japan ETF	Currently 0.18% of Net Asset Value p.a. Maximum 2.00% of Net Asset Value p.a.
Trustee's Fee (borne by the Manager out of the Management Fee)		Currently up to 0.10% of the Net Asset Value p.a. Maximum 1.00% of the Net Asset Value p.a.

### Management Fee

Under the terms of the Trust Deed, the Manager may, on giving not less than one month's notice to the Trustee and the affected Unitholders, increase the rate of the management fee payable in respect of the an Index Fund up to the maximum rate of 2.0 per cent per annum of the Net Asset Value of the Index Fund. The management fee shall be accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Subject to the approval of the relevant authorities, the Manager may appoint sub-managers or investment advisers, on terms and conditions determined by the Manager, to provide sub-management services or investment advice in respect of any or all of the Index Funds. The Manager will be responsible for the fees of such appointed persons.

### Trustee's Fee and Custodian's Fee

The Trustee may increase the rate of trustee's fee payable in respect of the relevant Index Fund (up to the maximum rate of 1.0 per cent per annum set out in the Trust Deed) upon the Trustee giving not less than one month's notice to the Manager and affected Unitholders (whether on its own or through the Manager).

Subject to the agreement of fees between the Manager and the Trustee, the Trustee is entitled to receive and retain for its own absolute use and benefit all or any part of any Application Cancellation Fee, Extension Fee or Transaction Fee charged to a Participating Dealer and such other fees in accordance with the Trust Deed and/or the Operating Guidelines.

The Trustee is also entitled to receive various transaction and processing fees in accordance with its normal scale of charges.

The custodian is appointed by the Trustee and any custodian fee payable is paid by the Trustee to the custodian and borne by the Manager out of the Management Fee.

<sup>16</sup> Accrued daily and payable monthly in arrears.

### **Registrar's Fee**

The Registrar may charge an annual fee and a transactional fee based on the number of Applications made by Participating Dealers in respect of any Index Fund. The Registrar's Fee is less than 0.1% of the Net Asset Value of an Index Fund, and is borne by the Manager out of the Management Fee.

In addition, the Registrar will be reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services such as the cost of postage and envelopes.

### **General Expenses**

The Trust will not be responsible for any promotional expenses incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Trust will not be paid (either in whole or in part) out of the Trust Fund.

The Trust will bear the costs of investing and realising the investments of the Index Funds.

Unless otherwise provided in this Prospectus, the Manager will bear the fees and expenses of the Sub-Manager and custodians of the assets of the Trust, valuation costs, all charges and expenses of the Trust's legal counsel and auditors, any disbursements or out-of-pocket expenses properly incurred on behalf of any Index Fund by any of its service providers, the expenses incurred in connection with the convening of meetings of Unitholders, printing and distributing annual and half-yearly reports, account and other circulars relating to the Trust or any Index Fund, the expenses of publishing Unit prices and all other operating costs relating to the administration of the Trust.

### **Fees and Expenses Payable by the Index Funds**

Each Index Fund employs a single management fee structure, paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "**Management Fee**"). Fees and expenses taken into account in determining the Management Fee include, but are not limited to, the Manager's fee, Trustee's fee, Sub-Manager's fees and expenses of the auditor, service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or Manager, and the costs and expenses of licensing the Underlying Index. The Management Fee does not include brokerage and transaction costs, IAP Commissions, or extraordinary items such as litigation expenses. The estimated total expense ratio is expected to be 1.00% per annum.

The Manager reserves the right in its discretion to share part of the Management Fee (that the Manager is entitled to receive as its own fee) with any distributor or sub-distributor of the relevant Index Fund. A distributor may re-allocate an amount of any distribution fee to the sub-distributors. The Manager may share up to 100% of the Management Fee with distributors or sub-distributors as trailer fees.

In addition, the Manager reserves the right in its sole discretion to pay a fee to investors and market participants who commit to invest a minimum amount of investment capital, and to hold a minimum investment amount, for an agreed time period, to grow an Index Fund if the Manager considers this to be in the best interest of Unitholders. Any fees paid by the Manager will be paid out of the Management Fee and will not be charged to the relevant Index Fund as an extra cost. The Manager believes that putting in place such an arrangement to grow the MSCI India ETF and the MSCI Asia Ex Japan ETF will give rise to benefits for other investors in such Index Funds.

Companies of the BlackRock Group and/or other collective investment schemes or segregated mandates managed by them may also provide such services to the relevant Index Funds under the above

arrangement.

The Index Funds will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Index Funds will not be paid (either in whole or in part) out of the relevant Index Fund.

**Establishment Costs**

The cost of establishing the Index Funds including the preparation of this Prospectus, the costs of seeking and obtaining authorisation and listing and all initial legal and printing costs were borne by the Manager.

**Increase in Fees**

The fees payable to the Manager and the Trustee (which are included in the calculation of the Management Fee) may be increased on one month's notice to Unitholders, subject to the maximum rates set out in the Trust Deed.

## PERFORMANCE AND BENCHMARK OF THE MSCI INDIA ETF

The benchmark against which the performance of the MSCI India ETF should be measured is the MSCI India ESG Enhanced Focus CTB Select Index.

The past performance of the MSCI India ETF and the MSCI India ESG Enhanced Focus CTB Select Index as of 31 May 2023 is as follows:

	<u>MSCI India ETF (%)</u>	<u>MSCI India ESG Enhanced Focus CTB Select Index* (%)</u>
<b>Since Inception on 15 June 2006 (Average annual compounded return) (USD)</b>	6.59	8.15
<b>Return 1 Year (USD)</b>	0.36	2.23
<b>Return 3 Years (Average annual compounded return) (USD)</b>	17.25	20.34
<b>Return 5 Years (Average annual compounded return) (USD)</b>	5.62	7.67
<b>Return 10 Years (Average annual compounded return) (USD)</b>	6.14	7.70

\* The benchmark against which the performance of the MSCI India ETF should be measured was changed from the MSCI India Index to the MSCI India ESG Enhanced Focus CTB Select Index with effect from 30 November 2022 to reflect the change in the underlying index of the MSCI India ETF.

Notes:

1. The performance of the MSCI India ETF is calculated on a single pricing basis (NAV-NAV), inclusive of all transactions costs and based on the assumption that all dividends (if any) are reinvested (taking into account any charges payable upon reinvestment).
2. Investors should note that the past performance of the MSCI India ETF and the Underlying Index is not necessarily indicative of their future performance.
3. The Underlying Index is calculated on a net total return basis. An investor cannot invest directly in an

index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

4. The past performance of the Underlying Index: (a) since the inception of the MSCI India ETF and (b) over the past 10 years, are not available given that the Underlying Index only commenced on 30 November 2012.

5. Source: MSCI India ETF – BlackRock; Underlying Index – MSCI

The expense ratio<sup>17</sup> for the MSCI India ETF for the period from 1 January 2022 to 31 December 2022 is 0.98%.

The turnover ratio<sup>18</sup> for the MSCI India ETF for the period from 1 January 2022 to 31 December 2022 is 108.42%.

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<sup>17</sup> The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines ("**IMAS Guidelines**") on the disclosure of expense ratios and based on the latest audited accounts of MSCI India ETF. The following expenses as set out in the IMAS Guidelines are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs;
- (b) foreign exchange gains and losses of the MSCI India ETF, whether realised or unrealised;
- (c) tax deducted at source or arising from income received;
- (d) interest expense;
- (e) front end loads, back end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;  
and
- (f) dividends and other distributions paid to Unitholders.

<sup>18</sup> The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the MSCI India ETF expressed as a percentage of daily average Net Asset Value.

## **PERFORMANCE AND BENCHMARK OF THE MSCI ASIA EX JAPAN ETF**

The benchmark against which the performance of the MSCI Asia Ex Japan ETF should be measured is the MSCI AC Asia ex Japan Climate Action Index.

A track record of at least one year is not available for the MSCI Asia Ex Japan ETF as it has been incepted for less than a year as at the date of this Prospectus.

The expense ratio of the MSCI Asia Ex Japan ETF is not available as it has yet to be incepted as at 31 December 2022.

The turnover ratio of the MSCI Asia Ex Japan ETF is not available as it has yet to be incepted as at 31 December 2022.

## RISK FACTORS

An investment in an Index Fund carries various risks referred to below. Each of these risks may affect an Index Fund's Net Asset Value, yield, total return, trading price of the Units and/or its ability to achieve its investment objective. There can be no assurance that the investment objective of the an Index Fund will be achieved. Prospective investors should carefully evaluate the merits and risks of an investment in a particular Index Fund in the context of their overall financial circumstances, knowledge and experience as an investor. Apart from the general risk factors set forth below, prospective investors should also be aware of the particular risks that are specifically identified in the "*Description of the Index Funds*" section of this Prospectus.

This does not purport to be an exhaustive list of the risk factors relating to an investment in the an Index Fund.

### Investment Risks

**Market Risk.** Past performance is not indicative of future performance. The Net Asset Value of an Index Fund will change with changes in the market value of the Securities it holds. The price of Units and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that an Index Fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Index Fund is based on the capital appreciation and income on the Securities it holds, less expenses incurred. Each Index Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Index Fund may experience volatility and decline in a manner that broadly corresponds with its Underlying Index. Investors in an Index Fund are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Underlying Index). Investors should note that an Index Fund may not make distributions to investors.

**Asset Class Risk.** Although the Manager is responsible for the continuous supervision of the investment portfolio of each Index Fund, the returns from the types of Securities in which an Index Fund invests may underperform returns from other securities markets or from investment in other assets. Different types of Securities tend to go through cycles of out-performance and underperformance when compared with other general securities markets.

**Passive Investments.** The Index Funds are not actively managed. Accordingly, each Index Fund may be affected by a decline in world market segments relating to its Underlying Index. Each Index Fund invests in the Securities included in or reflecting its Underlying Index regardless of their investment merit, except to the extent of any Representative Sampling Strategy. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the passive investment nature of the Index Funds will mean that falls in the Underlying Index in the case of an Index Fund tracking the performance of its Underlying Index are expected to result in corresponding falls in the value of Units of the relevant Index Fund.

**Management Risk.** Because an Index Fund may not fully replicate its Underlying Index and may hold non-index stocks, it is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager, subject to the provisions of the Code, has absolute discretion to exercise shareholders' rights with respect to Securities comprising the Index Fund. While the Manager adopts investment stewardship policies (as disclosed on the Manager's website, there can be no guarantee that the exercise of the Manager's discretion

(in accordance with those investment stewardship policies) will result in the investment objective of the Index Fund being achieved. Investors should also note that in certain cases, none of the Manager, the Index Fund or the Unitholders has any voting rights with respect to Securities held by the Index Fund.

**Tracking Error Risk.** The Net Asset Value of an Index Fund may not correlate exactly with its Underlying Index. Factors such as the fees and expenses of an Index Fund, imperfect correlation between an Index Fund's assets and the Securities constituting its Underlying Index, inability to rebalance an Index Fund's holdings of Securities in response to changes in the constituents of the Underlying Index, rounding of share prices, changes to the Underlying Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index of each Index Fund. Each Index Fund's returns may therefore deviate from its Underlying Index.

**BlackRock's Index Inclusion Surveillance Program.** The Manager may apply its surveillance program ("**Surveillance Program**") to an Index Fund and its Underlying Index. The Surveillance Program involves conducting analysis and screening securities for outlier high risk behavior (such as rapid or unusual price growth, significant short interest or lending activity, suspended trading or liquidity issues), making recommendations on whether to restrict such securities from fund portfolios and alerting index providers as to any identified issues. If the Index Provider includes a security in the Underlying Index that has been restricted from the Index Fund's portfolio, the Index Fund will be subject to increased tracking error due to the divergence in the securities included in the Underlying Index and the Index Fund. The application of the Surveillance Program to an Index Fund and its Underlying Index is in the sole discretion of the Manager and its affiliates, and the Manager and its affiliates in no way guarantee that application of the program will result in the exclusion of any or all high risk securities from the Underlying Index or the Index Fund.

**Concentration Risk.** If the Underlying Index of an Index Fund is concentrated in a particular stock, group of stocks, industry or group of industries, that Index Fund may be adversely affected by the performance of those stocks and be subject to price volatility. In addition, an Index Fund that is concentrated in a single stock, group of stocks, industry or group of industries, it may be more susceptible to any single economic, market, political or regulatory occurrence.

**Futures, Swaps, Options and Other Derivatives.** A derivative is a financial contract the value of which depends on, or is derived from, the value of an underlying asset such as a security or an index. An Index Fund may invest in futures contracts, swaps and other derivatives. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a swap or a Futures Contract may result in immediate and substantial loss (or gain) to the Index Fund. Thus an Index Fund's losses may be greater if it invests in derivatives than if it invests only in conventional Securities.

- **Counterparty risk** - In addition, many derivatives are not traded on exchanges. As a result, if an Index Fund engages in transactions involving derivatives, it is subject to the risk that its trade counterparty is unable or refuses to perform with respect to such contracts and as such may also expose an Index Fund to additional liquidity risks. This risk is also affected by the fact that over-the-counter derivatives markets are generally not regulated by government authorities and participants in these markets are not required to make continuous markets in the contracts they trade. Any transfer of such over-the-counter derivatives will not take place through a clearing house which means if the counterparty to the derivative is involved in any Insolvency Event, the trade underlying the derivative will not be settled and as a result an Index Fund may sustain financial loss.



- **Risk management** – The Manager will use the commitment approach to determine an Index Fund’s exposure to financial derivatives. The Manager will ensure that the risk management and compliance procedures are adequate and have been implemented, and it has the necessary expertise to manage the risks relating to the use of financial derivatives.

**Foreign Exchange Risk.** An Index Fund’s assets and Securities may not all be denominated in the base currency of such Index Fund. A substantial portion of the revenue and income of the Index Fund may be received in currencies other than its base currency. Accordingly any fluctuation in the relevant exchange rates will affect the value of Securities as well as the Net Asset Value of the relevant Index Fund. Significant changes, including changes in liquidity, may occur in such markets within very short periods of time, often within minutes. An Index Fund may experience losses if the values of its currency forwards and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid market. Some of the risks associated with foreign exchange transactions include but are not limited to:

- (a) exchange rate risk;
- (b) maturity gaps;
- (c) interest rate risk;
- (d) counterparty risk; and
- (e) potential interference by government intervention through regulation of local exchange markets, foreign investment or particular transactions in foreign currency.

**Foreign Security Risk.** Each Index Fund invests entirely within or relates to the equity markets of a single country or region. These markets are subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic development. Investing in the Securities of non-domestic companies involves special risks and considerations not typically associated with investing in domestic companies. These include differences in accounting, auditing and financial reporting standards, the possibility of nationalisation of assets (in whole or in part), the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, political instability which could affect local investments in foreign countries, and potential restrictions on the flow of international capital. Non-domestic companies may be subject to less governmental regulation than domestic companies. Moreover, individual foreign economies may differ favourably or unfavourably from the domestic economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment positions.

**Emerging Market Risk.** Some overseas markets in which an Index Fund may invest are considered to be emerging market countries. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed market and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Generally, investment in emerging markets are subject to a greater risk of loss than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, lack of regulation, greater risk of market shutdown and more governmental limitations on foreign investment policy than typically found in developed markets.

**Economic Risk.** Economic instability in an emerging market may arise when such country is heavily dependent upon commodity prices and international trades. Economies in emerging market countries have

been and may continue to be adversely affected by the economics of their trading partners, exchange controls, managed adjustments in relative currency values, trade barriers and other protectionist measures imposed or negotiated by the countries with which they trade. These economies may also suffer from debt burdens and high inflation rates. Some emerging market countries have experienced currency devaluations and some have experienced economic recessions causing a negative effect on their economies and securities markets.

**Political and Social Risk.** Some governments in emerging market countries are authoritarian or have been installed or removed as a result of military coup and some have periodically used force to suppress civil dissent. Disparities of wealth, the pace and success of democratisation and capital market development and ethnic, religious and racial disaffection, among other factors, have also led to social unrest, violence and/or labour unrest in some emerging market countries. Unanticipated political or social developments may result in sudden and significant investment losses. All of these factors can have a material impact on the Underlying Index and create a risk of higher price volatility which, in turn, can increase any tracking error.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose the Index Fund to sub-custodial risk in circumstances whereby the custodian will have no liability; the risk of expropriation of assets and the risk of war.

**Counterparty Risk.** Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the Trustee in relation to the sale and purchase of assets or Securities. Such institutions may also be issuers of the Securities in which an Index Fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of the Trust or the Index Fund. The Manager will use reasonable efforts to mitigate such risks. There can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the Trust. Furthermore, the Trust is permitted to borrow in order to carry out its functions under the Trust Deed. Borrowings may be secured by the Securities or other assets of the Trust that are pledged to counterparties as collateral.

**Counterparty Risk of an Exchange or Clearing House.** If any exchange or a clearing house becomes bankrupt or insolvent, the Trust could experience a loss of funds deposited through its broker as margin with the exchange or clearing house, a loss of any profits on its open positions on the exchange, and the loss of unrealised profits on its closed positions on the exchange.

