

An application was made to the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 4 April 2023 and 13 September 2023 for permission to list and deal in and quote the Shares of the CSOP iEdge Southeast Asia+ TECH Index ETF and CSOP Huatai-PineBridge SSE Dividend Index ETF, sub-funds (the “Sub-Funds” and each a “Sub-Fund”) of the CSOP Investments III VCC (the “Company”) which may be issued from time to time. Such permission has been granted by the SGX-ST and each Sub-Fund has been admitted to the Official List of the SGX-ST.

Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Sub-Funds, their Shares or the manager of each Sub-Fund. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus or any of the reports referred to in this Prospectus. Acceptance of applications for the Shares of each Sub-Fund is conditional upon the issue of the Shares of the Sub-Funds and permission being granted to list them on the SGX-ST. If such permission is not granted, the subscription amounts received will be returned to you (without any interest).

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

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## **CSOP INVESTMENTS III VCC**

*a Singapore variable capital company with the following sub-fund authorised under  
Section 286 of the Securities and Futures Act 2001*

**CSOP iEDGE SOUTHEAST ASIA+ TECH INDEX ETF  
CSOP HUATAI-PINEBRIDGE SSE DIVIDEND INDEX ETF**

**PROSPECTUS REQUIRED PURSUANT TO DIVISION 2  
OF PART 13 OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE**

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## **MANAGER**

**CSOP ASSET MANAGEMENT PTE. LTD.**

## **DIRECTORY**

### **THE COMPANY**

CSOP Investments III VCC  
(Company Registration No. T22VC0188B)  
1 Temasek Avenue  
#18-03 Millenia Tower One  
Singapore 039192

### **DIRECTORS OF THE COMPANY**

Ng Choe Yong  
Wong Ka Yan  
Esmond Choo Liong Gee

### **MANAGER**

CSOP Asset Management Pte. Ltd.  
(Company Registration No. 201814646Z)  
1 Temasek Avenue  
#18-03 Millenia Tower One  
Singapore 039192

### **CUSTODIAN**

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

### **FUND ADMINISTRATOR AND REGISTRAR**

DBS Bank Ltd  
(Company Registration No.196800306E)  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

### **AUDITORS**

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

### **SOLICITORS TO THE COMPANY**

Simmons & Simmons JWS Pte. Ltd.  
168 Robinson Road  
#11-01 Capital Tower  
Singapore 068912

## CSOP INVESTMENTS III VCC

### IMPORTANT INFORMATION

This Prospectus describes and offers for sale in Singapore shares ("**Shares**") in the Sub-Funds under the CSOP Investments III VCC, a variable capital company incorporated in Singapore on 9 September 2022 with variable capital and limited liability.

The Shares of the Sub-Funds will be listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Once listed, the Shares are traded on the SGX-ST at market prices throughout the trading day. Market prices for Shares may, however, be different from their net asset value ("**NAV**"). Listing for quotation of the Shares on the SGX-ST does not guarantee a liquid market for the Shares.

The collective investment schemes offered in this Prospectus are authorised schemes under the Securities and Futures Act 2001 (the "**Securities and Futures Act**"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment scheme.

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

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

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

**You should note that there are risks involved in investing in the Shares of the Sub-Funds. You should carefully consider the risk factors described in paragraphs 46 and 47 of this Prospectus together with all of the other information included in this Prospectus before deciding whether to invest in the Shares.**

You should direct all enquiries about the Sub-Funds to the Company.

### Restriction on U.S. Persons on subscribing to the Sub-Funds

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. In particular, please note that the Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States. The Sub-Funds have not been and will not be registered as investment companies under the U.S. Investment Company Act of 1940, as amended. The Shares are being offered and sold outside the United States to persons that are not “U.S. persons” (as defined in Regulation S promulgated under the U.S. Securities Act) in reliance on Regulation S promulgated under the U.S. Securities Act. The Shares are not being offered or made available to U.S. persons and nothing in this Prospectus is directed to or is intended for U.S. persons.

### Foreign Account Tax Compliance Act

The US Foreign Account Tax Compliance Act and sections 1471 through 1474 of the US Internal Revenue Code together with Intergovernmental Agreements (“**IGAs**”) entered into by the US with various countries as well as local regulations and guidance in this respect (collectively referred to as “**FATCA**”) includes provisions under which a Trust with certain characteristics which causes it to be classified as a Foreign Financial institution (“**FFI**”), will be required enter into an agreement (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or, comply with the terms of an IGA or local FATCA regulations and guidance. Failure to do so could result in the FFI being subject to a withholding tax (currently at the rate of 30 per cent) on certain payments. Payments subject to withholding under these rules generally include US source Fixed, Determinable, Annual Periodical (“**FDAP**”) income such as gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by or through “Participating Foreign Financial Institutions” to “recalcitrant account holders” and “Non-participating Financial Institutions”.

Singapore Government has concluded a Model I Intergovernmental Agreement (the “**Singapore-US IGA**”) with the US government in connection with implementation of FATCA. The Singapore-US IGA is intended to result in the automatic exchange of tax information under FATCA. Under the Singapore-US IGA, entities classified as “Reporting Singapore-based Financial Institutions” will be required to register with the IRS and perform due diligence and reporting obligations as required on the Sub-Funds’ investors. The Company will report the required information to the IRS via the Inland Revenue Authority of Singapore (“**IRAS**”) on an annual basis. Singapore FATCA regulations apply to financial institutions who, amongst others, are incorporated or tax residents in Singapore. The Company is obliged to comply with the provisions of FATCA under the terms of the Singapore-US IGA and under the terms of Singapore legislation implementing the IGA.

In order to comply with its FATCA obligations, the Company may be required to obtain certain information from its investors (or the controlling person, in certain circumstances) to ascertain their US tax status. Failure to comply with such requirements may result in the investors being classified as noncompliant and thus may be subject to reporting and/or withholding at 30% for US tax purposes on certain payments.

If any event causes the Company to be unable to comply with its FATCA obligations and be subjected to the 30% FATCA withholding tax on certain payments made to it, the Company and the investors may be adversely affected which may include a compulsory redemption of the investors’ holdings and / or 30% FATCA withholding.

Each prospective investor should consult their tax advisor with regard to FATCA obligations and documentations that may be required to be provided to the Company.

Distributors and investors should note that it is the existing policy of the Company that Shares are not being offered or sold for the account of U.S. Persons and that subsequent transfers of Shares to such U.S. Persons are prohibited. If Shares are beneficially owned by such U.S. Person, the Company may compulsorily redeem such Shares.

#### Common Reporting Standard and Automatic Exchange of Information

The Common Reporting Standard (“**CRS**”) was developed by the Organisation for Economic Co-operation and Development (“**OECD**”) to be a global standard for the automatic exchange of financial account information for tax purposes, and it contains the due diligence and reporting rules for Financial Institutions. Jurisdictions committed to the CRS (each a “**Participating Jurisdiction**”) will either be a signatory to the Multilateral Competent Authority Agreement (“**MCAA**”) or will sign Bilateral Competent Authority Agreements with certain other Participating Jurisdictions, which are the legal basis for jurisdictions to exchange information.

With effect from 1 January 2017, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (“**Singapore CRS Regulations**”) have been promulgated to allow Singapore to implement the CRS.