**Counterparty Risk of the Custodian.** An Index Fund will be exposed to the credit risk of any custodian or any depository used by the custodian where cash is held by the custodian or other depositaries. In the event of the insolvency of the custodian or other depositaries, the Index Fund will be treated as a general creditor of the custodian or other depositaries in relation to cash holdings of the Index Fund. The Index Fund's Securities are however maintained by the custodian or other depositaries in segregated accounts and would generally be protected in the event of insolvency of the custodian or other depositaries.

**Securities Lending Risk.** If the Manager engages in a securities lending programme on behalf of an Index Fund, that Index Fund may suffer losses. A default by a counterparty combined with a fall in the value of the collateral below that of the value of the Securities lent may result in a reduction in the value of the Index Fund.

**FPI Investment Restrictions Risk.** Investors should note that in respect of Index Funds that invest in Indian Securities, the relevant Indian laws and regulations may limit the ability of an FPI to acquire Securities in certain Indian issuers from time to time. In such case, this may accordingly restrict the issuance, and therefore the purchase, of Units of the relevant Index Fund. This may occur in a number of circumstances, such as (i) where the aggregate FPI holding in any Indian company (including any other direct or indirect foreign investments in such Indian company by FPIs) exceeds 24 per cent of the total issued equity capital of the company on a fully diluted basis or the relevant sectoral cap as prescribed by the Government of India or such other caps/limits as decided by the Indian company (with the approval of its shareholders and board of directors) as per the provisions of FEMA; and/or (ii) where a single FPI (or any investor group) holds 9.99 per cent of the issued equity capital of an Indian company on a fully diluted basis; and/or (iii) where a change in the applicable laws and regulations affecting the investment capacity of the FPI. In the event that these limits are exceeded the relevant FPIs will be required to dispose of the Shares in order to comply with the relevant requirements and each FPI may dispose of the relevant Shares, in the manner prescribed under the 2019 FPI Regulations and guidelines issued therein. As a consequence, in such circumstances, the Manager may need to adjust the constraints in a Representative Sampling Strategy in order to achieve the relevant Index Fund's investment objective. This may cause increased tracking error in general.

**Risk Factors Relating to India.** Index Funds that invest in Indian underlying Securities are exposed to the following risks relating to India:

**Indian Exchange Controls** – The operation of the FPI's bank account in India is subject to regulation by the Reserve Bank of India ("RBI") under FEMA and the rules, regulations and circulars issued thereunder ("FEMA Regulations"). A designated bank, namely any bank in India which has been authorised by RBI to act as a banker to FPIs, is authorised to convert currency and repatriate capital and income on behalf of the FPI. There can be no assurance that the Indian Government will not, in future, impose restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. Any amendments to the FEMA Regulations may impact adversely on the relevant Index Fund's performance.

**Corporate Disclosure, Accounting and Regulatory Standards** – Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD (Organisation for Economic Co-operation and Development) countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the FPI experiences difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the relevant Index Fund has indirectly invested. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.

**Economic, Political and Taxation Considerations** – The relevant Index Fund, the market price and liquidity of the Shares may be affected generally by exchange rates and controls, interest rates, changes in Indian governmental policy, taxation, social and religious instability and other political, economic or other developments in or affecting India.

**Clearing, Settlement and Registration Systems** – Although the Indian primary and secondary equity markets have grown rapidly over the last few years and the clearing, settlement and registration systems available to effect trades on the Indian stock markets have significantly improved with mandatory dematerialisation of shares, these processes may still not be on a par with those in more mature markets. Problems of settlement in India may impact on the Net Asset Value and the liquidity of the relevant Index

Fund.

**Fraudulent Practices** – SEBI was created under the resolution of the Government of India in April 1992, and performs the function of “promoting the development of and regulation of the Indian securities market, the protection of the interest of shareholders as well as matters connected therewith and incidental thereto”. The Securities and Exchange Board of India Act of 1992 has entrusted the SEBI with much wider powers and duties, which *inter alia*, include prohibition of fraudulent and unfair trade practices relating to the stock markets including insider trading and regulation of substantial acquisitions of shares and takeovers of companies. The Indian stock exchanges have been subject to broker defaults, failed trades and settlement delays in the past and such events may have adverse impact on the Net Asset Value of the relevant Index Fund. In addition, in the event of occurrence of any of the above events, or in the event of SEBI having reasonable ground to believe that the transactions in securities are being dealt with in a manner detrimental to the investors or the securities market, SEBI can impose restrictions on trading in certain securities, limitations on price movements and margin requirements, which could adversely impact the liquidity of the relevant Index Fund.

**Limited Liquidity** – A disproportionately large percentage of market capitalisation and trading value in the Indian stock exchanges is represented by a relatively small number of issues. There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants as compared to certain OECD markets. It may, therefore, be difficult to invest the Index Fund's assets so as to obtain a representative portfolio or to realise the relevant Index Fund's investments at the places and times that it would wish to do so.

**Termination of the Index Fund.** If the size of an Index Fund is less than US\$15 million on any day falling after a period of three (3) years from the date of the creation of the Index Fund, the Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate the Index Fund.

## **Market Trading Risks associated with the Index Funds**

**Trading Risk.** While the creation/redemption feature of the Trust is designed to make it likely that Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from Net Asset Value. There is no assurance that investors will be able to buy or sell at a price close to the Net Asset Value. Also, there can be no assurance that an active trading market will exist for Units of an Index Fund on any securities exchange on which Units may trade.

**Cost of trading Units.** Buying or selling Units involves various types of costs that apply to all Securities transactions. When trading Units through a broker investors will incur a brokerage commission or other charges imposed by the broker. In addition investors on the secondary market, will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Units (bid price) and the price they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Units may not be advisable particularly for investors who anticipate regularly making small investments.

**Secondary market trading risk.** Units of the Index Funds may trade on the SGX-ST when the Index Fund do not accept orders to create or redeem Units. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Index Fund accept creation and redemption orders. Additionally, as foreign stock exchanges may be open on days when Units in the Index Funds are not priced, the value of the Securities in the Index Funds' portfolio may change on days when investors will not be able to purchase or sell an Index Fund's Units.

**Dealing risk.** Following listing on the SGX-ST, it is likely that the Units will initially not be widely held. Accordingly any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. In order to address such dealing risk, one or more Market Makers have been appointed.

**Trading in Units on the SGX-ST may be Suspended.** Investors 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. The creation and redemption of Units will also be suspended in the event that the trading of Units on the SGX-ST is suspended.

**Units may be Delisted from the SGX-ST.** The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. Investors cannot be assured that an Index 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 the listing requirements. An Index Fund may be terminated if its Units are delisted from the SGX-ST. Dealings of Units on the SGX-ST may not necessarily be suspended in the event that 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 Net Asset Value of the relevant Index Fund.

**No Trading Market in the Units.** Although the Units are listed on the SGX-ST and one or more Market Makers have been appointed, investors should be aware that there may be no liquid trading market for the Units or such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SGX-ST .

**Reliance on Market Makers.** Investors should note that liquidity in the market for the Units may be adversely affected if there is no Market Maker for an Index Fund. It is the Manager's intention that there will always be at least one Market Maker for the Units.

**Creation and Redemption through Participating Dealers only.** Investors may only create or redeem Units through Participating Dealers who are under no obligation to agree to do so. Each Participating Dealer may, in its absolute discretion, refuse to accept a creation order from an investor and can charge such fees as it may determine. 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 through the CDP is disrupted or the Underlying Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of an Index Fund or disposal of an Index Fund's Securities cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely through a Participating Dealer. Investors should also note that if an investor has been allowed to create Units through a Participating Dealer, such investor may only request a redemption of the Units through the same Participating Dealer and the relevant Participating Dealer may, in its absolute discretion, refuse to accept a redemption request from the investor.

**An ETF is Different from a Typical Unit Trust offered to the Public in Singapore.** An Index Fund is not like a typical unit trust offered to the public in Singapore. Units may only be created and redeemed in Application Unit Sizes by Participating Dealers and Units may not be subscribed for, or redeemed, by retail investors. For so long as the Units are listed for quotation on the SGX-ST, retail investors shall have no right to request the Manager to redeem or purchase their Units. 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 CDP is disrupted or the Underlying Index is not compiled or published. Investors may generally only realise the value of their Units by selling their Units on the SGX-ST. These features are not usually present in a typical unit trust offered to the public in Singapore, where units can generally be purchased and redeemed directly by the retail public.

**Operating Cost.** There is no assurance that an Index Fund will achieve its investment objective. The level of fees and expenses payable by an Index Fund will generally fluctuate in relation to its Net Asset Value. Although the amounts of certain ordinary expenses of an Index Fund can be estimated, the growth rate of an Index Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of an Index Fund or the actual level of its expenses.

**Dual Currency Trading Risk.** The Index Funds are traded in two different currency denominations on the SGX-ST (i.e. USD and SGD). The price of the Units on the secondary currency counter (i.e. SGD) is based on the price of the Units on the primary currency counter (i.e. USD) and the prevailing foreign exchange rate. Therefore, the performance of the Units on the secondary currency counter may not be the same as that of the primary currency counter due to fluctuations in foreign exchange rates.

## Legal and Regulatory Risks

**Right of the Authority to Withdraw Authorisation.** Each Index Fund seeks to provide investment results that, before expenses, closely correspond with the performance of the Underlying Index. Each Index Fund has been authorised as a collective investment scheme by the Authority pursuant to Section 286 of the Securities and Futures Act. The Authority however reserves the right to withdraw the authorisation of an Index Fund or impose such conditions it considers appropriate. The Authority may withdraw authorisation if the Underlying Index is no longer considered acceptable to the Authority. In addition, any authorisation granted by the Authority may be subject to certain waivers which may be withdrawn or varied by the Authority. If as a result of such withdrawal or variation of waivers it becomes illegal, impractical or inadvisable to continue an Index Fund, the Manager will seek to terminate the relevant Index Fund.

**Legal and Regulatory Risk.** Each Index Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions, which might require a change in the investment policy and objectives followed by an Index Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Underlying Index and as a result the performance of an Index Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for any Index Fund. In the worst case scenario, a Unitholder may lose all its investments in the Index Fund.

**Taxation in Overseas Jurisdictions.** The Index Funds may make investments in a number of different jurisdictions. Interest, dividend and other income realised by an Index Fund from sources in these jurisdictions, and capital gains realised on the sale of assets may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located.

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

**Foreign Account Tax Compliance Act (“FATCA”) Risk.** Although the Manager will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA withholding, no assurance can be given that the Trust or the Index Funds will be able to achieve this and/or satisfy such FATCA obligations. If an Index Fund becomes subject to a 30% FATCA penalty withholding on most types of income from US investments (further described under the sub-section headed “FATCA” in the section headed “Taxation”) as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material loss.

## **Risk Factors Relating to the Underlying Index**

**An Underlying Index is Subject to Fluctuations.** The performance of the Units of an Index Fund should, before expenses, correspond closely with the performance of its Underlying Index. If the Underlying Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

**Composition of and Weightings in the Underlying Index may Change.** The companies which comprise the Underlying Index are changed by the Index Provider from time to time. The price of the Units may rise or fall as a result of such changes. The composition of the Underlying Index may also change if one of the constituent companies were to delist its shares or if a new eligible company were to list its shares and be added to the Underlying Index. If this happens, the weighting or composition of the Securities owned by the relevant Index Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units.

**Index-Related Risk.** As prescribed by this Prospectus, in order to meet its investment objective, each Index Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the Underlying Index as published by the Index Provider. There is no assurance that the Index Provider will compile the Underlying Index accurately, or that the Underlying Index will be determined, composed or calculated accurately. While the Index Provider does provide descriptions of what the Underlying Index is designed to achieve, the Index Provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, and does not guarantee that the Underlying Index will be in line with their described index methodology. The Manager’s mandate as described in this Prospectus is to manage each Index Fund consistently with the Underlying Index provided to the Manager. Consequently, the Manager does not provide any warranty or guarantee for Index Provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with Index Provider errors will be borne by each Index Fund and its Unitholders. For example, during a period where the Underlying Index contains incorrect constituents, the relevant Index Fund tracking such published Underlying Index would have market exposure to such constituents and would be underexposed to the Underlying Index’s other constituents. As such, errors may result in a negative or positive performance impact to the relevant Index Fund and its Unitholders. Unitholders should understand that any gains from Index Provider errors will be kept by the relevant Index Fund and its Unitholders and any losses resulting from Index Provider errors will be borne by the relevant Index Fund and its Unitholders.

Apart from scheduled rebalances, the Index Provider may carry out additional ad hoc rebalances to the Underlying Index in order, for example, to correct an error in the selection of index constituents. Where the Underlying Index is rebalanced and the relevant Index Fund in turn rebalances its portfolio to bring it in line with its Underlying Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne directly by the relevant Index Fund and its Unitholders. Unscheduled rebalances to the Underlying Index may also expose the relevant Index Fund to tracking error risk, which is the risk that its

returns may not track exactly those of the Underlying Index. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider to the Underlying Index may increase the costs and market exposure risk of the Index Funds.

**Circumstances that may Affect the Accuracy and Completeness in the Calculation of the Underlying Index.** No warranty, representation or guarantee is given as to the accuracy or completeness of the Underlying Index and its computation or any information related thereto. The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent securities and factors may at any time be changed or altered by the Index Provider without notice. In addition, the accuracy and completeness of the calculation of the Underlying Index may be affected by, without limitation, the availability and accuracy of prices for constituent securities, market factors and errors in its compilation.

**Licence to use the Underlying Index may be terminated.** The Manager has the non-exclusive licence, to use the Underlying Index in connection with the operation, marketing and promotion of the relevant Index Fund. The licence may be terminated for reasons including a breach of the licence agreement or breach of any relevant law or rule. Further, the licence agreement will terminate if the Index Provider ceases to compile and publish the Underlying Index and does not make available a replaceable or substitute index which the Manager chooses to use. An Index Fund may be terminated if the licence agreement is terminated and the Manager is unable to identify or agree with any index provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index in respect of Securities. Any such replacement index will be notified to Unitholders, subject to the prior approval of the Authority. Accordingly prospective investors should note that the ability of an Index Fund to track the Underlying Index depends on the continuation in force of the licence agreement in respect of the Underlying Index or a suitable replacement.

**Contingency Plans if the Underlying Index Ceases to be Available.** In the event that the Underlying Index of an Index Fund ceases to be available for any reason, the Manager will use its best efforts to procure a suitable replacement index that, in the opinion of the Manager, is substantially similar to the original Underlying Index and which meets the criteria for an acceptable index under Appendix 5 of the Code. If no such index is immediately available, the Manager will use its best efforts to work with the Index Provider or an alternate index provider (as determined by the Manager in its discretion) to develop an index that, in the opinion of the Manager, is substantially similar to the original Underlying Index and which meets the criteria for an acceptable index under Appendix 5 of the Code or, if necessary, consider whether liquidating the Index Fund would be in the overall best interests of the Unitholders.

**Past performance risk.** The Underlying Index of an Index Fund may change from time to time. As a result of such change in the Underlying Index, past performance of the an Index Fund prior to the effective date of such change in the Underlying Index (each such effective date an “**Index Change Effective Date**”) is achieved under circumstances which will no longer apply from the Index Change Effective Date. Investors should exercise caution when considering the past performance of an Index Fund prior to an Index Change Effective Date.



## MANAGEMENT OF THE TRUST

### The Manager

The Manager is BlackRock (Singapore) Limited (the “**Manager**”). The Manager is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services internationally for institutional, retail and private clients.

The Manager was incorporated in Singapore with limited liability on 2 December 2000 with its registered office at Twenty Anson, #18-01, 20 Anson Road, Singapore 079912. The issued and paid-up share capital of the Manager is S\$2,721,871 as of 31 January 2022.

The Manager is regulated by the Authority and holds a capital markets services licence for fund management and dealing in capital markets products (in relation to securities, exchange-traded derivatives contracts, over-the-counter derivatives contracts and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading) under the Securities and Futures Act.

The Manager was established to provide fund management and advisory services for clients in the South East Asia region and has managed collective investment schemes and/or discretionary funds since 2001. As at the date of this Prospectus, the Manager manages four ETFs in Singapore (the iShares MSCI India Climate Transition ETF (formerly known as iShares MSCI India Index ETF), iShares J.P. Morgan USD Asia Credit Bond ETF (formerly known as iShares J.P. Morgan USD Asia Credit Bond Index ETF), iShares USD Asia High Yield Bond ETF (formerly known as iShares Barclays USD Asia High Yield Bond Index ETF), and iShares MSCI Asia ex Japan Climate Action ETF). The iShares Barclays Asia Local Currency Bond Index ETF and iShares Barclays Asia Local Currency 1-3 Year Bond Index ETF were terminated on 27 April 2015.

Under the Trust Deed, the monies forming part of each Index Fund shall be invested, at the direction of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of each Index Fund. The Manager will remain as the manager of the Trust until it retires or is removed or replaced in accordance with the provisions of the Trust Deed.