The CRS Regulations require certain Singapore financial institutions (as defined in the CRS Regulations) to identify financial asset holders and establish if they are resident for tax purposes in jurisdictions with which Singapore has a bilateral exchange relationship for CRS in force or the jurisdictions that are signatory to the MCAA (the “**CRS Reportable Jurisdictions**”). Singapore financial institutions will report prescribed financial account information of the financial asset holder to the IRAS, which will thereafter automatically transfer this information to the respective CRS Reportable Jurisdictions on a yearly basis.

Accordingly, the Company and/or the Manager may be required to obtain/ maintain certain information from/of its financial account holders to ascertain their tax residency status. If the financial account holders (or the controlling person, in certain circumstances) are tax residents in a CRS Reportable Jurisdiction, or do not provide the requisite documentation, the Company may need to report the requisite information to the IRAS, in accordance with applicable laws and regulations, including but not limited to the financial account holders’ identities and tax residences of their accounts (and the controlling persons, if any), account details, account balance/value and income/sale or redemption proceeds.

If the Company is not able to comply with the obligations under the Singapore CRS Regulations, it may also be subject to penalties under the local Singapore tax law.

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that:

- (a) the Company (or any person authorised by it such as the Manager or agent or distributor) may be required to disclose to the IRAS certain confidential information in relation to the investor, including but not limited to the investor’s name, address, tax identification number (if any) and certain information relating to the investor’s investment;
- (b) the IRAS will automatically exchange such information received as outlined above with the IRS and/or authorities of the jurisdictions with which Singapore has a tax information sharing agreement;

- (c) the authorities may use such information received for the purpose of administering its tax legislation;
- (d) the Company (or any person authorised by it such as the Manager or agent or distributor) may require the investor to provide additional information and/or documentation which the Company may be required to disclose to the IRAS; and
- (e) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company or its investors being subject to penalties under the relevant CRS regulations, the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

By investing (or continuing to invest) in the Company, the investor shall be deemed to acknowledge that further information may need to be provided to the Company and the Company's compliance with FATCA and CRS (collectively "**AEOI**") and/or IGA may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal and taxation authorities.

Each investor acknowledges that the Company and the Manager may each take such action and/or pursue all remedies at its disposal (including, without limitation, compulsory redemption or withdrawal of the investor concerned) as they consider necessary in relation to such investor's holding or redemption proceeds to ensure that any withholding tax payable by the Company, and any related costs, interest, penalties and other losses and liabilities suffered by the Company, the Manager, or any other investor, or any agent, delegate, employee, director, officer, manager, member or affiliate of any of the foregoing persons pursuant to AEOI and/or IGA, arising from such investor's failure to provide the requested information to the Company (whether or not such failure actually leads to compliance failures by the Company or the Manager, or a risk of the Company, the Manager or the investors being subject to withholding tax), is economically borne by such investor.

Each investor acknowledges that no investor affected by any such action or remedy shall have any claim against the Company for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with AEOI and/or IGA.

All investors should consult with their professional advisors regarding their own obligation under CRS Regulations as well as the possible tax implications and other consequences with respect to the implementation of the CRS in Singapore and the jurisdictions which he/she has tax residency.

#### Data Protection

For the purposes of, and subject to the provisions in, the Personal Data Protection Act 2012 ("**PDPA**") and its regulations, each investor consents and acknowledges that all personal data of the investor provided to the Company, the Manager or any delegate, agent or distributor appointed by the Company and/or the Manager (including but not limited to the administrator, custodian, sub-custodians, registrar, investment advisor and any other third party service provider which may be applied), may be collected, used, disclosed or otherwise processed to enable each of the aforesaid entities to carry out their respective duties and obligations, or to enforce their respective rights and remedies, in connection with any investment by the investor into the Company or any law applicable to the respective parties.

## **CLEARANCE AND SETTLEMENT**

### **Introduction**

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

The Shares are traded under the electronic book-entry clearance and settlement system of The Central Depository (Pte.) Limited (Company Registration No.: 198003912M) (the “**CDP**”). All dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

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

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

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

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

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

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

### **Clearing Fees**

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

Dealings in the Shares will be carried out in the currency(ies) set out in the relevant Appendix for each Sub-Fund and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the second Market Day following the

transaction date. CDP holds securities on behalf of investors in Securities Accounts. You may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

### **Dual Currency Trading**

Please refer to paragraph 25 for more details on the Classes and the relevant Appendix for more information on each Sub-Fund's trading currency(ies) on the SGX-ST.



## CONTENTS

<u>SECTION</u>	<u>HEADING</u>	<u>PAGE</u>
I	BASIC INFORMATION .....	10
II	MANAGEMENT AND ADMINISTRATION.....	12
III	THE CUSTODIAN .....	18
IV	OTHER PARTIES.....	19
V	STRUCTURE OF THE COMPANY AND SUB-FUNDS.....	20
VI	INVESTMENT OBJECTIVE, APPROACH AND STRATEGY .....	21
VII	CPF INVESTMENT SCHEME .....	24
VIII	FEES AND CHARGES.....	24
IX	RISKS .....	24
X	SUBSCRIPTION OF SHARES.....	33
XI	REALISATION OF SHARES.....	40
XII	OBTAINING PRICES OF SHARES .....	46
XIII	SUSPENSION OF DEALINGS.....	46
XIV	PERFORMANCE AND BENCHMARK OF THE SUB-FUNDS.....	48
XV	SOFT DOLLAR COMMISSIONS/ARRANGEMENTS .....	48
XVI	CONFLICTS OF INTEREST.....	49
XVII	REPORTS.....	52
XVIII	QUERIES AND COMPLAINTS .....	53
XIX	OTHER MATERIAL INFORMATION .....	53
XX	GLOSSARY .....	76

## I BASIC INFORMATION

1. The Company is an open-ended umbrella variable capital company incorporated in Singapore on 9 September 2022 under the Act, with company registration number T22VC0188B. It is constituted by way of its Constitution with its registered address at 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192. The Company comprises separate and distinct sub-funds, each having its own investment objective, strategy and focus as set out in the relevant Appendix of each Sub-Fund. A copy of the Constitution may be inspected at the registered office address of the Company during business hours (subject to such reasonable restrictions as the Company may impose). Unless specifically defined herein, all defined terms used in this Prospectus shall have the same meaning as used in the Constitution.

The Company currently offers two sub-funds, i.e. the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF (collectively, the “**Sub-Funds**” and each, a “**Sub-Fund**”). The Sub-Funds are authorised collective investment schemes offered pursuant to this Prospectus. In the future, the Company may by Board Resolutions establish new sub-funds with different investment objectives and strategies within the Company. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Funds, and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund.

2. The Company will issue two different types of shares, namely the Management Shares and the Participating Shares. The Management Shares will be issued in respect of the Company only while the Participating Shares will be issued to investors in respect of each Sub-Fund. It is intended that only one Management Share will be issued to the Manager. Each Management Share and Participating Share carries one vote in respect of the matters set out below at any general meeting of the Company.