### The Directors of the Manager

**HO Nyuk Choo Deborah Joanne**, of Twenty Anson, #18-01, 20 Anson Road, Singapore 079912, Managing Director, is Head of South East Asia for BlackRock. Based in Singapore, Ms. Ho is responsible for a wide-ranging portfolio in markets across South East Asia. This includes delivering the breadth and depth of BlackRock’s capabilities to clients in the region. Ms. Ho has over 26 years of experience in financial services. Prior to joining BlackRock, she was co-head of Senior Relationship Management at Barclays. Previous to that, she was Chief Executive Officer for DBS asset management in Singapore. Ms. Ho has also spent many years in the fixed income space and built the fixed income distribution business in Non-Japan Asia at UBS and at JP Morgan. Ms. Ho is an Institute of Banking and Finance (IBF) Fellow. She serves as board director and chair of the audit committee at The Arts House Limited and is on the investment committee of the Lee Kuan Yew Fund for Bilingualism. Ms. Ho was named as one of the top 25 most influential women in asset management in Asia Pacific by Asian Investor magazine in 2011. Ms. Ho earned a degree in business administration from the University of Washington. Ms. Ho currently is also a director of BlackRock Advisors Singapore Pte. Ltd., BlackRock (Singapore) Holdco Pte. Ltd. and BlackRock (Singapore) Holdco II Pte. Limited.

**Neeraj SETH**, of Twenty Anson, #18-01, 20 Anson Road, Singapore 079912, Managing Director, is the

Head of Asian Credit and has been in his current role since 2009. He is the portfolio manager for an Asia Pacific bond fund and an Asia Pacific private credit fund. He leads the strategy for Asian Fundamental Credit and is responsible for providing oversight of the investment process, performance, and the team's infrastructure as well as determining its strategic direction and growth initiatives. He has been responsible for building the Asian fundamental credit business since 2009. Prior to joining BlackRock in 2009, Mr. Seth was a Senior Vice President focusing on the Asia Pacific market for R3 Capital Partners. He previously held a similar role with the Global Principal Strategies team at Lehman Brothers. Previously, he was an Associate Partner with McKinsey & Company where he was in the leadership group for the Technology & Telecom practice in Southeast Asia. Mr. Seth earned a BE degree in mechanical engineering from Delhi University and an MBA degree in finance from the Indiana University of Kelley School of Business. Mr. Seth currently is also a director of Asia-Pacific Private Credit Opportunities 1 Singapore Pte. Ltd. and BlackRock Asia-Pacific Private Credit Opp. Fund II (SG) VCC.

**Patrick Kar Peck LEUNG**, of Twenty Anson, #18-01, 20 Anson Road, Singapore 079912, Director, is head of Fixed Income and Foreign Exchange trading for Asia Pacific within BlackRock's Trading and Liquidity Strategies Group. He is responsible for overseeing fixed income and foreign exchange trading activities in the region. Mr. Leung's service with the firm dates back to 2005, including his years with Barclays Global Investors, which merged with BlackRock in 2009. Prior to this, Mr. Leung was an Assistant Vice-President at JP Morgan Chase in the United States. Mr. Leung earned an M. Eng degree from Cornell University and an MBA from New York University. Mr. Leung holds the Chartered Financial Analyst designation. Mr. Leung currently has no other directorships.

**TAN Eng Beng**, of Twenty Anson #18-01, 20 Anson Road, Singapore 079912, Managing Director, is the APAC Head of Global Accounting and Product Services (GAAPS) whilst overseeing Global Provider Strategy (GPS) and Index and Data Solutions (IDS) in APAC. As APAC head of GAAPS, Mr. Tan is responsible for fund administration for APAC funds and for managing the APAC product operations infrastructure for BlackRock's commingled funds including product governance, trustee oversight, transfer agency, product financial reporting, portfolio compliance, performance measurement and accounting, alternative investment operations and provider management. Mr. Tan is a member of the APAC T&O Executive Committee, APAC Product Resource Committee, APAC Product Development Committee, Asia ex-Japan Investment Oversight Committee, Asia ex-Japan and Australia Valuation Methodologies Committees. Prior to joining BlackRock in January 2022, Mr. Tan was the treasurer for Franklin Templeton funds in Asia Pacific and head of the Global Fund Administration and Reporting team in Hyderabad, responsible for the preparation of fund financial statements and fund reporting for Franklin Templeton funds globally. He was also the Asia Pacific head of Franklin Templeton Services, Franklin Templeton's Investment Management Services organization. Prior to Franklin Templeton, Mr. Tan worked with Citigroup, PwC, NZ Funds and EY in fund services and accounting roles. Mr. Tan has a BCom in accounting and finance from the University of Auckland, an MBA from the University of Hull and an Advanced Certificate in Blockchain for Business from the Singapore Management University. He is a Fellow of Chartered Accountants Australia & New Zealand and a member of the Chartered Institute of Management Accountants. Mr. Tan currently has no other directorships.

**Belinda Mary BOA**, of Twenty Anson #18-01, 20 Anson Road, Singapore 079912, Managing Director, is the Head of Active Investments for Asia Pacific and Chief Investment Officer of Emerging Markets, Fundamental Active Equity, where she is responsible for delivering investment excellence and investment success in the region both internally and externally. The role will encompass all areas of the Active Investment business including Fundamental Equity, Fixed Income, Scientific Active Equity and Multi-Asset. In addition, Ms. Boa will oversee regionally regulated activities of investors in the region. Ms. Boa is a member of the Asia Pacific Executive Committee. Prior to assuming her current role in 2015, Ms. Boa was

head of Risk and Quantitative Analysis for Asia Pacific where she was responsible for all areas of risk across the region, including investment risk, credit and counterparty risk and corporate and operational risk. Ms. Boa has worked in quantitative finance for over 15 years in London and South Africa. Prior to moving to Asia, she was a senior risk manager, leading the Risk and Quantitative Research team in London, where she was focused on the equity business. She started her career in equity research working for RMB Asset Management. Ms. Boa is a qualified Chartered Financial Analyst and a member of the London Quant Group. Ms. Boa earned her degree with honours in Finance and Statistics from the University of the Witwatersrand, South Africa in 1995. Ms. Boa is also a director of the Sub-Manager (as defined below).

**Robert William LAMB**, of Twenty Anson #18-01, 20 Anson Road, Singapore 079912, Managing Director, is the APAC Head of Technology & Operations. In this role, Mr. Lamb is responsible for working closely with the Head of APAC, the Chief Operating Officer and the BlackRock Executive Committee to ensure effective delivery of Technology and Operations within the APAC Region. Prior to this, Mr. Lamb was the Head of Technology & Operations in EMEA and the Head of the Edinburgh Office. Before joining the firm, Mr. Lamb spent 8 years at Morgan Stanley and 7 years at Goldman Sachs covering a number of business lines & products including Fixed Income, Prime Brokerage & Wealth Management. Mr. Lamb moved to Asia in 2009 with Goldman Sachs as an Executive Director and was responsible for Clearing Operations and Operational Risk in the region. Mr. Lamb is a member of various industry forums including the Bank of England Post-Trade Technology Market Practitioner Panel & Post Trade Task Force. Within the firm, Mr. Lamb is a member of the Regulatory Oversight Committee (ROC) & Human Capital Committee (HCC). Mr. Lamb earned a BA (Hons) degree in Economics from UEA. Mr. Lamb is currently also a director of BlackRock Advisors Singapore Pte. Ltd..

**Sarah Ariel ROMBOM**, Managing Director, is the Chief Operating Officer of the Asia-Pacific region for BlackRock. In her role as the APAC COO, she oversees business management of the region and coordinates strategic initiatives to accelerate growth. This includes partnering with regional and functional management to promote operational efficiency and respond to market and regulatory changes.

Ms. Rombom's service at BlackRock dates back to 2004. Prior to her current role, Ms. Rombom held several leadership roles in the Aladdin Product Group, including Chief Operating Officer and Head of Aladdin Product Management. During her career at BlackRock, she is a member of BlackRock's Global Operating Committee and Human Capital Committee.

Ms. Rombom earned a BS degree in Applied Economics and Management from Cornell University. Ms. Rombom is also a director of BlackRock HK Holdco Limited and the Sub-Manager.

**Peter LOEHNERT**, of Twenty Anson #18-01, 20 Anson Road, Singapore 079912, Managing Director, is the APAC Head for BlackRock's ETF and Index Investments business (EII). He is a member of BlackRock's APAC Executive Committee and the EII Global Management Committee.

Mr. Loehnert oversees the ETF and Index Investment business, including capital markets, distribution, portfolio management, product and strategy. In this role, Mr. Loehnert leads the next phase of ETF and indexing growth in APAC by making iShares and index products even stronger components of BlackRock's wealth and institutional client business, adapting to evolving client needs and changing market dynamics.

Prior to his current role, Mr. Loehnert led BlackRock's International Cash Management business. He joined BlackRock in 2011 and held several leadership roles within the transition management business (TRIM), including Global Co-Head. Mr. Loehnert started his career at Commerzbank in 2004, followed by roles at

Cominvest Asset Management, Lehman Brothers and Nomura across Frankfurt and London.

Mr. Loehnert graduated from the Frankfurt School of Finance & Management, earning a BSc degree in Business Administration with a focus on Finance. He is a Chartered Alternative Investment Analyst (CAIA). Mr. Loehnert currently has no other directorships.

### **Portfolio Manager of the Manager**

**Colin Zhang**, Vice President, is a Portfolio Manager and a Team Lead within the ETF & Index Investments' (EII) Index Equity Team. He is responsible for managing the ETF, Retail and Institutional Indexed Equity product ranges in the Asia Pacific ex Japan region, and leverages market expertise, a deep understanding of benchmark methodologies, and technology to consistently deliver precise investment performance.

Mr. Zhang's service with the firm dates back to 2014. He has had an international career in asset management, having worked in Singapore, London and Hong Kong and has held various roles within the firm. Prior to his current role, Mr. Zhang was based in London where he was a portfolio manager responsible for the management of developed markets, emerging markets, sustainable, and factor-based index equity strategies for EMEA clients. Before his role in London, Mr. Zhang was an Index Equity Strategist within EII, based in Hong Kong, where he was responsible for product strategy and client relationships for all institutional index equity portfolios in the Asia Pacific ex Japan region. Prior to joining BlackRock, Colin worked at the Royal Bank of Canada Global Asset Management. Mr. Zhang graduated from the University of British Columbia with a Bachelor of Commerce from the Sauder School of Business. Mr. Zhang is a Chartered Financial Analyst (CFA) charterholder.

### **Sub-Manager**

The Manager has appointed the Hong Kong domiciled BlackRock Asset Management North Asia Limited (the "**Sub-Manager**") as the sub-manager of the MSCI India ETF and the MSCI Asia Ex Japan ETF under a sub-management agreement entered into between the Manager and Sub-Manager (the "**Sub-Management Agreement**"). Under the Sub-Management Agreement, the Manager has discretion to delegate its investment management functions of the MSCI India ETF and the MSCI Asia Ex Japan ETF (including trade execution in respect of the MSCI India ETF and the MSCI Asia Ex Japan ETF) to the Sub-Manager. Notwithstanding any delegation of its investment management functions to the Sub-Manager, the Manager will remain responsible for the actions of the Sub-Manager.

The Sub-Manager is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services internationally for institutional, retail and private clients. The Sub-Manager was incorporated in Hong Kong with limited liability on 10 August 1998 with its registered office at 16/F Champion Tower, 3 Garden Road Central, Hong Kong. The issued share capital of the Sub-Manager is HK\$10,000,000 as of 31 January 2022.

The Sub-Manager is licensed by the Securities and Futures Commission in Hong Kong for the regulated activities of dealing in securities (Type 1), advising on securities (Type 4), advising on corporate finance (Type 6) and asset management (Type 9) under the Securities and Futures Ordinance. The Sub-Manager obtained its asset management (Type 9) license since 2003.

The Sub-Manager currently manages 12 ETFs in Hong Kong.

The Sub-Manager has acted as investment advisor to various fund management companies in the People's Republic of China, Korea and Malaysia in relation to the launch and management of exchange-traded funds.

The Sub-Manager will remain as the sub-manager of the MSCI India ETF and the MSCI Asia Ex Japan ETF until the Sub-Management Agreement is terminated in accordance with its terms.

Any change to the Sub-Manager will be published on the iShares website at <https://www.blackrock.com/sg/en/ishares> and announced on SGXNET.

#### **Directors of the Sub-Manager**

**Rachel LORD**, Senior Managing Director, of 16/F Champion Tower, 3 Garden Road Central, Hong Kong is the Sub-Manager's Chair and Head of Asia Pacific, as well as a member of BlackRock's Global Executive Committee. She also chairs BlackRock's APAC Steering and Executive Committees. Ms. Lord oversees all business activities in the region, which includes Australasia, Greater China, India, Japan, Southeast Asia and South Korea. Before assuming her current role, Ms. Lord served as BlackRock's Head of Europe, Middle East & Africa (EMEA) from September 2017. She led the EMEA business to serve clients across individual markets by bringing to bear a wealth of local expertise and insight. Ms. Lord was previously EMEA Head of iShares and Head of Global Clients, ETF and Index Investments. Ms. Lord joined BlackRock in November 2013 from Citigroup where she was Global Head of Corporate Equity Derivatives. She joined Citigroup in 2009 after 13 years at Morgan Stanley, where she played a variety of senior roles in the equities and capital markets businesses in EMEA and Asia. Ms. Lord qualified as a Chartered Accountant in 1990, following which she worked in structured finance for five years before moving into equity derivatives. Ms. Lord graduated from the University of Leeds with a BA (Hons) First Class in International History & Politics. Ms. Lord currently is also a director of BlackRock Japan Co., Ltd.

**Belinda Mary BOA**, of Twenty Anson #18-01, 20 Anson Road, Singapore 079912, Managing Director, is the Head of Active Investments for Asia Pacific and Chief Investment Officer of Emerging Markets, Fundamental Active Equity, where she is responsible for delivering investment excellence and investment success in the region both internally and externally. The role will encompass all areas of the Active Investment business including Fundamental Equity, Fixed Income, Scientific Active Equity and Multi-Asset. In addition, Ms. Boa will oversee regionally regulated activities of investors in the region. Ms. Boa is a member of the Asia Pacific Executive Committee. Prior to assuming her current role in 2015, Ms. Boa was head of Risk and Quantitative Analysis for Asia Pacific where she was responsible for all areas of risk across the region, including investment risk, credit and counterparty risk and corporate and operational risk. Ms. Boa has worked in quantitative finance for over 15 years in London and South Africa. Prior to moving to Asia, she was a senior risk manager, leading the Risk and Quantitative Research team in London, where she was focused on the equity business. She started her career in equity research working for RMB Asset Management. Ms. Boa is a qualified Chartered Financial Analyst and a member of the London Quant Group. Ms. Boa earned her degree with honours in Finance and Statistics from the University of the Witwatersrand, South Africa in 1995. Ms. Boa is also a director of the Manager.

**Susan Wai-Lan CHAN**, Senior Managing Director, of 16/F Champion Tower, 3 Garden Road Central, Hong Kong is the Head of Asia, and Head of Trading, Liquidity and Lending (TLL) Asia Pacific at BlackRock. She is responsible for delivering BlackRock's strategy and driving commercial success across the region. Ms. Chan is a member of the BlackRock Asia-Pacific Steering Committee, L&L Global Executive Committee and Global Operating Committee. Ms. Chan joined BlackRock in July 2013 as head of Asia Pacific iShares Capital Markets and Products. Prior to joining BlackRock, she was a Managing Director at Deutsche Bank AG, Hong Kong where she was Head of Equity Structuring, Strategic Equity Transactions and DBx Asia Pacific. Before Deutsche Bank, she was Managing Director at Barclays Capital Asia Limited where she held various positions in equity derivatives with the most recent as Head of Equity and Funds Structured, Asia Pacific. She was also a member of the Global EFS Executive Committee, the Asia Pacific Structuring Executive Committee, Founder and Executive Sponsor for the Women's Internal Network, Asia

Pacific and a Board Member of Barclays Capital Hong Kong Limited. Ms. Chan is a graduate of Boston University, Boston, MA. Ms. Chan currently is also a director of BlackRock HK Holdco Ltd and BlackRock Investment Management (Taiwan) Limited.

**Sarah Ariel ROMBOM**, Managing Director, is the Chief Operating Officer of the Asia-Pacific region for BlackRock. In her role as the APAC COO, she oversees business management of the region and coordinates strategic initiatives to accelerate growth. This includes partnering with regional and functional management to promote operational efficiency and respond to market and regulatory changes.

Ms. Rombom's service at BlackRock dates back to 2004. Prior to her current role, Ms. Rombom held several leadership roles in the Aladdin Product Group, including Chief Operating Officer and Head of Aladdin Product Management. During her career at BlackRock, she is a member of BlackRock's Global Operating Committee and Human Capital Committee.

Ms. Rombom earned a BS degree in Applied Economics and Management from Cornell University. Ms. Rombom is also a director of BlackRock HK Holdco Limited and the Manager.

**James RABY**, Managing Director, is the Head of Wealth for Asia Pacific. Mr. Raby is responsible for delivering the breadth of BlackRock capabilities to wealth clients across the region. He oversees business strategy and sales activities across Greater China, Southeast Asia, North Asia & Australasia. This includes business development focusing on the distribution of mutual funds, ETFs and liquid & illiquid alternative investments, as well as client partnership activities in product development, digital transformation and bespoke solutions.

Mr. Raby's service with the firm dates back to 2005, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. During his time at Barclays and BlackRock, Mr. Raby played a number of roles within the Strategy, Finance and Audit departments, including Global Head of Financial Planning and Analysis, Global Head of Internal Audit and, most recently, Asia Pacific Chief Financial Officer.