Management Shares shall carry the following rights:-

- (a) notice, attendance and voting rights: the holder of a Management Share shall (in respect of such share) have the right to receive notice of, attend at and vote as a Member at, any general meeting of the Company (including the right to vote on a scheme of arrangement, merger, reconstruction, amalgamation or winding up);
- (b) right to financial statements: the holder of a Management Share shall have the right, in accordance with the Act, to receive a copy of the financial statements (or consolidated financial statements and balance sheet, as the case may be) of the Company in its capacity as a person entitled to receive notice of general meetings;
- (c) redemption and repurchase rights: Management Shares are redeemable and repurchasable at the option of the Company in accordance with the Constitution and are not redeemable at the option of the holders of such Management Shares in accordance with the Constitution and as set out in this Prospectus, save that no Management Shares may be redeemed or repurchased if there shall be less than one Management Share in issuance after such redemption and repurchase;
- (d) economic participation: Management Shares shall not be entitled to any share of the profits of the Company or any proceeds of realisation of the assets of the Company. A holder of Management Shares will only be entitled to the return of capital paid up on the Management Shares on the liquidation of the Company in accordance with the order of

priority set out in the Constitution and may not be redeemed or repurchased for an amount greater than the amount paid up on the Management Shares; and

- (e) such other rights in accordance with the Constitution and as set out in this Prospectus. For the avoidance of doubt, where the Company comprises one or more Sub-Funds, the Management Shares carry the rights and restrictions described in sub-paragraphs (a) to (d) above for each of the Sub-Funds.

Participating Shares shall carry the following rights —

- (a) voting rights: the holder of a Participating Share shall (in respect of such share) not have the right to vote as a Member at any general meeting of the Company (including any vote on a scheme of arrangement, merger, reconstruction or amalgamation), except on a variation of rights or an amendment of the Constitution or an alteration of capital as set out in the Constitution or in relation to the matters set out in paragraphs 3 and 4 below;
- (b) notice, attendance and requisition rights: the holder of a Participating Share shall have the right to receive notice of, attend and speak at any general meeting of the Company and shall have the right to convene a general meeting on requisition in accordance with the Constitution and the Act;
- (c) right to financial statements: the holder of a Participating Share shall have the right, in accordance with the Act, to receive a copy of the financial statements (or consolidated financial statements and balance sheets, as the case may be) of the Company, in his/its capacity as a person entitled to receive notice of general meetings;
- (d) redemption and repurchase rights: Participating Shares are redeemable and repurchasable at the option of the Company in accordance with the Constitution and shall be redeemable at the option of the holders of such Participating Shares in accordance with the Constitution and as set out in this Prospectus;
- (e) economic participation: the distributable proceeds and profits earned by the Company from holding or disposal of investments and any surplus assets available for distribution to the holders of Participating Shares in the event of liquidation shall be divided among the Members in accordance with the order of priority set out in the Constitution; and
- (f) such other rights in accordance with the Constitution and as set out in this Prospectus. For the avoidance of doubt, where the Company comprises one or more Sub-Funds, each Sub-Fund shall issue Participating Shares that participate in the Sub-Fund Asset and Sub-Fund Liability of such Sub-Fund only, and the Participating Shares carry the rights described in sub-paragraphs (a) to (e) above for that Sub-Fund only.

You should note that the Sub-Funds are not like a conventional unit trust or fund offered to the public in Singapore. The Shares of the Sub-Funds are listed on the SGX-ST and trade like any other security listed on the SGX-ST. Only Participating Dealers may purchase or redeem Shares directly from the Company at the Net Asset Value. All other investors may purchase and sell Shares in the Sub-Funds on the SGX-ST or through a Participating Dealer, subject to such terms and conditions as may be imposed by the Participating Dealer.

3. Without prejudice to the powers conferred on the Board or onto the Manager by the Board, the holders of Management Shares and Participating Shares shall have the right to vote as a Member at any general meeting of the Company to sanction such matters as may be proposed by the Board by Special Resolution.

4. Without prejudice to the powers conferred on the Board or onto the Manager by the Board, the holders of Management Shares and Participating Shares of the Company or a Sub-Fund or a Class (as the case may be) shall have the right to vote as a Member at a general meeting of the Company or such Sub-Fund or Class (as the case may be) on the following matters and by Special Resolution:
- (a) to sanction any alteration or amendment to the Constitution, except for the matters set out in regulation 54 of the Constitution which do not require the approval of Members;
  - (b) to sanction any increase in the maximum permitted limit or any change in the structure of the fees paid by the Sub-Fund to any Service Provider;
  - (c) to sanction any alteration to the investment objective or strategy of the Sub-Fund;
  - (d) to remove the Auditors, except as provided for in regulation 152 of the Constitution;
  - (e) to sanction any appointment of another corporation to act as the manager of the Company in the event that the Manager shall be removed or its appointment shall otherwise terminate;
  - (f) to wind-up the Company or Sub-Fund or any Class (as the case may be) and to approve the acts of the liquidator under regulation 175 of the Constitution, except for the circumstances set out in this Prospectus giving the Directors the absolute discretion to terminate or wind-up the Company or Sub-Fund or any Class (as the case may be) by notice in writing to the Shareholders;
  - (g) to permit other types of fees, costs and expenses which may be paid by the Company or Sub-Fund or Class (as the case may be) under regulation 46A of the Constitution; and
  - (h) to sanction such other matters as may be proposed by the Board in relation to such Sub-Fund.
5. The date of registration of this Prospectus by the Authority is 14 November 2023. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 13 November 2024) and shall expire on 14 November 2024.
6. You may obtain the latest annual and semi-annual reports, annual and semi-annual accounts and the auditors' report on the annual accounts of the Company, once available, from the Company's registered office.

## **II MANAGEMENT AND ADMINISTRATION**

### **7. Directors of the Company**

The Directors are responsible for the overall management and control of the Company and each Sub-Fund in accordance with the Constitution. In executing these responsibilities, the Directors are bound by the duties imposed by the Act as well as any other duties mandated by common law. The list of present and past directorships of the Directors over the last 5 years is set out in Appendix II of this Prospectus.

The Directors will review the operations and investment performance of the Company and each Sub-Fund at regular meetings. For this purpose, the Directors will receive periodic reports from the Manager detailing the performance of the Company and each Sub-Fund and providing

analysis of each Sub-Fund's investment portfolio. The Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The names, descriptions and addresses of all the Directors are as follows:

(a) **NG Choe Yong**

Mr. Ng of 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192, is a Director of the Company. Mr. Ng is also concurrently the Chief Operating Officer of CSOP Asset Management Limited ("**CSOP AM**"), the parent company of CSOP Asset Management Pte. Ltd. Prior to this, Mr. Ng was the head of Business Controls and Management for South East Asia at Bank of America Merrill Lynch and was responsible for the governance and business management of the Global Banking and Markets Businesses in the region. Mr. Ng was also on the management committees of Merrill Lynch Singapore, Bank of America Singapore Branch and Bank of America Securities Limited to provide governance and acted as a liaison to local regulators in South East Asia.

Before that, Mr. Ng was the Head of APAC Middle Office for Equities Execution Services at Bank of America Merrill Lynch. In that role, he managed the team which supported the Equities Cash, Index/ETF and Delta One businesses for APAC. He also managed the implementation for the Hong Kong Shanghai Connect go-live for Middle Office.

Prior to Bank of America Merrill Lynch, Mr. Ng has worked in a number of large financial institutions such as Barclays Capital and Morgan Stanley in a variety of roles covering operations, middle office and finance. Mr. Ng started his career in Deloitte Australia as an auditor.