Before joining BlackRock in 2005, Mr. Raby worked as a management consultant at Booz & Co (formerly Booz Allen Hamilton), advising financial institutions in the US, UK and Australia.

Mr. Raby earned a Bachelor of Engineering and a Bachelor of Economics from the University of Melbourne in 1996 and an MBA from Columbia Business School in 2002. Mr. Raby currently has no other directorships.

#### **Principal Portfolio Manager of Sub-Manager**

**Jane KIM**, Director, of 16/F Champion Tower, 3 Garden Road Central, Hong Kong, is the Head of Asia Pacific ex Japan Portfolio Management team within BlackRock's ETF and Index Investments (EII) team. Ms. Kim leads the team that is responsible for managing the ETFs (including the MSCI India ETF and the MSCI Asia Ex Japan ETF), retail and Institutional Indexed Equity product ranges in this region and leverages market expertise, a deep understanding of benchmark methodologies, and technology to consistently deliver precise investment performance. Ms. Kim's service with the firm dates back to 2016, when she joined the Asia ex-Japan iShares ETF distribution team. Prior to joining BlackRock, she was an equity sales trader at Daishin Securities in Korea, covering asset managers in Hong Kong, Singapore and Taiwan. Ms. Kim earned a Bachelor of Arts in Economics from Yonsei University in 2011.

#### **Retirement of the Manager**

The Manager shall have the power to retire in favour of another manager considered by the Trustee to be suitably qualified and eligible in accordance with the Trust Deed to be the manager of the Trust and that is

acceptable to the Authority, and subject to such person entering into a deed or deeds providing for the matters mentioned under the Trust Deed. In the event of the Manager desiring to retire it shall give notice in writing to that effect to the Trustee. The Trustee shall, as soon as practicable after the Manager has indicated an intention to retire, convene a meeting of Unitholders to consider an extraordinary resolution to approve some other person considered by the Trustee to be suitably qualified to act as manager.

### **Removal of the Manager**

If any of the following events shall occur, namely:

- (a) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Trustee) or if a receiver is appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Manager; or
- (b) the Trustee shall form the opinion for good and sufficient reason and shall so state in writing to the Manager that a change of Manager is desirable and in the best interests of Unitholders as a whole; or
- (c) the Unitholders by an extraordinary resolution duly passed at a meeting of Unitholders of all the Index Funds (for which purpose Units held or deemed to be held by the Manager shall not be included) shall so decide on a change of Manager (including a meeting summoned by the Trustee pursuant to the terms of the Trust Deed); or
- (d) the Authority withdraws its approval of the Manager as manager of the Trust or directs the Trustee to remove the Manager,

the Trustee may, subject to the Listing Rules, by notice in writing to the Manager remove the Manager from office and (subject to the Trust Deed) upon service of such notice the Manager shall cease to be the manager of the Trust. The Trustee shall, as soon as practicable after the Manager ceases to be the manager of the Trust, convene a meeting of Unitholders to consider an extraordinary resolution to approve some other person considered by the Trustee to be suitably qualified to act as manager. Any removal or change of the Manager will be announced on the SGXNET.

### **Trustee and Custodian**

HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”) was incorporated in Singapore with limited liability on 24 February 1949 and registered under the Trust Companies Act 2005 of Singapore. Its registered address is at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983. As at 1 January 2023, the Trustee has an issued capital of S\$5,150,000 constituting 515,000 ordinary shares of S\$10.00 each and paid up capital of S\$5,150,000. The Trustee does not have any material conflict of interest with its position as trustee of the Trust. HSBC Institutional Trust Services (Singapore) Limited is a member of the HSBC Group.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust. The Trustee may, however, appoint any person or persons to be custodian of such assets. The Trustee will remain as the trustee of the Trust until it retires or is removed or replaced in accordance with the provisions of the Trust Deed.

The Trustee is licensed and regulated by the Authority.

The Trustee is entitled to the fees set out below under the “Fees and Expenses” section of this Prospectus.

The custodian of the Trust is The Hongkong and Shanghai Banking Corporation Limited. It was incorporated in Hong Kong on 14 August 1866, and its registered office is at 1 Queen's Road Central, Hong Kong. It is established and based in Hong Kong since 1865, and is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group.

As at 1 January 2023, its paid up share capital constitutes an aggregate of HK\$123,949,000,000 and US\$7,198,000,000 now represented by its 49,579,391,798 ordinary shares in issue.

The custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

The Trustee has appointed the custodian as the global custodian to provide custodial services to the Trust globally. The custodian is entitled to appoint sub-custodians to perform any of the custodian's duties in specific jurisdictions where the Trust invests.

The custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the custodian shall use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as the financial strength, reputation in the market, systems capability, operational and technical expertise, clear commitment to the custody business, adoption of international standards etc. All sub-custodians appointed will, if required by law applicable to them, be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

## **Registrar**

The Registrar of each Index Fund is HSBC Institutional Trust Services (Singapore) Limited. The Registrar will charge a monthly fee in respect of the establishment and maintenance of the Register of the Unitholders of each Index Fund.

The Register can be inspected at 20 Pasir Panjang Road (East Lobby), #12-21, Mapletree Business City, Singapore 117439 during normal business hours.

For so long as the Units of an Index Fund 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 Index Fund, and all Units issued and available for trading will be represented by entries in the Register of Unitholders kept by the Registrar in the name of, and deposited with, CDP as the registered Unitholder of such Units. The Registrar shall issue to CDP not less than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued.

## **Fund Administrator**

HSBC Institutional Trust Services (Singapore) Limited, whose details are set out above, has also been appointed as the fund administrator of the Trust in respect of the Sub-Fund(s) (the "**Fund Administrator**").

Any changes to the Fund Administrator will be announced on the SGXNET.

## **Retirement of the Trustee**



Under the terms of the Trust Deed, the Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. Such new trustee shall be a company eligible in accordance with the terms of the Trust Deed to be the trustee of the Trust and that is acceptable to the Authority. In the event of the Trustee desiring to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint another person as the new trustee for the Unitholders in the place of the retiring Trustee upon and subject to the retiring Trustee and such new trustee entering into such deed as required under the terms of the Trust Deed.

### **Removal of the Trustee**

If any of the following events shall occur, namely:

- (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Manager) or if a receiver is appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Trustee; or
- (b) following a material breach of the Trustee's obligations under the Trust Deed which, if the breach is capable of remedy, the Trustee fails to remedy within 30 days (or such number of days as may be required by the Manager and the Trustee) of being specifically required to do so by the Manager, and the Manager is of the opinion and states so in writing to the Trustee that a change of the Trustee is desirable and in the best interests of Unitholders as a whole; or
- (c) if the Unitholders by extraordinary resolution duly passed at a meeting of Unitholders of all the Index Funds shall so decide on a change of Trustee; or
- (d) if the Authority directs that the Trustee be removed; or
- (e) the Manager shall state in writing to the Trustee that it wishes to replace the Trustee by another suitably qualified corporation,

the Manager may, by notice in writing to the Trustee, remove the Trustee and in such case the Manager shall use its best endeavours to appoint another person duly eligible in accordance with the Trust Deed and that is acceptable to the Authority to act as the new trustee of the Trust, and the Trustee shall upon receipt of notice by the Manager execute such deed as required under the Trust Deed.

### **Indemnities of the Trustee and the Manager**

None of the Trustee, the Manager or the Registrar shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other document of title, or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

None of the Trustee, the Manager, the Registrar or their duly appointed agents shall be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any certificate or to any transfer or form of application, request for realisation, endorsement or other document affecting the title to or transmission of Units (including signatures on such documents received by facsimile or electronic transmission) or be in any way liable for any forged or unauthorised signature on or seal affixed to such endorsement, transfer, form or other document or for acting on or giving effect to any such forged or unauthorised signature or seal or for exercising their discretion not to act on such instructions received by facsimile or electronic transmission, provided that the Trustee, the Manager, the Registrar or their duly

appointed agents reasonably believed that such signature or seal was authentic.

Notwithstanding Clause 29.2 of the Trust Deed the Trustee and the Manager respectively may (but shall not be bound to) require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him under or in connection with the Trust Deed or the Trust shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

The Trustee and the Manager may accept as sufficient evidence of the value of any investment or the cost price or sale price thereof or of any market quotation a certificate by a person, firm or association qualified in the opinion of the Manager and Trustee to provide such a certificate.

The Trustee and the Manager may rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any investment is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Trust Deed.

Under the Trust Deed, in the absence of fraud and wilful or intentional wrongdoing, the Trustee shall not incur any liability by reason of any loss which any Unitholder may suffer by reason of any depletion in the Net Asset Value of any Index Fund which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange or otherwise and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the relevant Index Fund in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this paragraph and the arrangements referred to herein.

None of the Trustee, the Manager or the Registrar shall be responsible for acting upon any resolution purporting to have been passed at any meeting of Unitholders in a particular Index Fund or (as the case may be) of all the Unitholders of the Trust, in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Unitholders in that Index Fund, or (as the case may be) all the Unitholders of the Trust.

None of the Trustee, the Manager or the Registrar shall incur any liability to the Unitholders or any of them for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgment of any court or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government or regulatory authority (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing.

If the Manager, the Trustee or the Registrar is requested by any department of any government or administration to provide such department with any information regarding any one or more of the following, namely, the Trust Fund, any Index Fund, the Unitholders or any of them, the Trust's investments or the investments of any Index Fund, the income of the Trust Fund or of any Index Fund, or the provisions of the Trust Deed, and complies with such request, whether or not enforceable, none of the Trustee, the Manager or the Registrar shall incur any liability to the Unitholders or any of them or to any other person as a result of such compliance or in connection with such compliance.

If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed none of the Trustee, the Manager or the Registrar shall be under any liability therefor or thereby.

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 allowed by law.

Nothing in any of the provisions of the Trust Deed shall in any case in which the Trustee or the Manager (as the case may be) have failed to show the degree of diligence and care required of them by the provisions of the Trust Deed, exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.

The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request, instruction or advice of the Manager. Whenever pursuant to any provision of the Trust Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any one person whose signature the Trustee is for the time being authorised by the Manager to accept.

The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any application for or request for realisation of Units made by fax or telephone and allowed by the Manager.

In the absence of fraud or negligence by the Manager or the Trustee respectively, they shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the provisions of the Trust Deed and in particular, but without prejudice to the generality of the foregoing, neither the Manager nor the Trustee shall, in ascertaining the value of any quoted Security, be under any liability by reason of the fact that a price reasonably believed to be the last traded price or midway between the latest available market dealing offered price and the latest available market dealing bid price for the time being may be found not to be such.

None of the Trustee, the Manager or the Registrar shall be under any liability except such liability as may be expressly imposed by the Trust Deed nor shall either of them (save as herein otherwise appears) be liable for any act or omission of the other of them.

Subject as herein provided the Trustee shall be entitled for the purpose of indemnity against any action, costs, claims, damages, expenses or demands (other than those arising out of any liability or obligation to the Unitholders imposed on the Trustee pursuant to the laws of Singapore) to which it may be put as Trustee to have recourse to the assets of the relevant Index Fund in respect of which such action, costs, claims, damages, expenses or demands have been made or arose out of or, where such action, costs, claims, damages, expenses or demands relate to the Trust as a whole, the Trust Fund or any part thereof.

The Trustee shall not be responsible for verifying or checking any valuation of the Trust Fund or any Index Fund or any calculation of the prices at which Units are to be issued or realised except as specifically provided in the Trust Deed.

In no event shall the Trustee be bound to make any payment except out of the funds held by it for that purpose under the provisions of the Trust Deed.

For the avoidance of doubt, any reference to the Trustee herein shall be construed to mean the Trustee in its own capacity and, where appropriate, in its capacity as the Registrar of the Trust.

The Trustee shall be entitled, in the absence of manifest error, to rely upon the Register as conclusive evidence of the matters contained in the Register.

The Manager and the Trustee are not responsible for compiling the Underlying Index or verifying the accuracy of the Underlying Index information where the Underlying Index is provided by a third party index provider other than the Manager or the Trustee.

## **Auditors**

The auditors of each Index Fund are PricewaterhouseCoopers of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936.

## **Brokerage Transactions**

Subject to the best execution requirements in the Code, under normal conditions the policy of the Manager regarding purchases and sales of Securities is that primary consideration will be given to obtaining the most favourable prices and efficient execution of transactions. Consistent with this policy, when Securities transactions are effected on a stock exchange, the Manager's policy is to pay commissions which are considered fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances. The Manager believes that a requirement always to seek the lowest possible commission cost may impede effective portfolio management and preclude the Index Funds and the Manager from obtaining a high quality of brokerage and research services. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, the Manager relies upon its experience and knowledge regarding commissions generally charged by various brokers and on its judgement in evaluating the brokerage and research services received from the broker effecting the transaction. Such determinations are necessarily subjective and imprecise and, as in most cases, an exact dollar value for those services is not ascertainable.

In seeking to implement the above policies, the Manager effects transactions with those brokers and dealers that the Manager believes provide the most favourable prices and are capable of providing efficient execution when appropriate. If the Manager believes such price and execution are obtainable from more than one broker or dealer, it may give consideration to placing portfolio transactions with those brokers and dealers who also furnish research and other services to the Trust or the Manager. Such services may include, but are not limited to, information as to the availability of Securities for purchase or sale, statistical information pertaining to corporate actions affecting stocks, including, but not limited to, stocks within the Underlying Index.

The Manager, its directors and their associates (including the Sub-Manager) will not be entitled to receive any part of the brokerage charged to the Trust or any fees, allowances, benefits received on purchases charged to the Trust.

## **Conflicts of Interest**

The Manager, the Sub-Manager and the Trustee may from time to time act as trustee, administrator, registrar, secretary, manager, custodian, investment manager or investment adviser (as applicable) or other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Trust or any Index Fund.

In addition, subject to the provisions of the Code relating to transactions with related parties:

(a) the Manager, the Sub-Manager or any of their Connected Persons may enter into investments for

the Trust as agent for the Trustee and may, with the consent of the Trustee, deal with the Trust as principal;

- (b) the Trustee, the Manager, the Sub-Manager or the Registrar or any of their Connected Persons may have banking or other financial relationships with any company or party which is the issuer of securities, financial instruments or investment products held by the Trust;
- (c) the Trustee, the Manager, the Sub-Manager or the Registrar or any of their Connected Persons may hold and deal in Units or in investments held by the Trust either for their own account or for the account of their customers;
- (d) the monies of the Trust may be deposited with the Manager, the Sub-Manager, the Trustee or any of their Connected Persons or invested in certificates of deposit or banking instruments issued by any of them;
- (e) associates of the Trustee may be engaged to provide banking, brokerage or financial services to the Trust or an Index Fund, or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities; and
- (f) the Manager or the Sub-Manager may invest assets of an Index Fund in other collective investment schemes (included exchange traded funds) managed by the Manager or its affiliates – in such circumstances, neither the MSCI Asia Ex Japan ETF nor its Unitholders will suffer any increase in the overall total of initial charges, management fee, or any other costs and charges payable to the Manager and/or its affiliate as a result of the investment in such other collective investment schemes (including exchange traded funds). Whilst all such transactions will be at arm's length, it should be noted that conflicts of interest may arise from time to time amongst any of them. The Manager will have regard to its obligations to the MSCI Asia Ex Japan ETF and Unitholders and will endeavour to ensure such conflicts are resolved fairly.

It is, therefore, possible that any of the Trustee, the Manager, the Sub-Manager or the Registrar or their Connected Persons may, in the course of business, have potential conflicts of interest with the Trust or any Index Fund. Each will, at all times, have regard in such event to its obligations to the Trust and to Unitholders and act in their best interest, and will endeavour to ensure that such conflicts are resolved fairly and on an arm's length basis.

### **Soft Dollars**

The Manager and the Sub-Manager (as well as any of its Connected Persons) will not receive or enter into any soft dollar commissions or arrangements in respect of the management of the Index Funds or any underlying collective investment scheme(s) in which an Index Fund may invest. The Manager and the Sub-Manager (as well as any of its Connected Persons) will not retain any cash rebates from any broker or dealer.

## STATUTORY AND GENERAL INFORMATION

### Reports and Accounts

The financial year-end of the Trust and each Index Fund is 31 December every year. Audited accounts and the annual report are to be prepared or made available in accordance with the Code and sent to Unitholders within three months of each financial year-end (unless otherwise waived or permitted by the Authority). Semi-annual unaudited accounts and the semi-annual report are to be prepared and sent or made available in accordance with the Code to Unitholders within two months of 30 June (unless otherwise waived or permitted by the Authority). The contents of the reports will comply with the requirements of the Code and the Listing Rules.

In respect of the MSCI Asia Ex Japan ETF, the first audited financial reports will be prepared for the period from the launch date of the MSCI Asia Ex Japan ETF up to and including 31 December 2023.

The Code currently requires accounts to be prepared in accordance with Statement of Recommended Accounting Practice 7: Reporting Framework for Investment Funds issued by the Institute of Singapore Chartered Accountants (“**RAP 7**”). Investors should note that to the extent that any of the valuation principles used to determine an Index Fund’s Net Asset Value per Unit at the Valuation Point with respect to each Dealing Day is or becomes inconsistent with RAP 7, the Index Fund’s accounts may not necessarily be in line with the published Net Asset Value per Unit. In this case, a reconciliation note may be included in the accounts of the Index Fund to reconcile values arrived at by applying RAP 7 and the Net Asset Value per Unit of the Index Fund by applying the Index Fund’s valuation principles.