Mr. Ng holds a Bachelor of Computer Science and a Master of Applied Commerce (Accounting) from The University of Melbourne. He also holds a Master of Business Administration from the University of Chicago – Booth School of Business.

(b) **WONG Ka Yan**

Ms. Wong of 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192 is a Director of the Company. She is concurrently the General Counsel and Head of Legal and Compliance Department of CSOP AM, responsible for providing strategic legal and compliance advice to the business teams of CSOP AM and its subsidiaries ("**CSOP Group**"). Ms. Wong oversees, from legal and compliance perspectives, the design and development of financial products of CSOP Group globally. Ms. Wong has extensive legal and compliance experience in relation to retail funds, in particular, the listing and distribution of exchange traded funds to retail investors in Hong Kong. Among others, Ms. Wong currently serves as the representative director of CSOP AM in the China New Balance Opportunity Fund, a retail fund domiciled in Luxembourg, and China Southern Dragon Dynamic Multi Strategy Fund SPC and CSOP Alternative Strategy Fund SPC, both Cayman Islands Segregated Portfolio Companies. Ms. Wong is a solicitor in Hong Kong and is also qualified to practice in the Guangdong-Hong Kong Macao Greater Bay Area (GBA), China. She was trained and had worked in reputable US law firms before she joined CSOP AM, including Reed Smith LLP and Hogan Lovells. She obtained her Master of Laws degree from the University College London,

and her double Bachelor's degrees in Business Administration (LAW) and LLB from the University of Hong Kong.

(c) **Esmond CHOO Liong Gee** (independent director)

Mr. Choo holds a Bachelor of Commerce (Honours) Degree from the University of Melbourne and is a member of the Chartered Accountants Australia and New Zealand. He is currently the Senior Advisor of UOB Kay Hian Pte Ltd and was a Senior Executive Director of UOB Kay Hian Holdings Limited and the emeritus Chairman of UOB Kay Hian Securities (M) Sdn Bhd.

He had proactively served in various industry committees and was the past Chairman of the Stockbrokers Association of Singapore from 2009 to 2012. In recognition of his contribution to the securities and futures industry, Mr. Choo was conferred the title IBF Distinguished Fellow in 2014.

Mr. Choo has accumulated substantial experience in the finance and insurance sectors since 1986.

For community service, he served as a Board Governor and Finance Committee Member of the SJI International School in Singapore.

8. Manager

The Manager of the Company is CSOP Asset Management Pte. Ltd. (Company Registration No.: 201814646Z), whose registered office is at 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192.

The Manager was incorporated in Singapore on 30 April 2018. The Manager holds a capital markets services licence granted by the MAS, and provides fund management and investment advisory services to both institutional and retail clients. The issued and paid-up share capital of the Manager is S\$6,500,000.

The Manager currently manages the ICBC CSOP FTSE Chinese Government Bond Index ETF, a sub-fund of CSOP Investments VCC, the CSOP USD Money Market Fund, a sub-fund of CSOP Investments II VCC, the CSOP Global Quant Allocation Balanced III Fund and CSOP Alternative I Fund, both being sub-funds of CSOP Alternative VCC as well as CSOP iEdge S-REIT Leaders Index ETF, CSOP CGS-CIMB FTSE Asia Pacific Low Carbon Index ETF and CSOP CSI STAR and CHINEXT 50 Index ETF, being sub-funds of the CSOP SG ETF Series I. The Manager has been managing collective investments schemes for 4 years.

9. The Manager is wholly owned by CSOP AM. CSOP AM was established in Hong Kong in January 2008 and is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities) and 9 (Asset Management) regulated activities under Part V of the Securities and Futures Ordinance of Hong Kong.

CSOP AM is a leading exchange traded product issuer in the Hong Kong market. CSOP AM manages a broad range of exchange traded products which covers equity exchange traded funds ("**ETFs**"), money market ETFs and leveraged and inverse products. As at the date of this Prospectus, it is currently managing 21 ETFs (sub-funds under the CSOP ETF Series, the CSOP ETF Series II and the CSOP ETF Series III which are umbrella unit trusts domiciled in Hong Kong, and sub-funds under CSOP ETF Series OFC, which is a public umbrella open-ended fund company incorporated in Hong Kong). In addition, CSOP AM also manages 19

products (sub-funds under the CSOP Leveraged and Inverse Series and the CSOP Leveraged and Inverse Series II which are both umbrella unit trusts domiciled in Hong Kong), which are all listed and traded on The Stock Exchange of Hong Kong Limited.

CSOP AM, a subsidiary of China Southern Asset Management Co. Ltd., is the first Hong Kong subsidiary set up by mainland Chinese fund houses to carry out asset management and securities advisory activities in Hong Kong.

10. General Responsibilities of the Manager

The Manager has general powers of management over the assets of the Company and/or the Sub-Funds. Under the terms of the Management Agreement entered into between the Company and the Manager, the Manager will use its best endeavours to carry on and conduct its business in a proper and efficient manner.

Under the provisions of the Management Agreement, the Manager shall not be liable for any loss to the Company, howsoever arising, in the absence of gross negligence, wilful default or fraud.

Without prejudice to their general powers of delegations, the Directors may delegate to the Manager such of the Directors' powers, duties, discretions, and/or functions upon such terms, conditions and restrictions and with such powers of sub-delegation as the Directors may determine provided that the Manager retains overall responsibility for fund management duties in accordance with the Act and this Prospectus. Such delegation may authorise the Manager to, without limitation, negotiate, sign and perform any agreement or do any act for and on behalf of the Company or any particular Sub-Fund, as if such agreement had been entered into by the Company or Sub-Fund itself, including instructing any Service Provider on any matter relating to the agreements entered into between the Company (or the Manager on behalf of the Company) and such Service Provider.

The Manager may delegate all or any of its duties, powers and discretions under the Management Agreement to any other person or corporation (including a Connected Person of the Manager) and notwithstanding such delegation, the Manager shall remain entitled to receive and retain in full all sums payable to the Manager under any provision of the Management Agreement.

The Manager may delegate any of its functions, powers and duties under the Management Agreement (including, without limitation, functions, power and duties connected with the management of the Sub-Funds and the exercise of discretion in relation to any investments) to any person subject to the terms of the Management Agreement. Except to the extent otherwise agreed with the Company, the Manager shall be responsible for the costs of any such delegation including, without limitation, any fees and expenses of the delegate.

11. The Company may terminate the Management Agreement:

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

- (b) following a material breach of the Manager's obligations under the Management Agreement which, if the breach is capable of remedy, the Manager fails to remedy within 30 days of being specifically required in writing so to do by the Company, and the Company is of the opinion and so states in writing to the Manager that a change of Manager is desirable in the interests of Shareholders;
- (c) if it appears to the Company that the Manager is not performing its duties under the Management Agreement effectively or in compliance with any applicable laws, regulations and/or regulatory requirements; or
- (d) if the Authority directs the Company to remove the Manager.

The Management Agreement shall continue and remain in force unless and until terminated by either the Company or the Manager, as the case may be, by giving to the other party not less than 90 days' prior written notice. The Company may terminate the appointment of the Manager in accordance with the Management Agreement and these matters do not require and are not subject to the approval of the holders of Participating Shares. Nonetheless, should the Directors fail to terminate the appointment of the Manager, the Company may still do so in accordance with the Management Agreement by way of the holders of Participating Shares requisitioning a general meeting of the Company and passing a Special Resolution in accordance with the Constitution and the Act. Approval of the holders of Participating Shares by Special Resolution is also necessary in order for the Company to appoint another corporation to act as the manager of the Company in the event that the Manager shall be removed or its appointment shall otherwise terminate.