Copies of the audited accounts, the annual reports, the semi-annual unaudited accounts and the semi-annual reports will also be made available on the iShares website at <https://www.blackrock.com/sg/en/ishares> and on SGXNET.

### Trust Deed

The Trust was established under Singapore law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. In the event of any conflict between any of the provisions of this Prospectus and those of the Trust Deed or Participation Agreement, the provisions of the Trust Deed or Participation Agreement shall prevail. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager and their relief from liability in certain circumstances. Unitholders and intending applicants are advised to consult the terms of the Trust Deed. All amendments to the Trust Deed will be announced on the SGXNET.

### Modification of Trust Deed

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee such modification (i) is not materially prejudicial to the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of any Index Fund or (ii) is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error. In all other cases modifications require the sanction of an extraordinary resolution of the Unitholders affected.

The Manager shall give notice to Unitholders of any modification, alteration or addition to the Trust Deed,

unless they are sanctioned by an extraordinary resolution of the Unitholders affected or in the opinion of the Trustee such modification, alteration or addition is not of material significance or is otherwise made to correct a manifest error.

## **Voting Rights**

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing not less than one-tenth in value of the current Units in issue. These meetings may be used for a number of purposes including to modify the terms of the Trust Deed, to increase the maximum fees payable to the service providers, to remove the Trustee or to terminate the Trust at any time. Such amendments to the Trust Deed must be passed by a 75 per cent majority of the votes cast. Unitholders will be given not less than 14 days' notice of such meeting (except for meetings convened by the Trustee under Section 295 of the Securities and Futures Act, whereby not less than 21 days' notice will be given).

The Manager, Trustee, the Sub-Manager and their respective Connected Persons are prohibited from voting their beneficially held Units at or be counted in the quorum for a meeting at which they have a material interest in the business to be contracted.

## **Termination**

The Trust may be terminated by the Trustee if any of the following events shall occur:

- (a) the Manager goes into liquidation (except a voluntary liquidation for the purpose of re construction or amalgamation upon terms previously notified in writing to the Trustee) or if a receiver is appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Manager; or
- (b) in the opinion of the Trustee (and the Trustee shall so state in writing to the Manager) the Manager has ceased to carry on business or has, to the prejudice of the Unitholders of the Trust, failed to comply with any provision of the Trust Deed; or
- (c) any law shall be passed which renders it illegal, impracticable or inadvisable in the opinion of the Trustee to continue the Trust; or
- (d) either the Trustee is unable to find a person acceptable to the Authority to act as the new manager after the expiration of three months from the removal of the Manager for the time being pursuant to the Trust Deed or the person nominated by the Trustee as the new manager shall fail to be approved by an extraordinary resolution of the Unitholders; or
- (e) the Trustee shall have decided to retire pursuant to the Trust Deed, but after the expiration of three months after the Trustee giving notice to the Manager of its desire to retire, the Manager shall be unable to find a suitable person who is willing to act as trustee and that is acceptable to the Authority; or
- (f) if the Authority directs the termination of the Trust.

Termination as aforesaid shall be by notice to the Manager, save that it shall be subject to the requirements of Section 295 of the SFA in the case of (b) and by notice to the Unitholders in the case of (d).

In addition, in the case of (a) or (b), the Trustee shall, in accordance with the Trust Deed, summon a meeting of the Unitholders for the purpose of determining an appropriate course of action in accordance

with the requirements under Section 295 of the SFA.

The Trust may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee:

- (a) the aggregate Net Asset Value of Units outstanding in all Index Funds is less than US\$20 million; or
- (b) any law shall be passed which renders it illegal, impracticable or inadvisable in the opinion of the Manager to continue the Trust; or
- (c) in the case where the Manager decides to retire, either the Trustee shall be unable to find a person acceptable to the Authority to act as the new manager after the expiration of three months from the Manager giving the Trustee notice of its intention to retire pursuant to the Trust Deed, or the person nominated by the Trustee as the new manager shall fail to be approved by an extraordinary resolution pursuant to the Trust Deed; or
- (d) if the Authority directs the termination of the Trust; or
- (e) if within a reasonable time and using commercially reasonable endeavours, the Manager shall be unable to find a person acceptable to the Authority to act as the new trustee after deciding to remove the Trustee.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate any Index Fund if:

- (a) the Net Asset Value of such Index Fund shall be less than US\$15 million on any date after a period of three years from its creation; or
- (b) any law shall be passed which renders it illegal, impracticable or inadvisable in the opinion of the Manager to continue such Index Fund; or
- (c) its Underlying Index is no longer available for benchmarking; or
- (d) the Units of such Index Fund are no longer listed on the SGX-ST or any other Recognised Stock Exchange; or
- (e) the Authority revokes or withdraws the authorisation of such Index Fund under the Securities and Futures Act; or
- (f) the Authority directs the termination of such Index Fund.

Further, the Unitholders may at any time authorise termination of the Trust or any Index Fund by extraordinary resolution passed at a duly convened Unitholders' meeting.

Unless previously terminated as described above or under another provision in the Trust Deed, the Trust shall in any event terminate at the expiry of 80 years from 31 May 2006.

In addition to the termination circumstances specified above, the Manager may also terminate an Index Fund if it ceases to have any Participating Dealer or the Manager is unable to implement its investment strategy.



In such circumstances, unless the Manager and the Trustee agree that another strategy is (a) possible, feasible as well as practicable, and (b) in the best interests of the Unitholders, the Units then in issue shall be compulsorily redeemed at Net Asset Value and the Index Fund terminated in accordance with the Trust Deed. In such event, the Manager will notify the Authority in advance and agree with the Authority appropriate methods of notification of Unitholders prior to such redemption and termination.

Any notification to Unitholders where the Index Fund is to be terminated shall be given upon not less than three months' notice prior to termination (except where the Index Fund or Trust is terminated by reason that it is illegal, impracticable or inadvisable to continue (in accordance with the provision of the Trust Deed), in which case termination may take effect forthwith upon notice to Holders without observing the three months' notice period (subject to any requirements of the Authority and the SGX-ST), unless otherwise provided in the Trust Deed). Any such notice will also be published on the iShares website at <https://www.blackrock.com/sg/en/ishares> and announced on SGXNET.

Upon the Trust or any Index Fund being terminated, subject to authorisations or directions (if any) given to it by the Unitholders by extraordinary resolution:

- (a) The Manager shall arrange the sale of all investments then comprised in the relevant Index Fund being terminated (or, in the case of the termination of the Trust, in all the Index Funds) and such sale shall be carried out and completed in such manner and within such period after the termination of the relevant Index Fund(s) (or, in the case of the termination of the Trust, all the Index Fund(s)) as the Manager shall consider advisable.
- (b) The Trustee shall from time to time distribute to the Unitholders in each Index Fund being terminated rateably in accordance with the number of Units held by them respectively all net cash proceeds derived from the realisation of the investments comprised in the relevant Index Fund and available for the purposes of such distribution except that in the event that circumstances exist as a result of which, in the sole opinion of the Manager notified to the Trustee, it is not reasonably practicable to realise all the investments comprised in the relevant Index Fund, the Trustee shall distribute to the Unitholders in each Index Fund rateably in accordance with the number of Units held by them respectively the investments available in specie at a valuation determined by the Trustee (provided that no Unitholder will be required to accept the distribution to him of any assets in specie without his written consent).
- (c) All payments in respect of such distributions shall be made in accordance with the relevant provisions of the Trust Deed. Every such distribution shall be made only upon delivery to the Trustee of such form of request for payment as the Trustee shall in its absolute discretion require.
- (d) The Trustee shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being comprised in each relevant Index Fund the amount of which is insufficient to pay one US Dollar in respect of each Unit.
- (e) The Trustee shall be entitled to retain out of any monies comprised in the Trust Fund or any Index Fund such sum as it shall determine to be full provision for all costs, charges, expenses, claims, demands, actions and proceedings incurred, made or instituted against or apprehended by the Trustee in connection with or arising out of the Trust or the termination thereof or of any Index Fund and shall, out of the monies so retained, be indemnified and saved harmless against any such costs, charges, expenses, claims, demands, actions and proceedings.

## Inspection of Documents

Copies of the following documents are available for inspection free of charge at the offices of the Manager during normal business hours and copies thereof may be obtained from the Manager at a cost of US\$30 per set of copy documents:

- (a) Trust Deed;
- (b) CDP agreement;
- (c) sample Participation Agreement; and
- (d) the most recent annual report and accounts of the Trust and the most recent semi-annual report and unaudited accounts of the Trust (copies of which will also be available on the iShares website at <https://www.blackrock.com/sg/en/ishares>).

## Anti-Money Laundering Regulations

As part of the Manager's and the Trustee's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee or the Trust is subject, the Manager, the Registrar or the Trustee may require a detailed verification of an investor's identity and the source of payment of any subscriptions. Depending on the circumstances of each application, a detailed verification might not be required where:

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

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

## Liquidity Risk Management

At the level of the Index Funds and primary market trading in the relevant Units, liquidity risk is the risk that (i) a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption, or (ii) the Index Funds' financial obligations arising from investment activity (such as margin calls) or redemptions by Unitholders will not be able to be met.

An inability to sell a particular underlying Security or portion of the Index Funds' assets may have a negative impact to the value of the Index Funds and may have negative implications for Unitholders being able to redeem, on the primary market, in a timely fashion. Additionally, Unitholders who remain invested in the Index Funds may also be adversely affected.

The Manager has established a Liquidity Risk Management Policy (the "**LRM Policy**") which enables it to identify, monitor and manage certain liquidity risks associated with the Index Funds. The LRM Policy, combined with the liquidity management tools available and an oversight committee comprising senior representatives of the Manager, seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders against the redemption behaviour of other Unitholders from a liquidity perspective.

## Tools to Manage Liquidity Risk

The Index Funds presents multiple different layers of liquidity and, as such, different methods of measuring and managing this liquidity need to be considered both during the product development stage and operationally.

Under the LRM Policy, tools available to the Index Funds to manage liquidity risk include some or all of the following:

- (a) The Manager considers and maintains the liquidity of all instruments used, including derivatives, in the context of the investment objective and the liquidity requirements of the Index Funds.
- (b) Cash positions are monitored and reported on a daily basis to ensure the Index Funds have sufficient capacity to meet obligations arising from its derivative positions (if any). All derivative positions (if any) are covered either by the underlying asset of the derivative or alternatively by liquid assets, therefore, the Index Funds will have the cover necessary to fulfil actual or potential obligations.
- (c) The Manager undertakes ad-hoc reviews of holdings of the Index Funds with significant exposure to specific markets or specific industry sectors.
- (d) The Manager will consider significant market events which may affect liquidity of assets. The Manager may adjust the value of any investment if, having regard to relevant circumstances, the Manager (following consultation with the Trustee) considers that such adjustment is required to fairly reflect the value of the investment.
- (e) Subject to the provisions of the Code relating to suspension of dealings, the Manager may, at its discretion, at any time after giving notice to the Trustee (and where practicable, following consultation with the relevant Participating Dealers) suspend the right of Participating Dealers to redeem Units of the MSCI India ETF and the MSCI Asia Ex Japan ETF and/or delay the payment of any moneys and transfer of any Securities in respect of any Redemption Application in certain circumstances. No Units will be issued or redeemed during any period of suspension. Please refer to “Suspension of Creations and Redemptions” in the “Creations and Redemptions (Primary Market)” section of this Prospectus for further details.
- (f) Subject to the provisions of the Code relating to suspension of dealings, the Manager may, after giving notice to the Trustee, declare a suspension of the determination of Net Asset Value of the Index Funds in certain circumstances. Please refer to “Suspension of Valuations and Dealings” in the “Determination of Net Asset Value” section of this Prospectus for further details.

Portfolio liquidity and redemption risk are regularly assessed using different qualitative and quantitative indicators. Any significantly adverse results will be reported to senior representatives of the Manager. Additionally, liquidity stress scenarios are applied to the Index Funds. Liability liquidity risk assessments are generated by assuming large redemption payments. The result is analysed taking into consideration the cost of liquidity and the quality of the remaining portfolio. Senior representatives of the Manager will review the ongoing suitability of the suite of liquidity risk management tools to manage anticipated liquidity environments. As needed, new tools may be discussed and implemented.

**Investors should note that there is a risk that the tools available may be ineffective to manage liquidity and redemption risk.**

## Information Available on the Internet

The Manager will publish important news and information with respect to the Index Funds on the iShares website at <https://www.blackrock.com/sg/en/ishares> including:

- (a) this Prospectus (as revised from time to time);
- (b) the latest annual and semi-annual financial reports;
- (c) any notices for material alterations or additions to the offering document or constitutive document;
- (d) any public announcements made by any Index Fund, including information with regard to the Underlying Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;
- (e) monthly holdings, the closing Net Asset Value and Net Asset Value per Unit and daily fund performance information (all in US\$ terms);
- (f) the identity of the Participating Dealers;
- (g) the identity of the IAP issuers (if any) together with the relative exposure to each IAP issuer (in respect of the MSCI India ETF); and
- (h) tracking error and tracking difference for each Index Fund.

The Manager will also use all reasonable efforts to publish the near real-time estimated Net Asset Value of each Index Fund throughout each Dealing Day on its website, as well as the final Net Asset Value. The Manager will publish on the iShares website the complete list of constituent securities of each Index Fund, which will be updated on a regular basis.

All of the information outlined above can be found on the product webpage of each Index Fund. The product webpage of each Index Fund can be located by using the search function and inserting the ticker number of the relevant Index Fund (i.e. I98) at <https://www.blackrock.com/sg/en/ishares>. The product webpage also provides a link to the announcements and notices section of the website where public announcements and notices can be found.

## Notices

All notices and communications to the Manager and Trustee should be made in writing and sent to the following addresses:

### Manager

BlackRock (Singapore) Limited  
Twenty Anson  
#18-01, 20 Anson Road,  
Singapore 079912

### Trustee

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard  
Marina Bay Financial Centre Tower 2, #45-01  
Singapore 018983

## Queries and Complaints

Investors may contact the Manager at its address as set out above, or by phone at its telephone number: (65) 6411 3000 or by email: [iSharesAsiaEnquiry@blackrock.com](mailto:iSharesAsiaEnquiry@blackrock.com) to seek any clarification regarding the

Trust or any Index Fund or to file a complaint. If a query or complaint is received by phone, the Manager will respond orally. If a query or complaint is received in writing, the Manager will respond in writing. Under normal circumstances the Manager will respond to any query or complaint as soon as practicable and in any event within 21 days.

## Taxation

The following summary of Singapore, India and the PRC taxation is of a general nature, for information purposes only, and is not intended to constitute a complete analysis or be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of units in the Index Funds. Prospective investors should consult their own tax advisers concerning the tax consequences of an investment in the Index Funds in light of their particular situation, including the tax consequences arising under the laws of any other tax jurisdiction, which may be applicable to their particular circumstances. The summary is based on the existing provisions of relevant tax law and the regulations thereunder, and practices in effect as at the date hereof, all of which are subject to change at any time and differing interpretations, either on a prospective or retroactive basis. Any such changes could adversely affect the comments herein. In addition, the comments herein are not binding on the tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. It is emphasised that neither the Index Funds, the Trust, the Trustee, the Manager, nor any other person indicated in this Prospectus, accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposition of Units. As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus.

Effective 1 June 2015, the iShares Southeast Asia Trust was approved for the Enhanced-Tier Fund Tax Incentive Scheme under section 13U (formerly section 13X) of the Income Tax Act 1947 of Singapore (“SITA”).

The key aspects relating to the taxation of an Enhanced-Tier Status Fund are summarised below.

Singapore	Enhanced-Tier Status Fund
<p><b>The iShares Southeast Asia Trust (and its sub-funds including the Index Funds)</b></p>	<p>Under the Enhanced-Tier Fund Tax Incentive Scheme, “specified income” derived by an “approved person” from “designated investments” is exempted from tax in Singapore, if the “approved person” satisfies all the prescribed conditions under the Enhanced-Tier Fund Tax Incentive Scheme. Effective 1 June 2015, and subject to continually meeting certain prescribed conditions annually, the iShares Southeast Asia Trust has been approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13U of SITA, and as such, is an “approved person” in respect of exemptions of “specified income” from “designated investments.”</p> <p>The Manager will endeavour to conduct the affairs of the iShares Southeast Asia Trust such that it will qualify for the Enhanced-Tier Fund Tax Incentive Scheme. There is, however, no assurance that the Manager will be able to ensure on an ongoing basis that iShares Southeast Asia Trust will always meet all the qualifying conditions for the Enhanced-Tier Fund Tax Incentive Scheme. Upon any such disqualification, the iShares Southeast Asia Trust may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate.</p>
<p><b>Unitholders</b></p>	<p><b>Distributions</b><sup>19</sup>: The tax treatment of distributions out of the Index Funds in the hands of Unitholders is as follows:</p> <p>Distributions received by Unitholders are exempt from Singapore taxation.</p>

<sup>19</sup> The Manager currently does not intend to make any distributions of the income of the MSCI India ETF to Unitholders.