It is also intended that the Manager shall have the power to retire in favour of a corporation selected by the Manager and approved by the Company.

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

(a) **DING Chen**

Ms. Ding of 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192, joined CSOP AM in 2010 and is the Chief Executive Officer, overseeing the overall business of the Manager.

Ms. Ding, from 2003 to June 2013, was the Assistant Chief Executive Officer and Managing Director of China Southern Asset Management Co. Ltd., one of the largest fund management companies in China with assets under management of RMB160 billion (as at 30 June 2013), where she was accountable for international strategic planning, fund product development and relationship management with various distribution channels and industry regulators for the company. She established and managed the first QDII mutual fund (assets under management RMB10 billion as at 30 June 2012), which she was also a member of the Investment Management Committee, from 2007 to June 2013. She was responsible for setting the investment policies and strategies of the fund, monitoring market, portfolio and systematic risk, asset allocation and stock selection in addition to reviewing and monitoring portfolio performance of the fund. She supervised five portfolio managers and two analysts.

Ms. Ding is the Permanent Honorary Chairperson of Chinese Asset Management Association of Hong Kong Limited, which promotes professional standards of practice in the fund management industry. She is also the Deputy Chairperson of the Chinese



Securities Association of Hong Kong Company Limited. Ms. Ding was appointed under authority delegated by the Chief Executive and the Financial Secretary, as a member to the Securities and Futures Appeals Tribunal as of 1 April 2013. She was also appointed by the Securities and Futures Commission as a member of the Product Advisory Committee for two years with effect from 1 April 2014, a member to the Process Review Panel since 1 November 2014 and a member of the Advisory Committee since 1 June 2015. Ms. Ding is also a member of the Financial Reporting Review Panel of the Financial Reporting Council as well as a member of the New Business Committee of the Hong Kong Financial Services Development Council.

Prior to joining China Southern Asset Management Co. Ltd., Ms. Ding served from 2001 to 2003 as an Associate General Manager of China Merchants Securities Co. Ltd. in the PRC. She assumed key roles in building solid management infrastructure and repositioning the asset management business of the company.

Ms. Ding was also the Investment Manager of ML Stern & Co., in California, United States, which is a securities house. She was responsible for accounts management, where she provided investment solutions to high net worth and institutional investors; customer relationship development, where she conducted company research and profiling; communicated with sell-side analysts and prepared investment analyses for clients, and participated in the innovation of annuity product rollouts.

Ms. Ding holds a Master's Degree in Business Administration from the San Francisco State University in the United States and a Bachelor degree in Electrical Engineering from the China Chengdu Science and Technology University in the PRC.

(b) **NG Choe Yong**

Please refer to paragraph 7(a) above for Mr. Ng's profile.

13. The key executives of the Manager in relation to the Sub-Funds are:-

(a) **ZHANG Dinghai (Bruce)**

Mr. Zhang Dinghai (Bruce) is a fixed income portfolio manager at the Manager and is responsible for bond, investment strategies for fixed income investments and equity investment strategies. His major responsibilities include bond portfolio management and business development to enhance the company's bond strategies positioning.

Notable funds managed by Bruce in CSOP includes ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF, ICBC CSOP FTSE Chinese Government Bond Index ETF, CSOP iEdge S-REIT Leaders Index ETF etc. He has been managing investments since 2011.

Before CSOP, Bruce worked at State Street Global Advisors and held several roles including product engineer, portfolio specialist and portfolio manager. He was responsible for managing fixed income portfolios across multiple sectors. Other responsibilities include bespoke analysis for the client facing teams and quantitative support for the local product group.

Bruce holds a Masters degree in Economics from the University of Hong Kong and a Bachelor of Arts from Peking University. He is a CFA Charterholder and is a member of CFA Institute and the Hong Kong Society of Financial Analysts.

(b) **ZHANG Guoyan (Fred)**

Mr. Zhang Guoyan (Fred) is a portfolio manager and the Chief ETF Strategist at the Manager and is currently responsible for Equity/fixed income/REITs/Derivative investment strategies. His major responsibilities include portfolio management, business development and ecosystem development to enhance the company's strategies positioning.

Notable funds managed by Fred in CSOP includes CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF and ICBC CSOP S&P New China Sectors ETF. He has been managing investments since 2007.

He has over 20 years of financial industry experience in both China and Hong Kong. Fred has managed, traded and researched on passive funds and quantitative funds since 2004, with extensive experience in equity, fixed income and derivatives market. Fred joined CSOP Asset Management Limited in 2013. Before that, Fred worked at China Southern Asset Management Co. Ltd. He was responsible for managing portfolios across multiple asset classes.

Fred holds a bachelor's degree in mathematics from Fudan University.

14. The Manager will remain as manager of the Sub-Funds until it retires or is removed or replaced in accordance with the provisions of the Constitution or the Management Agreement. Any change to the Manager of the Sub-Funds will be announced on the SGXNET.

***You should note that past performance of the Manager is not necessarily indicative of the future performance of the Manager.***

**III THE CUSTODIAN**

15. The Company has appointed DBS Trustee Limited (Company Registration No.: 197502043G) as custodian of the assets of the Sub-Funds (the "**Custodian**"). The registered address of the Custodian is at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982.

The Custodian is an approved trustee under the Securities and Futures Act, with a paid-up capital of S\$2.5 million. The Custodian was established on 24 November 1975 in Singapore. The Custodian does not have any material conflict of interest with its position as custodian of the Sub-Funds. The Custodian is a member of DBS Bank Group. The Custodian is regulated in Singapore by the Authority.

Under the Constitution and terms of the Custodian Agreement, the Custodian is responsible for the safekeeping of the assets of the Sub-Funds. Under the CIS Code, the Custodian shall take reasonable care to ensure that the investment and borrowing guidelines set out in the Code are complied with by the Company and the Manager.

The Custodian is a global custodian which provides custodial services to the Company and the Sub-Funds globally. The Custodian is entitled to appoint a network of sub-custodians in other markets. The Custodian has a selection and ongoing monitoring framework based on a set of defined criteria. These criteria include but are not limited to financial strength, client servicing and operations processing i.e., settlement, corporate actions and income processing, reporting, market development updates and business continuity. Any sub-custodian appointed by the Custodian will be licensed and regulated in its home jurisdiction.

Notwithstanding any delegation by the Custodian in accordance with the Custodian Agreement or the CIS Code, the Custodian shall be ultimately responsible and accountable for the safekeeping of the assets of the Company and Sub-Funds.

16. Pursuant to the Custodian Agreement, the Custodian will act as the custodian of the Sub-Fund Assets, which will be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement. The Custodian will remain as the custodian for the Sub-Funds until the termination of its appointment in accordance with the provisions of the Custodian Agreement.
17. In the event that the Custodian becomes insolvent, the Company may terminate the Custodian Agreement entered into with the Custodian and appoint such other person as the new custodian to provide custodial services to the Sub-Funds. Any change to the Custodian of the Sub-Funds will be announced on the SGXNET and the Company's website at <https://www.csopasset.com/sg/home.html>.