	<p>Generally, capital gains are not taxable in Singapore. Gains on disposal of Units by a Unitholder should be subject to Singapore taxation if:</p> <p>(a) the gains are derived in the course of a trade or business carried on in Singapore, or are in the nature of income; or</p> <p>(b) the gains are derived in the course of a trade or business carried on outside Singapore or are in the nature of the income arising outside Singapore, and received (or deemed received) in Singapore by a Singapore-resident individual through a partnership in Singapore, or by a Unitholder other than an individual who is carrying on trade or business in Singapore.</p> <p>As the tax treatment depends on the particular situation of the Unitholders, the Unitholders should consult their own tax advisers with regard to the tax consequences arising from distribution made and gains arising from disposal of the Units.</p>
<b>PRC</b>	
<b>MSCI Asia Ex Japan ETF</b>	<p><b>General</b></p> <p>Under the general taxing provision of the PRC Corporate Income Tax Law (“<b>CIT</b>”), which became effective on 1 January 2008, a PRC non-resident enterprise is subject to 10% withholding tax on passive income (including dividends, interest, capital gains on disposals of PRC equity interests, etc.) derived from the PRC, provided that such non-resident enterprise is not considered to be a tax resident in the PRC by virtue of central management and control or by having a PRC tax establishment. Although it is intended that the MSCI Asia Ex Japan ETF will be managed and operated such that it would not be considered a tax resident in the PRC or to have a PRC tax establishment, the MSCI Asia Ex Japan ETF’s investing in PRC securities may give rise to PRC taxes in the form of withholding on dividends, interest, capital gains, and/or other business, stamp, and indirect taxes, the tax extent of which will depend on a number of factors, including but not limited to the specific investment type, legislative clarifications provided to-date by the PRC tax authorities pertaining to the specific investment, and current tax practice in the PRC.</p> <p><b><u>Withholding Income Tax</u></b></p> <p>A shares: The MOF, the CSRC and the STA released Caishui [2014] No.81 (“Circular 81”) on 14 November 2014 and Caishui [2016] No. 127 (“<b>Circular 127</b>”) on 1 December 2016, which temporarily exempt PRC tax on capital gains derived from trading of A shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect respectively. Based on these circulars, no provision for tax on capital gains derived from trading of A-Shares via the Stock Connects is made by the Manager on behalf of the MSCI Asia Ex Japan ETF.</p> <p>H shares: H shares are PRC securities listed on the Hong Kong Stock Exchange. It is intended that with respect to the MSCI Asia Ex Japan ETF’s direct investment in H shares, dividends to be distributed by the PRC resident enterprise will be subject to withholding tax at 10% according to Circular Guoshuihan [2008] No 897. To-date, there is uncertainty as to whether and how capital gains on H shares will be taxed, and there has been no official clarification from the PRC tax authorities in this regard, nor has the</p>

	<p>PRC tax authorities actively enforced taxation on capital gains arising from sales of H shares by PRC non-resident enterprises.</p> <p><b>Value Added Tax (“VAT”)</b></p> <p>According to Circular 81, investors are temporarily exempt from Business Tax (“BT”) with respect to gains derived from the trading of A-Shares through the Shanghai-Hong Kong Stock Connect. With the expansion of VAT to financial services from 1 May 2016, the above-mentioned BT exemption granted to investors with respect to their gains realized from the trading of A-Shares under Shanghai-Hong Kong Stock Connect has been grandfathered i.e. investors continue to enjoy exemption on gains under the VAT regime pursuant to Circular 36.</p> <p>According to Circular 127, investors are temporarily exempt from VAT with respect to gains derived from the trading of A-Shares through the Shenzhen-Hong Kong Stock Connect.</p> <p><b>Stamp Tax</b></p> <p>Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC’s Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in the PRC of certain documents, including contracts for the sale of PRC shares traded on the PRC stock exchanges. From 19 September 2008 onwards, only the seller, not the buyer of PRC listed shares is taxable for stamp duty at the rate of 0.1% on the sale.</p>
<b>India</b>	
<b>The Index Funds</b>	<p><b>General</b></p> <p>The taxation of income and capital gains in India is subject to the fiscal law of India. The basis of charge of Indian income tax depends upon the residential status of the taxpayer during a tax year, as well as the nature of the income earned. A non-resident for Indian income tax purposes is generally subject to tax in India only on such non-resident’s Indian-sourced income (or income deemed to be sourced in India), including income attributable to a permanent establishment (“PE”) maintained by that non-resident in India. The Income Tax Act provides that the taxability of the income earned by a non-resident should be governed by the provisions of the Income Tax Act or the applicable double tax avoidance agreement, if any, whichever is more beneficial.</p> <p><b>India Capital Gains Tax</b></p> <p>The capital gains tax payable on the transfer or sale of shares or other securities of an Indian company held as capital assets, will vary depending on whether the gain recognised on the sale qualifies as a short-term capital gain or a long-term capital gain.</p> <p>Gains arising from the sale of shares or other securities listed on a recognised Indian stock exchange which are held for a period of 12 months or less are regarded as short-term capital gains. If the shares or other securities listed on a recognised Indian stock exchange are held for a period of more than 12 months, the gains arising from the sale</p>



thereof are regarded as long-term capital gains.

Capital gains derived by a FPI from the transfer of listed equity shares on a recognised stock exchange in India or units of an equity oriented mutual fund which are chargeable to Securities Transaction Tax (“**STT**”), will be subject to tax as follows:

- Short-term capital gains will be taxed at the rate of 15% plus surcharges; and
- Long-term capital gains will be taxed at the rate of 10% plus surcharges.

Based on the assumption that the Index Funds will hold underlying securities on a long-term basis, the Index Funds will make a provision for capital gains tax at the rate of 10% plus surcharges, which is accounted for and reflected in their Net Asset Value.

The Manager will keep its provisioning policy for capital gains tax liability under review, and may, in its discretion from time to time (in consultation with the Trustee), make additional provision for potential tax liabilities, if in their opinion such provision is warranted. Any provision would have the effect of reducing the Net Asset Value per Unit by the pro rata amount of estimated tax liability.

Any changes to the tax provision, if made, may be reflected in the Net Asset Value at the time that such change to the provision is effected and thus will only impact on Units which remain in the Index Funds at the time the change to the provision is effected. Units which are sold/redeemed prior to changes in the tax provision being effected will not be impacted by reason of any insufficiency of the tax provision. Likewise, such Units will not benefit from any release of excess tax provisions back to the Index Funds. Investors may be advantaged or disadvantaged depending on when the investors purchased/subscribed and/or sold/redeemed the units of the Index Funds.

Investors should note that no Unitholders who have sold/redeemed their units in the Index Funds before the release of any excess tax provision shall be entitled to claim in whatsoever form any part of the tax provision or withheld amounts released to the Index Funds, which amounts will be reflected in the Net Asset Value.

#### **India Withholding Tax on Dividends**

Dividends paid by an Indian company to non-resident shareholders will be subject to Withholding Tax at the rate of 20%, subject to tax treaty relief, if any.

#### **Taxation of gains from investments in IAPs**

On the basis that the IAP, if any, such as participatory notes, total return equity swaps or contract-for-differences and similar offshore derivative instruments will not entitle the Index Funds to any ownership (directly or indirectly) of the underlying Indian securities and such IAPs will be executed outside India, the gains derived by the Index Funds from transacting in such IAPs should not be regarded as Indian-sourced income and thus, should not be taxable in India.

#### **Securities Transaction Tax**

	The Index Funds, at the time of purchase or sale of shares or units of equity oriented mutual funds would be liable to pay STT on the transaction value at current prevailing rates.
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### The Foreign Account Tax Compliance Act (FATCA) and Other Cross-Border Reporting Systems

The US-Singapore Agreement to Improve International Tax Compliance and to Implement FATCA (the “**US-Singapore IGA**”) was entered into with the intention of enabling the Singapore implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act (“**FATCA**”), which impose a new reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a “**foreign financial institution**” or “**FFI**”) that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions (“**reporting financial institutions**”) are required to provide certain information about their US accountholders to the IRAS (which information will in turn be provided to the US tax authority) pursuant to Singapore regulations implementing the US-Singapore IGA. Each of the MSCI India ETF and the MSCI Asia Ex Japan ETF is a non-reporting financial institution for these purposes and does not need to file a nil return with the IRAS. No assurance can, however, be provided that the MSCI India ETF and the MSCI Asia Ex Japan ETF will be able to comply with FATCA and, in the event that it is not able to do so, a 30% withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its Unitholders.

Singapore and a number of other jurisdictions have also announced that they propose to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). Under the Common Reporting Standard (CRS), participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident investors. The CRS was effective in Singapore from 1 January 2017. Each of the MSCI India ETF and the MSCI Asia Ex Japan ETF is a non-reporting financial institution for these purposes and does not need to file a nil return with the IRAS.

## DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below.

**“2014 FPI Regulations”** means the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.

**“2019 FPI Regulations”** means the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

**“Application”** means, in respect of an Index Fund, an application by a Participating Dealer to the Registrar for the creation or redemption of Units, in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines and the terms of the Trust Deed.

**“Application Basket”** means a portfolio of Securities determined by the Manager from time to time for the relevant Index Fund at the start of business on the relevant Dealing Day for the purpose of the creation and redemption of Units in an Application Unit Size, notified on the relevant date by the Manager in accordance with the Operating Guidelines for Applications to Participating Dealers for the relevant Index Fund.

**“Application Basket Value”** means the aggregate value of the Securities constituting the Application Basket as at the Valuation Point on the relevant Dealing Day.

**“Application Cancellation Fee”** means the fee payable by a Participating Dealer in respect of a default, as set out in the Trust Deed and the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

**“Application Unit Size”** means, in relation to each Index Fund, such number of Units or whole multiples thereof as specified in this Prospectus or such other multiple of Units from time to time determined by the Manager, approved by the Trustee and notified to Participating Dealers.

**“Authority”** means the Monetary Authority of Singapore or its successors.

**“Business Day”** means a day (other than a Saturday) on which the SGX-ST is open for normal trading and on which the Underlying Index is compiled and published (e.g. in the case of the MSCI India ETF, a day on which the National Stock Exchange is open for normal trading), and on which banks in Singapore are open for general business (or such other day or days as may from time to time be determined by the Manager and Trustee).

**“Cancellation Compensation”** means an amount payable by a Participating Dealer in respect of a default, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

**“Cash Component”** means the difference between the aggregate Net Asset Value of the Units comprising an Application Unit and the Application Basket Value.

**“CDP”** means The Central Depository (Pte) Limited, a wholly-owned subsidiary of SGX-ST.

“**Code**” means the Code on Collective Investment Schemes issued by the Authority (as amended from time to time).

“**Collective Investment Scheme**” has the same meaning as in the Securities and Futures Act.

“**Companies Act**” means the Companies Act 1967 of Singapore (as amended from time to time).

“**Connected Person**” has the meaning ascribed to it under the Securities and Futures Act, and the Listing Rules, and in relation to any firm or corporation or company (as the case may be) means:

- (a) another firm or corporation in which the first mentioned firm or corporation has control of not less than twenty per cent of the voting power in that other firm or corporation; and
- (b) a director, chief executive officer or substantial shareholder or controlling shareholder of the company or any of its subsidiaries or an associate of any of them.

“**Creation Application**” means, in respect of an Index Fund, an application by a Participating Dealer for the creation and issue of Units in an Application Unit Size (or whole multiples thereof).

“**Dealing Day**” means each Business Day during the continuance of the Trust or an Index Fund, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee either generally or for a particular Index Fund.

“**Dealing Deadline**” in relation to any particular place and any particular Dealing Day, means such time on that Dealing Day as the Manager (with the approval of the Trustee) may from time to time determine either generally or for a particular Index Fund.

“**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 for the account of the relevant Index Fund excluding (i) the Income Property and (ii) any amount for the time being standing to the credit of the Distribution Account (as defined in the Trust Deed).

“**Distributable Amount**” means, in respect of the MSCI Asia Ex Japan ETF, the amount of Income Property distributable by way of an interim distribution or final distribution calculated in accordance with Clause 16 of the Trust Deed.

“**Distribution Period**” means a period commencing from the end of the preceding Distribution Period and ending on and including the Ex. Dividend Date immediately preceding the Final Record Date.

“**Duties and Charges**” means,

- (i) in relation to the MSCI India ETF or any particular transaction or dealing for the MSCI India ETF, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including, in relation to an issue of Units or redemption of Units, a charge (if any)

of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Trust or the MSCI India ETF for the difference between (a) the prices used when valuing the Securities of the Trust or the MSCI India ETF for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Trust or the MSCI India ETF with the amount of cash received by the Trust or the MSCI India ETF upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Trust or the MSCI India ETF in order to realise the amount of cash required to be paid out of the Trust or the MSCI India ETF upon such redemption of Units.

(ii) in relation to the MSCI Asia Ex Japan ETF or any particular transaction or dealing for the MSCI Asia Ex Japan ETF, all stamp and other duties, taxes, government charges, brokerage, bank charges, foreign exchange spreads, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property, the original acquisition or increase of the assets of the MSCI Asia Ex Japan ETF or the creation, issue, sale, conversion, repurchase, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or in respect of certificates or otherwise which may have become or may be payable in respect of, and whether prior to or in connection with or arising out of or, upon or after the occasion of, such transaction or dealing in respect of which such duties and charges are payable, (for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of the Units of the MSCI Asia Ex Japan ETF or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Units in the MSCI Asia Ex Japan ETF), and including, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Trust or the MSCI Asia Ex Japan ETF for the difference between (a) the prices used when valuing the Securities of the Trust or the MSCI Asia Ex Japan ETF for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Trust or the MSCI Asia Ex Japan ETF with the amount of cash received by the Trust or the MSCI Asia Ex Japan ETF upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Trust or the MSCI Asia Ex Japan ETF in order to realise the amount of cash required to be paid out of the Trust or the MSCI Asia Ex Japan ETF upon such redemption of Units

“**EIP**” means an Excluded Investment Product as defined in the MAS Notice.

“**Ex. Dividend Date**” in respect of each allocation of the Income Property for distribution to Unitholders of record, means the date in a year which falls on the first settlement day (or such other number of days as may from time to time be determined by the Manager with the consent of the Trustee provided that such number of days shall in all respects be in accordance with the applicable rules and/or practices of the relevant stock market on which the relevant Index Fund is traded) immediately preceding the Business Day on which the period of the closure of the Register commences for the purpose of allocating the Income Property as aforesaid on the following Record Date.

“**Extension Fee**” means a fee payable by a Participating Dealer in accordance with the Operating Guidelines because of the extension of any settlement period.

“**FII**” means an institution established or incorporated outside India and registered with SEBI as a foreign institutional investor under the SEBI (FII) Regulations to invest onshore in India in Indian securities.

“**Final Distribution Date**” means the earlier of such date as may be determined by the Manager with the approval of the Trustee in relation to each Index Fund or the termination of the relevant Index Fund.

“**Final Record Date**” means the Record Date immediately preceding the Final Distribution Date.

“**FPI**” means an institution established or incorporated outside India and registered with SEBI as a foreign portfolio investor under the 2019 FPI Regulations to invest onshore in India in Indian securities.

“**Futures Contract**” means any futures contract which is traded on the Futures Exchange or Recognised Futures Exchange.

“**Futures Exchange**” means the Singapore Exchange Derivatives Trading Limited (SGX-DT) or its successors.

“**GST**” means goods and services tax as provided for in the Goods and Services Tax Act 1993 of Singapore.

“**IAP**” means a US dollar denominated India access product being a Security (such as a warrant, note or participation certificate) linked to a Share with the characteristics described in this Prospectus.

“**IAP Commission**” means the commission payable by the MSCI India ETF as commission for purchasing or unwinding an IAP.

“**Income Property**” means (a) all interest, dividends and other sums deemed by the Manager, (after consulting the Auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the relevant Index Fund (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all Cash Component payments received or receivable by the Trustee for the account of the relevant Index Fund; and (d) all Cancellation Compensation received by the Trustee for the account of the relevant Index Fund, but excluding (i) the Deposited Property of the relevant Index Fund; (ii) any amount for the time being standing to the credit of the Distribution Account (as defined in the Trust Deed) for the account of the relevant Index Fund or previously distributed to Unitholders; (iii) gains for the account of the relevant Index Fund arising from the realisation of Securities; and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the relevant Index Fund.

“**Index Fund**” means a segregated pool of assets and liabilities established under the Trust and includes the MSCI India ETF and the MSCI Asia Ex Japan ETF.

“**Index Provider**” means, in respect of each Index Fund, the person responsible for compiling the Underlying Index against which the relevant Index Fund benchmarks its investments and who holds the right to licence the use of such Underlying Index to the relevant Index Fund.

“**India**” means the Republic of India.

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

**“Interim Distribution Date”** means the date or dates, in each year, determined by the Manager (with the approval of the Trustee) as the date or dates for interim distributions of Income Property during and on account of the relevant Distribution Period (or any such other Interim Distribution Date after the final distribution).

**“IRAS”** means the Inland Revenue Authority of Singapore.

**“Issue Price”** means, in respect of each Index Fund, the price at which Units in that Index Fund may be issued, determined in accordance with the Trust Deed.