#### IV OTHER PARTIES

18. DBS Bank Ltd has been appointed as the registrar of the Company in respect of the Sub-Funds (the "**Registrar**"). The Register will be maintained by the Registrar and can be inspected at 10 Toh Guan Road, #04-11 DBS Asia Gateway, Singapore 608838 during normal business hours (subject to such reasonable restrictions as the Registrar may impose).

Any change to the Registrar of the Company will be announced on the SGXNET and the Company's website at <https://www.csopasset.com/sg/home.html>.

19. For so long as the Shares are listed, quoted and traded on the SGX-ST, the Company shall appoint the CDP as the Shares Depository for the Sub-Funds, and all Shares issued will be deposited with the CDP and represented by entries in the register of Shareholders kept by the Registrar in the name of the CDP or its nominee as the registered Shareholders of such Shares. The Company or any agents appointed by the Company shall issue to the CDP or its nominee not more than ten (10) Business Days after the issue of Shares a confirmation note confirming the date of issue and the number of Shares so issued, and if applicable, also stating that the Shares are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Constitution, such confirmation note shall be deemed to be a certificate evidencing title to the Shares issued.
20. The designated market makers for each Sub-Fund are stated in the relevant Appendix. Any changes to the designated market makers will be announced on the SGXNET.
21. The auditors of the Company are PricewaterhouseCoopers LLP of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936 (the "**Auditors**"). Any change to the Auditors of the Company will be announced on the SGXNET and the Company's website at <https://www.csopasset.com/sg/home.html>.
22. The Company has appointed DBS Bank Ltd as the administrator of the Company in respect of the Sub-Funds (the "**Fund Administrator**"). DBS Bank Ltd is a company incorporated in Singapore on 16 July 1968 and is regulated by the Authority under the Securities and Futures Act. Its registered address is at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3 Singapore 018982. DBS Bank Ltd has an issued and paid-up capital of S\$ 24,452 million. DBS Bank Ltd will remain as the administrator of the Company until its appointment is terminated in accordance with the terms of the Administration Agreement. Any change to the administrator

of the Company will be announced on the SGXNET and the Company's website at <https://www.csopasset.com/sg/home.html>.

23. Counterparties, brokers and/or prime brokers (if any) that are used by the Manager in managing the assets of the Company or Sub-Funds are selected from an approved panel and their appropriateness for continuous use by the Manager is reviewed on a regular basis. The Manager must complete due diligence on the counterparties, brokers and/or prime brokers and obtain the relevant internal approvals for their inclusion onto the panel. However, for inclusion onto the panel of counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter derivatives, secured/unsecured call loan or securities lending, approval must also be sought from the Directors.

## **V STRUCTURE OF THE COMPANY AND SUB-FUNDS**

24. The Company is an open-ended umbrella variable capital company currently comprised of two Sub-Funds, i.e. the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF.
25. The Directors have the discretion to establish different classes of Shares in a Sub-Fund (each a “**Class**” and collectively the “**Classes**”) from time to time by Board Resolutions. The Class(es) established within the Sub-Funds is as follows:

### CSOP iEdge Southeast Asia+ TECH Index ETF

- USD Share Class (denominated in USD)

### CSOP Huatai-PineBridge SSE Dividend Index ETF

- RMB Share Class (denominated in RMB)

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

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

A separate NAV per Share will be calculated for each Class. The NAV per Share of each Class will be calculated on each Subscription Day in the currency of the relevant Class. It is calculated based on forward pricing and is determined based on the Value as at the Valuation Point on the relevant Subscription Day on which applications for Shares are received, of the proportion of the Sub-Fund Assets or Class represented by 1 Share and rounding such amount to the nearest 4 decimal places (or such other number of decimal places or such other method of rounding as the Company may from time to time determine).

Each Share represents an undivided share in the Sub-Fund Assets or the portion of the Sub-Fund Assets attributable to the relevant Class. The rights, interests and obligations of Shareholders are contained in the Constitution.

## VI INVESTMENT OBJECTIVE, APPROACH AND STRATEGY

### 26. Investment Objective and Approach

The investment objective, focus and approach of each Sub-Fund is stated in the relevant Appendix of this Prospectus. Presently, Appendix I contains information in respect of the CSOP iEdge Southeast Asia+ TECH Index ETF and Appendix II contains information in respect of the CSOP Huatai-PineBridge SSE Dividend Index ETF.

### 27. Investment Strategy

In managing a Sub-Fund (save for CSOP Huatai-PineBridge SSE Dividend Index ETF where the investment strategy will be described in further details under Appendix II), the Manager may adopt either a Replication Strategy or a Representative Sampling Strategy (both as described below). The Manager may swap between the two strategies, without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the relevant Sub-Fund.

#### (a) **Replication Strategy**

Using a Replication Strategy, a Sub-Fund will invest in substantially all the Index Securities in substantially the same weightings (i.e. proportions) as the Index. This may result in a situation where the Deposit Basket may comprise of odd lots of the Index Securities. For purposes of tracking the Index closely, the Manager may, from time to time, adjust the number of odd lots of Index Securities in each Deposit Basket. However, if the Manager believes that a Replication Strategy is not the most efficient means to track the Index, the Manager may decide to adopt a Representative Sampling Strategy instead.

#### (b) **Representative Sampling Strategy**

Using a Representative Sampling Strategy, the Sub-Fund will hold a representative sample of a portfolio of securities selected by the Manager using quantitative analytical models in a technique known as “portfolio sampling”. Where a Representative Sampling Strategy is employed, securities that are not constituents of the Index may also be held by the Sub-Fund. Such securities will be expected to have a high level of correlation or a similar valuation or market capitalisation as the relevant Index Securities. The Manager will seek to construct the portfolio of the Sub-Fund such that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of the Index.

28. The benchmark and Index Provider of each Sub-Fund is stated in the relevant Appendix of this Prospectus. Information on the Index and the index methodology can be found in the relevant Appendix.

29. If the Index ceases to be compiled or published or if the Licence Agreement with respect to the Index is terminated for any reason, the Company shall select an alternate or successor index (if necessary, customised by the index licensor or the Company) using in the opinion of the Company the same or substantially similar formula for the method of calculation as the Index (the “**Successor Index**”). The Manager will manage the Sub-Fund’s portfolio using this Successor Index, taking into account the interests of Shareholders.