**“Listing Rules”** means the listing rules for the time being applicable to the listing of an Index Fund as an investment fund on the SGX-ST (as amended from time to time).

**“Manager”** means BlackRock (Singapore) Limited or its successors.

**“Market”** means the following, in any part of the world:

- (a) in relation to any Security: the SGX-ST or a Recognised Stock Exchange; and
- (b) in relation to any Futures Contract: the Futures Exchange or any Recognised Futures Exchange.

**“Market Maker”** means a broker or dealer permitted by the SGX-ST as a designated market maker to act as such by making a market for the Units in the secondary market on the SGX-ST.

**“MAS Notice”** means the Notice on the Sale of Investment Products (SFA04-N12) issued by the Authority, as amended from time to time by the Authority.

**“MSCI India ETF”** means iShares MSCI India Climate Transition ETF (formerly known as iShares MSCI India Index ETF).

**“MSCI Asia Ex Japan ETF”** means the iShares MSCI Asia ex Japan Climate Action ETF.

**“National Stock Exchange”** means The National Stock Exchange of India Limited.

**“Net Asset Value”** means the net asset value of an Index Fund or, as the context may require, of a Unit calculated pursuant to the Trust Deed.

**“Non-Resident Indian”** has the meaning set forth in Schedule 2.

**“Operating Guidelines”** means the guidelines for the creation and redemption of Units set out in the Schedule to the Participation Agreement as amended from time to time by the Manager with the approval

of the Trustee and following consultation, to the extent reasonably practicable, with the Participating Dealers and as notified in writing to the Participating Dealers. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the relevant Index Fund applicable at the time of the relevant Application.

**“Participating Dealer”** means, in respect of:

- (a) the MSCI India ETF, any dealer which has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee and which itself or through a group company is an issuer of the IAPs; and
- (b) any other Index Fund, any dealer which has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

**“Participation Agreement”** means, in respect of an Index Fund, an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the issue of Units and the redemption and cancellation of Units.

**“Person Resident in India”** has the meaning set forth in Schedule 2.

**“Quoted”** means, in relation to any Security, a Security which is listed or quoted on or the subject of an effective permission to deal on a Market (and includes any Security in respect of which application has been made for listing, quotation or permission to deal on a Market and the subscription or purchase of such Security by the Manager is conditional upon the granting of such listing, quotation or permission to deal).

**“RBI”** means the Reserve Bank of India.

**“Recognised Futures Exchange”** means an international futures exchange approved by the Trustee and the Manager.

**“Recognised Stock Exchange”** means an international stock exchange approved by the Trustee and the Manager.

**“Redemption Application”** means, in respect of an Index Fund, an application by a Participating Dealer to the Registrar for the redemption of Units in Application Unit Size (or whole multiples thereof).

**“Redemption Value”** means, in respect of a Unit of an Index Fund, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

**“Register”** means, in respect of an Index Fund, the register of Unitholders of that Index Fund.

**“Registrar”** means the Trustee or such other person as may from time to time be appointed by the Trustee to keep and maintain the register of Unitholders of each Index Fund.

**“Rupees”** or **“Rs.”** means Indian Rupees, the lawful currency for the time being and from time to time of India.

**“SEBI”** means the Securities and Exchange Board of India.

**“SEBI (FII) Regulations”** means the Securities and Exchange Board of India (Foreign Institutional



Investors) Regulations, 1995 of India, as amended from time to time.

**“Securities”** means any share, stock, debenture, loan stock, bond, security, futures (including a Futures Contract), forward, derivative, commercial paper, acceptance, trade bill, treasury bill, instrument (including any debt instrument) or note of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

- (a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust (as defined in the Trust Deed);
- (b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;
- (c) any instrument commonly known or recognised as a security;
- (d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document;
- (e) any bill of exchange and any promissory note; and
- (f) any swap (including credit default swap and CDX index contract) and repurchase agreement or repo (including reverse repo).

**“Securities Account”** means a Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with the CDP.

**“Securities and Futures Act”** means the Securities and Futures Act 2001 of Singapore.

**“Settlement Day”** means the Business Day which is two Business Days after the relevant Dealing Day (or such later Business Day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as the Manager and the Trustee may from time to time agree and notify to the relevant Participating Dealers, either generally or for a particular Index Fund.

**“SGX-ST”** means the Singapore Exchange Securities Trading Limited or its successors.

**“Shares”** means shares or interests issued by companies listed on the National Stock Exchange.

**“Singapore dollar”, “SGD” or “S\$”** mean the lawful currency for the time being and from time to time of Singapore.

**“SIP”** means a Specified Investment Product as defined in the MAS Notice.

**“Transaction Fee”** means the fee in respect of an Index Fund which may at the discretion of the Manager be charged for the benefit of the Trustee to each Participating Dealer on each Dealing Day upon which an Application has been made by the relevant Participating Dealer, the maximum level of which shall be determined by the Manager from time to time and set out in this Prospectus.

“**Trust**” means the umbrella unit trust constituted by the Trust Deed and called iShares Southeast Asia Trust or such other name as the Trustee and the Manager may from time to time determine.

“**Trust Deed**” means the trust deed dated constituting the Trust dated 31 May 2006 between the Manager and the Trustee (as amended from time to time).

“**Trust Fund**” means all the property for the time being held or deemed to be held upon the trusts of the Trust Deed including all Deposited Property and Income Property and subject to the terms and provisions of the Trust Deed, except any amount for the time being standing to the credit of any Distribution Account (as defined in the Trust Deed).

“**Trustee**” means HSBC Institutional Trust Services (Singapore) Limited or its successors.

“**Underlying Index**” means, in respect of an Index Fund, the index against which the relevant Index Fund is benchmarked and in respect of (i) the MSCI India ETF means the MSCI India ESG Enhanced Focus CTB Select Index and (ii) the MSCI Asia Ex Japan ETF means the MSCI AC Asia ex Japan Climate Action Index.

“**Unit**” means one undivided share in the Index Fund to which it relates.

“**Unitholder**” means a holder of Units in respect of an Index Fund of the Trust.

“**Unquoted**” means, in relation to any Security, a Security which is not Quoted.

“**US dollar**”, “**USD**” or “**US\$**” means the lawful currency for the time being and from time to time of the United States of America.

“**Valuation Point**” means, in respect of the MSCI India ETF and the MSCI Asia Ex Japan ETF, the official close of trading on the Market on which the Securities constituting the Index, are listed on each Dealing Day or such other time or times as determined by the Manager from time to time with the prior approval of the Trustee (and the Trustee shall determine if Unitholders should be informed of such changes) provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

# SCHEDULE 1

## Investment Restrictions

### Code Investment Guidelines

Each Index Fund is subject to the core investment and borrowing guidelines in Appendix 1 of the Code and the index fund guidelines in Appendix 5 of the Code (save to the extent waived, exempted or varied by the Authority which, if applicable, will be set out below), which guidelines may be amended from time to time by the Authority, and any applicable laws and regulations.

The core investment and borrowing guidelines in Appendix 1 of the Code and the index fund guidelines in Appendix 5 of the Code apply to each Index Fund.

The above guidelines shall together be referred to as the “**Code Investment Guidelines**” in this Schedule 1.

### EIP Investment Restrictions

In addition to the Code Investment Guidelines, for the purposes of classifying the Units of each Index Fund as EIPs, the Manager will invest each Index Fund only in the following products:

- (a) deposits;
- (b) any EIP; and
- (c) any non-EIP product where such investment is solely for the purpose of hedging or efficient portfolio management.

The above restrictions shall together be referred to as the “**EIP Investment Restrictions**” in this Schedule 1. For the avoidance of doubt, should the Manager invest each Index Fund in any product not specified in (a), (b) or (c) above, the Units of the relevant Index Fund will not be EIPs.

In the event of any conflict between the Code Investment Guidelines and the EIP Investment Restrictions, the stricter provision will prevail.

Notwithstanding the above, the Manager may invest each Index Fund in products that are not specified in (a), (b) or (c) above if such investment is solely for the purpose of compliance with any applicable written law, regulations, directions, rules or non-statutory instrument of the jurisdiction where each Index Fund is constituted, operating in or investing in and which restrict or prohibit the Manager from investing directly in the products specified in (a), (b) or (c) above, though this will result in the Units having to be reclassified as SIPs.

In this connection, the Manager has applied for and been granted an exemption by the MAS from paragraph 29B(a) of the MAS Notice, which sets out the procedures to be undertaken before making a change that will cause a EIP collective investment scheme to be reclassified as a SIP. This exemption applies to the MSCI India ETF and the MSCI Asia Ex Japan ETF and is subject to the following conditions:

- (a) the exemption will only apply in the case where the Manager invests the relevant Index Fund in products that are not specified in (a), (b) or (c) above (the “**intended change**”) solely for the purpose of compliance with any applicable written law, regulations, directions, rules or non-statutory instrument

of the jurisdiction where the relevant Index Fund is constituted, operating in or investing in and which restricts or prohibits the Manager from investing in the products specified in (a), (b) or (c) above;

- (b) at least five Business Days prior to effecting the intended change, the Manager will make available on its website <https://www.blackrock.com/sg/en/ishares>, and announce on SGXNet, a notice containing the following information:
- (i) a description of the intended change and the date on which the change will be effected;
  - (ii) an explanation that the intended change will cause the Units of the relevant Index Fund to be reclassified as SIPs;
  - (iii) a warning that the intended change will alter the features and risks of the relevant Index Fund and Unitholders of the relevant Index Fund should consider whether the relevant Index Fund remains suitable for them and seek financial advice if in doubt; and
  - (iv) an explanation that with the Units of the relevant Index Fund reclassified as SIPs, existing Unitholders of the relevant Index Fund may hold on to or reduce their existing positions in the relevant Index Fund but will need to undergo a customer account review with an appropriately licensed broker/dealer to open a SIP trading account (if the existing Unitholder of the relevant Index Fund does not have one), to further transact in Units of the relevant Index Fund; and
- (c) at least five Business Days prior to effecting the intended change, the Manager shall notify SGX-ST in writing of the date from which the Units of the relevant Index Fund will be reclassified as SIPs.

The Units of the Index Funds are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and EIPs (as defined in the MAS Notice and MAS Notice on Recommendations on Investment Products (FAA-N16)).

### **Borrowing Policy**

Borrowing against the assets of any Index Fund is allowed up to a maximum of 10 per cent of its latest available Net Asset Value except that back-to-back loans will not be taken into account when determining whether or not such limit has been breached by any Index Fund. The Trustee may at the request of the Manager borrow for the account of any Index Fund any currency for the purposes permitted under Appendix 1 of the Code (such as for the purposes of meeting redemptions and bridging requirements).

The assets of an Index Fund may be charged or pledged to secure such borrowing for the account of such Index Fund.

### **Securities Lending**

The Trust Deed sets out certain restrictions under which the Trustee may, at the request of the Manager and subject to the securities lending restrictions in Appendix 1 of the Code, engage in securities lending in respect of any Securities held for the account of an Index Fund. In addition, the Manager will not arrange for an Index Fund to engage in securities lending or repurchase transactions except where such securities lending or repurchase transaction are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the Net Asset Value of such Index Fund. Where any loan has been arranged through the Manager or the Trustee or a Connected Person of either of them, the relevant entity shall be entitled to retain for its own use and benefit any fee or benefit it receives on a commercial basis in connection with such arrangement.

The Trustee shall only arrange for any Securities comprised in the Index Fund to be loaned by the Trust if the Trustee is satisfied that the relevant counter parties are specialised banks, credit institutions or other

financial institutions of sound financial standing and that any collateral is adequate and acceptable to the Trustee and the Manager and in such form as permitted under Appendix 1 of the Code.

Currently, it is not anticipated that the Index Funds will engage in securities lending or enter into repurchase transactions.

The Manager may from time to time formulate such other investment, borrowing and securities lending limitations and prohibitions as it may (with the approval of the Trustee, where necessary) think fit, to apply to the Index Funds, subject to Appendix 1 of the Code. Such limitations and prohibitions may be set out in this Prospectus.

## **SCHEDULE 2**

### **Foreign Portfolio Investor**

#### **FPI Regime**

FPIs invest under the 2019 FPI Regulations which have repealed and replaced the 2014 FPI Regulations with effect from 23 September 2019. In September 1992, the Government of India issued guidelines which enabled the erstwhile FII, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers, to make portfolio investments in all the securities traded on the primary and secondary markets in India. These guidelines were substituted by the FII Regulations in 1995, which were subsequently repealed and replaced by the 2014 FPI Regulations.

The 3 categories of FPIs which existed under the 2014 FPI Regulations have been merged into 2 categories under the 2019 FPI Regulations: Category I FPI and Category II FPI.

An entity wishing to invest in India is required to register with the SEBI and comply with the provisions of the 2019 FPI Regulations. Under the 2019 FPI Regulations, an application is required to be made to a designated depository participant (as defined under the 2019 FPI Regulations) for registration as a FPI. The registration may be granted by the designated depository participant upon fulfilling the eligibility criteria listed in the 2019 FPI Regulations.

An FPI's registration is permanent, but is required to be renewed every three years, unless the registration is suspended or cancelled by SEBI or surrendered by the FPI.

Under the 2019 FPI Regulations and FEMA, FPIs are permitted to invest only in the following:

- shares, debentures and warrants issued by a body corporate; listed or to be listed on a recognized stock exchange in India;
- units of schemes launched by mutual funds;
- units of a scheme floated by a collective investment scheme;
- derivatives traded on a recognised stock exchange in India;
- units of real estate investment trusts, infrastructure investment trusts and units of Category III Alternative Investment Funds, registered with SEBI;
- dated Government securities / treasury bills;
- Indian Depository Receipts;
- non-convertible debentures / bonds issued by an Indian company;
- commercial papers issued by an Indian company;
- units of domestic mutual funds or exchange-traded funds which invest less than or equal to 50% in equity;
- security receipts issued by asset reconstruction companies;

- perpetual debt instruments eligible for inclusion as tier I capital and debt capital instruments as upper tier II capital issued by banks in India;
- credit enhanced bonds;
- listed non-convertible/ redeemable preference shares or debentures issued pursuant to any scheme of arrangement;
- securitised debt instruments, including (a) any certificate or instrument issued by a special purpose vehicle set up for securitisation of asset/s with banks, financial institutions or non-banking financial companies as originators;
- Rupee denominated bonds/ units issued by infrastructure debt funds;
- municipal bonds;
- exchange traded funds investing only in debt instruments.

With respect to FPIs investments into government (Central and State) securities, exchange traded currency derivatives and interest rate derivatives, FPIs shall be guided by directions issued by RBI and SEBI from time to time

The 2019 FPI Regulations further provide that an FPI shall be permitted to invest in Indian securities as a Person Resident Outside India in accordance with the FEMA Rule and Regulations (i.e. make investments under the Foreign Direct Investment route). FPIs are eligible to invest in corporate debt issues which are “to be listed” without any end-use restriction as applicable to unlisted debt securities. However, if the listing does not happen within 30 days or the issue is not meeting applicable end use restrictions, FPI are required to immediately dispose off such investment either to the issuer, or to an investor resident in India. FPIs are also permitted to acquire “to be listed” shares pursuant to initial public offer, follow-on public offer, rights issue, private placement or shares received through involuntary corporate actions including a scheme of a merger or demerger.

FPIs are allowed to engage only in delivery based trading and are not presently allowed to short sell except in case of trading in derivatives on a recognised stock exchange or in accordance with the framework specified by SEBI in this regard. Further, sales against open purchases are not permitted for FPIs and FPIs can sell such securities only after their settlement. FPIs are allowed to tender their shares in case of an open offer following the takeover bid by an acquirer as well as under an open offer by a company to buy-back its securities. FPIs are also permitted to take positions in exchange traded currency derivatives to hedge their equity and debt exposure against currency fluctuations. FPIs are permitted to carry on transactions in securities on the secondary market only through the stock brokers who are registered with the SEBI, with the exception of certain transactions covered under Regulation 20(4)(d) of the 2019 FPI Regulations.

### **Ownership Restrictions**

The ownership restrictions applicable to FPIs’ investments in Indian securities are as follows:

- The FEMA Regulations stipulate that the total holdings of all FPIs put together in any Indian company (including any other direct or indirect foreign investments by FPIs), should not exceed 24% of the total fully-diluted paid-up equity capital or 24% of the paid-up value of each series of debentures /

preference shares / share warrants, of such company (“**Aggregate Limit**”). The FEMA Regulations provide that the Aggregate Limit will be reset to the sectoral caps applicable on Indian companies with effect from 1 April 2020. The Aggregate Limit may be decreased by the Indian company (prior to 31 March 2020) or increased up to the sectoral cap / statutory limit with the approval of its board of directors and shareholders. However, once increased, the Aggregate Limit cannot be reduced. The Aggregate Limit with respect to an Indian company in a sector where foreign direct investment is prohibited would be 24%.