30. As Index Securities may be and are added to or removed from the Index of a Sub-Fund from time to time, the Manager may sell or purchase securities that are not yet represented in the Index in anticipation of their removal from or addition to the Index. The composition of the constituent securities of the Index for each Sub-Fund is disclosed in the relevant Appendix of this Prospectus. You should note that the composition of the Index for each Sub-Fund may change.
31. The Manager will rebalance each Sub-Fund's portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of securities in the Index of a Sub-Fund with a view to minimising tracking error of the Sub-Funds' overall returns relative to the performance of its Index. Such rebalancing may be in the form of investments in non-Index Securities (if representative sampling is adopted). You may obtain information on the tracking error of a Sub-Fund (once available) from the Company's website at <https://www.csopasset.com/sg/home.html>.
32. The distribution policy for each Sub-Fund is set out in the relevant Appendix of this Prospectus.
- The Company will, in its discretion, decide whether a distribution is to be made based on various factors, including dividend and/or interest income and/or capital gains derived from the investments of a Sub-Fund and which is attributable to the relevant Class. In addition to distributions to Shareholders out of distributable income and/or capital gains, the Company may make distributions to Shareholders out of the capital of a Sub-Fund Asset in accordance with the provisions of the Constitution. Where distributions are paid out of capital, the Net Asset Value of a Sub-Fund or Class will be reduced and this will be reflected in the Redemption Price of the Shares of such Sub-Fund or Class. Shareholders redeeming their Shares may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Shareholders. Distributions will only be paid to the extent that they are available for distribution pursuant to, and in accordance with the provisions of, the Constitution.
33. On a distribution and in accordance with the instructions of the Manager, the Company will allocate the amount available for distribution and will pay such amount to the CDP who will in turn allocate and make the necessary payment to the Shareholders based on the number of Shares held by each Shareholder named in the records of the CDP or its depository agents.
- Amounts to be distributed in respect of each Share shall be rounded to the nearest S\$0.01 per Share. Subject to the Constitution, any unclaimed distributions payable to a Shareholder may at the expiration of 6 years from the date upon which the same became payable be forfeited and will be held by the Company for the purposes of the relevant Sub-Fund (unless such Sub-Fund has been terminated in which case it will revert to the Company).
34. A Sub-Fund may use or invest in financial derivative investments ("**FDIs**") in accordance with the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Shares of such Sub-Fund are EIPs) and Appendix 1 of the CIS Code. Such FDIs may include, but are not limited to, interest rate swaps, bond futures, forward contracts, over-the-counter options, index futures and options. Subject to the provisions of the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Shares of such Sub-Fund are EIPs), a Sub-Fund may use or invest in FDIs for the purposes of hedging and/or efficient portfolio management.

As at the date of this Prospectus, the Manager currently intends to invest in FDIs for the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF.

35. Where a Sub-Fund uses or invests in FDIs, the global exposure of such Sub-Fund to financial derivatives or embedded financial derivatives will not exceed 100% of the NAV of such Sub-Fund at all times. Such exposure would be calculated using the Commitment Approach as described in, and in accordance with the provisions of, Appendix 1 of the CIS Code.
36. Where a Sub-Fund uses or invests in FDIs, the Manager shall ensure that the risks related to such FDIs are duly measured, monitored and managed. The Manager will attempt to minimise the risks of investments in FDIs through careful selection of reputable counterparties and monitoring of the Sub-Funds' derivatives positions on an ongoing basis. The Manager has the requisite expertise, experience and quantitative tools to manage and contain such investment risks. In particular, the Manager has in place a comprehensive risk management framework to ensure that the Sub-Funds' risk exposure as a result of such FDIs would not be substantially increased. The Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that it has the necessary expertise to control and manage the risks relating to the use of FDIs.
37. A Sub-Fund may engage in securities lending or repurchase transactions in accordance with the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Shares of such Sub-Fund are EIPs) and Appendix 1 of the CIS Code. Further details relating to securities lending and repurchase transactions are set out in paragraph 131 of this Prospectus.
38. In respect of a Sub-Fund listed on the SGX-ST, the investment objective and policy of such Sub-Fund will be adhered to for at least three (3) years upon listing on the SGX-ST of the Sub-Fund, unless otherwise agreed by the Shareholders by a Special Resolution in general meeting or unless such requirement to obtain Shareholders' agreement by Special Resolution is waived by the SGX-ST.
39. Unlike "actively managed" unit trusts and mutual funds, in their management of any Sub-Fund, the Manager does not attempt to outperform the Index of a Sub-Fund nor does it seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Index of a Sub-Fund may result in a corresponding fall in the NAV of such Sub-Fund.
40. *Investment restrictions.* Under the CIS Code, the Sub-Funds are classified as index funds and the Sub-Funds will be subject to the investment guidelines for index funds set out in Appendix 5 of the CIS Code as well as the investment guidelines in Appendix 1 of the CIS Code, save to the extent waived or permitted by the Authority. Where Shares of a Sub-Fund are EIPs and prescribed capital markets products, such Sub-Fund will not invest in any product and will not engage in any transaction which may cause the Shares not to be regarded as EIPs and prescribed capital markets products.
41. *Credit rating* (in relation to any Sub-Fund with a fixed income exposure). In the event that the Manager relies on credit ratings issued by credit rating agencies, the Manager will establish a set of internal credit assessment standards and will put in place a credit assessment process to ensure that its investments are in line with these standards. Information on the Manager's credit assessment process will be made available to investors upon request.

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

43. The base currency of a Sub-Fund is set out in the relevant Appendix of this Prospectus.

## **VII CPF INVESTMENT SCHEME**

44. The Sub-Funds are currently not included under the CPF Investment Scheme.

## **VIII FEES AND CHARGES**

45. The fees and charges payable by the investors for each Sub-Fund can be found in the relevant Appendix of this Prospectus.

## **IX RISKS**

46. Prospective investors should be aware that investments in a Sub-Fund are subject to risk. Investors are advised to examine and carefully consider the relevant risk factors relating to a Sub-Fund in general and those applicable to the relevant Sub-Funds (set out in the relevant Appendix of this Prospectus) before deciding whether or not to invest in a Sub-Fund.

- (a) While a Sub-Fund may offer the potential for capital appreciation and income distributions (if stated in the relevant Appendix), no assurance is given that this will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision.
- (b) Investments in a Sub-Fund are designed to produce returns over the long term and are not suitable for short term speculation. You should be aware that the price of Shares, and the income from them, may go up as well as down, and that past performance is not necessarily a guide to the future performance of a Sub-Fund. A possible loss of the principal invested cannot be ruled out.
- (c) The risks of investments made by a collective investment scheme include, amongst others, economic, political, liquidity, regulatory, interest rate, credit, regulatory, currency, counterparty, default and repatriation risks and risk of ratings downgrade.
- (d) Dealings in the Shares and the calculation of the NAV per Share may be suspended in certain circumstances and the redemption of Shares may be suspended or deferred in certain circumstances as provided for in the Constitution and described in Section XIII of this Prospectus.
- (e) Some or all of the following risks may adversely affect each Sub-Fund's Net Asset Value, yield, total return and/or its ability to achieve its investment objective. Investors should note the following risk factors associated with investing in the Sub-Funds. The following statements are intended to be summaries of some of those risks. They are by no means exhaustive and they do not offer advice on the suitability of investing in the Sub-Funds. Investors should carefully consider the risk factors described below together with all of the other information included in this Prospectus before deciding whether to invest in a Sub-Fund. You should be aware that an investment in the Sub-Funds may be exposed to other risks of an exceptional nature from time to time.