- Any single FPI (along with its investor group) can hold less than 10% of the total issued capital of an Indian company on a fully diluted basis.
- The 2019 FPI Regulations do not include any restrictions on allocation of investments across equity and debt. An FPI can invest in 100% equities. FPIs are permitted to trade in exchange traded derivatives which include stock derivatives, stock index derivatives, interest rate futures and currency derivatives, subject to certain prescribed transaction limits.
- FPI Position Limits in stock and index derivative contracts:
  - (a) FPI position limits in stock derivatives:
    - (i) Category I FPIs: 20% of market wide position limit (“**MWPL**”);
    - (ii) Category II FPIs (other than FPIs in sub-category individuals, family offices, corporates): 10% of MWPL;
    - (iii) Category II (individuals, family offices, and corporates): 5% of MWPL.
  - (b) FPI position limits in index derivative contracts:
    - (i) Category I FPIs: Higher of Rs. 5 billion or 15% of the total open interest of the market in index futures, per exchange, subject to:
      - Short positions in index derivatives (short futures, short calls and long puts) not exceeding (in notional value) the FPI’s holding of stocks; and
      - Long positions in index derivatives (long futures, long calls and short puts) not exceeding (in notional value) the FPI’s holding of cash, government securities, T bills and similar instruments.
    - (ii) Category II FPIs:
      - Higher of Rs. 3 billion or 10% of the total open interest (other than individuals, family offices and corporates);
      - Higher of Rs. 1 billion or 5% of the total open interest (for individuals, family offices and corporates);
    - (iii) The above limits are separately applicable for equity index futures and equity index options.

FPIs are under an obligation to adhere to the position limits prescribed for FPIs, which may change from time to time. Any such change will obligate the FPI to adhere to the new position limits, as opposed to the position limits set out above. The FPIs are also required to comply with the procedure for trading, settlement and reporting as prescribed by the relevant derivative exchange, clearing house or clearing corporation,



from time to time.

### **Offshore derivative instruments**

Offshore derivative instruments (“ODIs”), including participatory notes, are instruments which are issued overseas by an FPI against securities held by it in India, as its underlying. FPIs may issue, subscribe to or otherwise deal in ODIs, directly or indirectly, only if:

- (a) such ODIs are issued by persons registered as Category I FPI;
- (b) such ODIs are issued to persons eligible for registration as Category I FPI; and
- (c) such ODIs are issued after compliance with the KYC norms and other conditions specified by SEBI.

FPI investment restrictions for equity investments under Regulation 20(7) of the 2019 FPI Regulations apply to ODI subscribers as well and will be clubbed with the overall FPI investment limit.

Synthetic short activities, where ODI are issued which has the effect of short sale in the Indian securities, are prohibited for FPIs.

FPIs are required to fully disclose to SEBI any information concerning the terms of and parties to ODIs, entered into by such FPI, relating to any securities listed or proposed to be listed in any stock exchange in India, as and when SEBI may specify.

ODI subscribers who became ineligible under the 2019 FPI Regulation have been permitted to continue holding their existing positions until 31 December 2020. No renewal / rollover of existing positions by such ODI subscribers are permitted and fresh issuance of ODIs can only be made only to Eligible Entities.

FPIs are not permitted to issue ODIs referencing derivatives. Further, no FPIs are allowed to hedge their ODIs with derivative positions on stock exchanges in India, as permitted under the Operating Guidelines issued by SEBI under the 2019 FPI Regulations, as amended from time to time.

### **Exchange Controls**

The MSCI India ETF and the MSCI Asia Ex Japan ETF have been authorised by the RBI to open a foreign currency denominated account and a special non- resident Rupee account in India. This authorisation is valid while the registration of the FPI continues.

Income, net of withholding tax, if any, may be credited to the special non-resident Rupee account. Transfers from the special non-resident Rupee account to the foreign currency denominated account are permitted, subject to payment of taxes wherever applicable and obtaining of appropriate tax clearance certification. Transfers of sums between the foreign currency denominated account and the special non-resident Rupee account must be made at the market rates of exchange. Currency held in the foreign currency denominated account may be freely remitted outside India.

The FPI is also permitted to enter into INR-foreign currency forward contracts or options to the extent of its exposure in Indian securities to hedge its exposure in Rupees.

***Please note that the above is based on the current key provisions of the Indian laws, and the regulations thereunder, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial***

**decisions. Any such changes could have different tax implications.**

## **Definitions**

The following terms used in this Prospectus shall have the following meanings, each as extracted from the relevant Indian legislation:

**“Eligible Entity”** means “person eligible to be registered as a Category I FPI” (as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 21 of 2019 FPI Regulations).

**“Non-Resident Indian”** as the terms is defined under Rule 2 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, means an individual resident outside India who is a citizen of India.

**“Overseas Citizen of India”** means an individual resident outside India, who is registered as an Overseas Citizen of India Cardholder under section 7A of the Citizenship Act, 1955 (57 of 1955).

**“Person”** includes:

- (i) an individual;
- (ii) a Hindu undivided family;
- (iii) a company;
- (iv) a firm;
- (v) an association of persons or a body of individuals, whether incorporated or not;
- (vi) every artificial juridical person, not falling within any of (i) to (v) above; and
- (vii) any agency, office or branch owned or controlled by such person.

**“Person Resident in India”** as the term is defined under Section 2 of FEMA means:

- (i) a person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include:
  - (A) a person who has gone out of India or who stays outside India, in either case:
    - (a) for or on taking up employment outside India; or
    - (b) for carrying on outside India a business or vocation outside India; or
    - (c) for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period.
  - (B) a person who has come to or stays in India, in either case, otherwise than—
    - (a) for or on taking up employment in India; or
    - (b) for carrying on in India a business or vocation in India; or
    - (c) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;
- (ii) any person or body corporate registered or incorporated in India;
- (iii) an office, branch or agency in India owned or controlled by a Person Resident Outside India;
- (iv) an office, branch or agency outside India owned or controlled by a person resident in India.

**“Person Resident Outside India”** means a person who is not resident in India.

## **SCHEDULE 3**

### **THE MSCI INDICES**

This Schedule 3 is a summary of certain select provisions of MSCI's Global Investable Market Indices ("GIMI") methodology. This Schedule 3 does not contain, and is not intended to contain, every element of the GIMI methodology. It is provided for informational purposes only in order to highlight certain key elements of the methodology's framework. For a complete understanding of the GIMI methodology, please refer to the full methodology book available on the website, <https://www.msci.com/index-methodology>.

#### **MSCI Global Investable Market Indices**

Based on transparent and objective rules, the GIMI are intended to provide:

- (a) exhaustive coverage of the relevant investable opportunity set with non-overlapping size and style segmentation.
- (b) a strong emphasis on investability and replicability of the indices through the use of size and liquidity screens.
- (c) size segmentation that aims to balance the objectives of global size integrity and country diversification.
- (d) an innovative maintenance methodology that provides a superior balance between index stability and reflecting changes in the opportunity set in a timely way.
- (e) a complete and consistent index family, with Standard, Large Cap, Mid Cap, Small Cap, Mid+Small Cap and Investable Market Indices.

In addition to the innovations listed above, the GIMI methodology retained many of the features of the original methodology, such as:

- (a) the use of a building block approach to permit the creation and calculation of meaningful composite indices.
- (b) the creation of sector and industry indices using Global Industry Classification Standard (GICS®).
- (c) minimum free float requirements for eligibility and free float-adjusted capitalisation weighting to appropriately reflect the size of each investment opportunity and facilitate the replicability of the Indices.
- (d) timely and consistent treatment of corporate events and synchronised rebalancings, globally.

#### **Index Construction**

Constructing the GIMI involves the following steps: (i) defining the equity universe for each market, (ii) determining the market investable equity universe for each market, (iii) determining market capitalisation size-segments for each market, (iv) applying index continuity rules for the Standard Index and (v) classifying securities under the Global Industry Classification Standard (GICS®).

- (i) **Defining the Equity Universe for each Market.** The Equity Universe is defined by identifying eligible equity securities, and classifying these eligible equity securities into the appropriate country.

All listed equity securities, including Real Estate Investment Trusts (REITs) and certain income trusts listed in Canada are eligible for inclusion in the Equity Universe. Limited partnerships, limited liability companies, and business trusts, which are listed in the USA and are not structured to be taxed as limited partnerships, are likewise eligible for inclusion in the Equity Universe. Conversely, mutual funds, ETFs, equity derivatives, and most investment trusts are not eligible for inclusion in the Equity Universe. Preferred shares that exhibit characteristics of equity securities are eligible. As the definition of the preferred shares may vary from country to country or even from one company to another, MSCI analyses this type of security on a case by case basis.

Each company and its securities (i.e., share classes) is classified in one and only one country, which allows for a distinctive sorting of each company by its respective country.

- (ii) **Determining the Market Investable Equity Universe for each Market.** A Market Investable Equity Universe for a market is derived by identifying eligible listings for each security in the Equity Universe, and applying investability screens to individual companies and securities in the Equity Universe that are classified in that market. Some investability requirements are applied at the individual security level and some at the overall company level, represented by the aggregation of individual securities of the company. As a result, the inclusion or exclusion of one security does not imply the automatic inclusion or exclusion of other securities of the same company.
- (iii) **Determining market capitalisation size-segments for each Market.** Once a Market Investable Equity Universe is defined, it is segmented into the following size-based indexes: Investable Market Index, Standard Index, Large Cap Index, Mid Cap Index and Small Cap Index. The Investable Market Index, the Standard Index and the Large Cap Index are created first, while the Mid Cap Index is derived as the difference between the Standard Index and the Large Cap Index and the Small Cap Index is derived as the difference between the Investable Market Index and the Standard Index. In order to create size components that can be meaningfully aggregated into composites, individual market size segments balance the following two objectives:
  1. Achieving global size integrity by ensuring that within a given size-segment of a composite index, only companies of comparable and relevant sizes are included across all markets.
  2. Achieving consistent market coverage by ensuring that each market's size segment is represented in its proportional weight in the composite universe.
- (iv) **Applying Index Continuity Rules for the Standard Index.** In order to achieve index continuity, as well as provide some basic level of diversification within a market index, notwithstanding the effect of other index construction rules, a minimum number of five constituents will be maintained for a developed market Standard Index and a minimum number of three constituents will be maintained for an emerging market Standard Index. In order to enhance the replicability of Size-Segment Indices, additional size-segment investability requirements are set for the Investable Market and the Standard Indices. These investability requirements include minimum free float market capitalisation and minimum foreign room.

- (v) **Classifying securities under the Global Industry Classification Standard (GICS®).**  
All securities in the Global Investable Universe are assigned to an industry and sub-industry that best describes their business activities. Therefore, a company can only belong to one industry grouping at each of the four levels of GICS.

### **Weighting**

All indices under the GIMI methodology are free-float weighted, i.e., companies are included in the indices at the value of their free public float, as measured by the Foreign Inclusion Factor multiplied by security price. In cases where other foreign investment restrictions exist that materially limit the ability of international investors to freely invest in a particular equity market, sector or security, a Limited Investability Factor (LIF) may also be applied to the free float to insure that the investability objectives of the indices can be achieved.

### **Free Float / Foreign Inclusion Factor**

MSCI defines the free float of a security as the proportion of shares outstanding that are deemed to be available for purchase in the public equity markets by international investors. The Foreign Inclusion Factor (FIF) of a security is defined as the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company).

### **Regional Weights**

Market capitalisation weighting, combined with a consistent target of 99% of free float-adjusted market capitalisation, aims to ensure that each country's weight in regional and international composite indices approximates its weight in the total universe of developing and emerging markets. A market is equivalent to a single country, except in DM Europe, where all DM countries in Europe are aggregated into a single market for index construction purposes. Subsequently, individual DM Europe country indexes within the MSCI Europe Index are derived from the constituents of the MSCI Europe Index under the Global Investable Market Indexes methodology.

### **Prices**

The prices used to calculate the MSCI indices are the official exchange closing prices or those figures accepted as such. MSCI reserves the right to use an alternative pricing source on any given day.

### **Foreign Exchange Rates**

MSCI currently uses the WM/Reuters Closing Spot Rates, taken at 4:00 p.m., London time. MSCI may monitor exchange rates independently and may, under exceptional circumstances, elect to use an alternative exchange rate if the WM Reuters rate is believed not to be representative for a given currency on a particular day.

### **Index Maintenance**

MSCI indices are maintained with the objective of reflecting, on a timely basis, the evolution of the underlying equity markets. In maintaining the MSCI indices, emphasis is also placed on continuity, replicability and minimizing index turnover. Among other things, maintaining the MSCI indices involves making: additions to and deletions from the indices, changes in number of shares, and changes in FIFs as a result of updated free float estimates.

Index maintenance can be described by three broad categories of implementation of changes:

- (i) **Semi-Annual Index Reviews (SAIRs).** The objective of the SAIRs is to systematically reassess the various dimensions of the Equity Universe for all markets on a fixed semiannual timetable. An SAIR involves a comprehensive review of the Size Segment and Global Value and Growth Indices.

During each SAIR, the Equity Universe is updated and the Global Minimum Size Range is recalculated for each size segment. Then, the following index maintenance activities are undertaken for each market:

- Updating the Market Investable Equity Universe.
- Recalculating the Global Minimum Size References.
- Reassessing the Segment Number of Companies and the Market Size-Segment Cutoffs.
- Assigning companies to the size segments taking into account buffer zones.
- Assessing conformity with Final Size-Segment Investability Requirements.

- (ii) **Quarterly Index Reviews (QIRs).** QIRs are designed to ensure that the indices continue to be an accurate reflection of the evolving equity marketplace. This is achieved by a timely reflection of significant market driven changes that were not captured in the index at the time of their actual occurrence but are significant enough to be reflected before the next SAIR.

QIRs may result in additions or deletions due to migration to another Size Segment Index, addition of significant new investable companies to the Standard Index, deletion of companies from the Investable Market Indexes due to low liquidity, and changes in FIFs and in number of shares. Only additions of significant new investable companies are considered, and only for the Standard Index. The buffer zones used to manage the migration of companies from one segment to another are wider than those used in the SAIR. The style classification is reviewed only for companies that are reassigned to a different size segment.

- (iii) **Ongoing event-related changes. Ongoing event-related changes to the indices are the result of** mergers, acquisitions, spin-offs, bankruptcies, reorganisations and other similar corporate events. They can also result from capital reorganisations in the form of rights issues, bonus issues, public placements and other similar corporate actions that take place on a continuing basis. These changes generally are reflected in the indices at the time of the event.

The SAIR is carried out once every 6 months and implemented generally as of the close of the last business day of May and November. The implementation of changes resulting from a QIR generally occurs as of the close of the last business day of February and August. The results of the SAIR and QIR are announced at least two weeks in advance of their effective implementation dates of the last business day of May and November.

### **Market Reclassifications**

MSCI regularly reviews the market classification of all countries included in the MSCI Indexes to ensure that they remain reflective of the evolution of the different markets. In particular, changes in the assessments under the classification framework serve as the basis for determining the markets that will be reviewed for potential market reclassification as part of the Annual Market Classification Review. MSCI will

only consider these markets for reclassification for which a change in classification status can be viewed as irreversible. Every June, MSCI communicates its conclusions from discussions with the investment community on the list of countries under review and announces the new list of countries, if any, under review for potential market reclassification in the upcoming cycle.

## **SCHEDULE 4**

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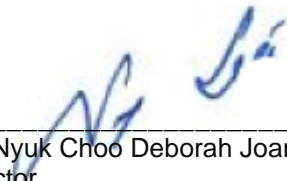
**iShares Southeast Asia Trust**  
**- iShares MSCI India Climate Transition ETF (formerly known as iShares MSCI India Index ETF)**  
**- iShares MSCI Asia ex Japan Climate Action ETF**

**Prospectus**

Required pursuant to the Securities and Futures Act 2001 of Singapore

**Board of Directors of BlackRock (Singapore) Limited**

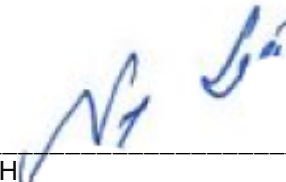
Signed:



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HO Nyuk Choo Deborah Joanne  
Director  
(Signed by Neeraj SETH for and on behalf of HO  
Nyuk Choo Deborah Joanne)


Signed:



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Neeraj SETH  
Director


Signed:



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Patrick Kar Peck LEUNG  
Director  
(Signed by Neeraj SETH for and on behalf of  
Patrick Kar Peck LEUNG)


Signed:



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TAN Eng Beng  
Director  
(Signed by Neeraj SETH for and on behalf of  
TAN Eng Beng)


Signed:



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Belinda Mary BOA  
Director  
(Signed by Neeraj SETH for and on behalf of  
Belinda Mary BOA)

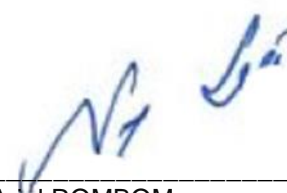
Signed:



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Robert William LAMB  
Director  
(Signed by Neeraj SETH for and on behalf of  
Robert William LAMB)

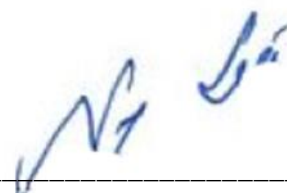
Signed:



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Sarah Ariel ROMBOM  
Director  
(Signed by Neeraj SETH for and on behalf of  
Sarah Ariel ROMBOM)

Signed:



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Peter Loehnert  
Director  
(Signed by Neeraj SETH for and on behalf of  
Peter Loehnert)