47. The risks of investing in a Sub-Fund are as follows:

- (a) Investment Objective Risk. There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst the Manager will implement strategies it believes are appropriate for the investment objective of each Sub-Fund, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in a Sub-Fund. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.
- (b) Market risk. The Net Asset Value of each Sub-Fund will fluctuate with changes in the market value of the securities held by the Sub-Fund. The price of Shares and the income from them may go down as well as up. Investors may not get back their original investment. The capital return and income of a Sub-Fund is based on the capital appreciation and income of the securities that it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Sub-Fund may experience volatility and decline in response to changes in the relevant Index. Investors in a Sub-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 Index).
- (c) Liquidity risk. Trading volumes in the underlying investments of a Sub-Fund may fluctuate significantly depending on market sentiment. There is a risk that investments made by a Sub-Fund may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and so that investment cannot be readily sold at the desired time or price, and consequently the relevant Sub-Fund may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of a Sub-Fund's assets can have a negative impact on the value of the relevant Sub-Fund or prevent the relevant Sub-Fund from being able to take advantage of other investment opportunities.
- (d) Interest rate risk and credit risk (in relation to any Sub-Fund with fixed income exposure). Investments by a Sub-Fund in bonds and other debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, and are subject to adverse changes in general economic conditions, the financial condition of the issuer, or both, or a rise in interest rates, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.
- (e) Emerging Markets risk. Investments by a Sub-Fund in emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services which are often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element and the lack of liquidity which are inherent characteristics of these emerging markets.
- (f) Trading market in Redemption Securities. The Company may, in its absolute discretion

accept requests for the Creation and Redemption of Shares in-kind at any time. If permitted, Shares may be redeemed in-kind by Participating Dealers or by Shareholders through Participating Dealers in Redemption Unit size. Shareholders will receive Redemption Securities (plus a cash payment of the Cash Redemption Component (as described in paragraph 86 below) (if positive)). Shareholders may not be able to realise the value of Index Securities or (if representative sampling is adopted) non-Index Securities comprised in the Redemption Securities received on a redemption of Shares in a timely manner or at any particular price if there is no liquid trading market for the Index Securities or (if representative sampling is adopted) non-Index Securities. However, if the Company determines in its sole discretion that any Index Security or (if representative sampling is adopted) non-Index Security comprised in the Redemption Securities is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Redemption Unit by a Shareholder, then the Company shall have the right in its sole discretion to pay cash equal to the Value of such Index Security or (if representative sampling is adopted) non-Index Security in lieu of delivering such Index Security or (if representative sampling is adopted) non-Index Security to the Shareholder.

For the avoidance of doubt, no Creation or Redemption of Shares in-kind is currently permitted.

- (g) Trading market in the Shares. Although the Shares are listed on the SGX-ST, you should be aware that there may be no liquid trading market for the Shares. There is no assurance that active trading markets for Shares will be developed or be maintained, nor is there a certain basis for predicting the actual price levels at, or sizes in, which Shares may trade.
- (h) Minimum creation and redemption size. Shares may be issued or redeemed in-kind at the Company's discretion by or through Participating Dealers for the account of investors and/or for their own account in Creation Unit or Redemption Unit aggregations. Currently, Shares will only be issued and redeemed in cash by or through Participating Dealers for the account of investors and/or for their own account at the Minimum Subscription Amount or Minimum Redemption Amount. If you do not hold Redemption Unit aggregations or the Minimum Redemption Amount, you will only be able to realise the value of your Shares by selling your Shares on the SGX-ST at the prevailing trading price of the Shares. You should note that the Participating Dealers are under no obligation to redeem your Shares. **It is expected that most investors will dispose of their Shares by selling them on the SGX-ST.**
- (i) Shares may trade at prices other than NAV. The NAV per Share of a Sub-Fund represents the fair price for buying or selling Shares. As with any listed fund, the secondary market price of Shares may sometimes trade above or below this NAV per Share. The deviation from this NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Shares on the SGX-ST. There is a risk, therefore, that Shareholders may not be able to buy or sell at a price close to this NAV per Share. However, since Shares can be created and redeemed (in Creation Unit or Redemption Unit aggregations or at the Minimum Subscription Amount or Minimum Redemption Amount, at NAV), the Company believes that large discounts or premiums to the NAV of Shares cannot be sustained in an efficient market that allows for arbitrageurs to exploit the difference between trading prices and the NAV. The "bid/ask" spread (being the difference

between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from this NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from this NAV.

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

- (k) Distributions risk. Investors should note that the income of a Sub-Fund (if any) may be distributed to Shareholders at the absolute discretion of the Company. Sources of income for distribution include dividends declared and paid by the companies whose shares are held by the Sub-Fund, coupons, interest income and/or capital gains derived from the investments of the Sub-Fund. Dividend rates of these companies (if any) are based on numerous factors, including their current financial condition, general economic conditions and their dividend policies. There can be no assurance that such companies will declare dividends or make other distributions. In addition to distributions to Shareholders out of distributable income and/or capital gains, the Manager may, in the event that income and/or capital gains are insufficient, make capital distributions to Shareholders at such time as they deem fit in accordance with the provisions of this Prospectus.

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

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

- (m) Lack of discretion of the Manager to adapt to market changes. The Index Securities held by a Sub-Fund will passively reflect some, but not all of the companies whose shares are comprised in the Index. Therefore, adverse changes in the rating or financial condition or share performance of any company included in the Index will not result in the sale of the shares of such company, and will likely adversely affect a Sub-Fund's

NAV and the trading price of its Shares. The Manager will have limited discretion to dispose the shares of such company from a Sub-Fund although the Manager may substitute the shares held by the Sub-Fund under a representative sampling strategy, if adopted. A fall in the Index may result in a corresponding fall in a Sub-Fund's NAV, and investors may lose substantially all of their investment.

- (n) Trading in Shares on SGX-ST may be suspended. You will not be able to purchase or sell Shares on the SGX-ST during any period that the SGX-ST suspends trading in the Shares. The SGX-ST may suspend the trading of Shares whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. Subject to the provisions of the CIS Code, the creation and redemption of Shares will also be suspended if the trading of Shares on the SGX-ST is suspended.
- (o) Shares may be delisted from SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Shares, on the SGX-ST. There is no assurance that a Sub-Fund will continue to meet the requirements necessary to maintain the listing of Shares on the SGX-ST or that the SGX-ST will not change its listing requirements. A Sub-Fund may be terminated if Shares are delisted from the SGX-ST.
- (p) Reliance on Participating Dealers. Currently, the creation and redemption of Shares can only be effected by or through Participating Dealers for the account of investors and/or for their own account. The number of Participating Dealers at any given time may be limited. You may not be able to submit creation or redemption requests through all the Participating Dealers but at any one time, there will be at least one Participating Dealer through whom you may submit creation or redemption requests. Participating Dealers are however under no obligation to accept instructions to create or redeem Shares on your behalf. Subject to the provisions of the CIS Code, Participating Dealers will not be able to create or redeem Shares during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities in the central clearing and settlement system established by the CDP is disrupted or clearing and settlement of in-kind transactions on the system established by the SGX-ST is disrupted or the Index is not compiled or published. In addition, subject to the provisions of the CIS Code, Participating Dealers will not be able to create or redeem Shares if some other event occurs which impedes the calculation of the Value of a Sub-Fund by the Company or during which delivery of Index Securities or (if representative sampling is adopted) non-Index Securities or disposal of a Sub-Fund's investments cannot be effected normally.
- (q) Suspension of creations and redemptions. Dealings of Shares on the SGX-ST may not necessarily be suspended if the creation and redemption of Shares is temporarily suspended by the Company in accordance with the terms of the Constitution. If the creation and redemption of Shares is temporarily suspended, the trading price of the Shares may be adversely affected and differ from the market value of a Sub-Fund's assets.
- (r) Investing in derivatives. Subject to the provisions of the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Shares of a Sub-Fund are EIPs), the Manager may in its absolute discretion cause a Sub-Fund to use or invest in FDIs for the purpose of hedging and/or efficient portfolio

management. The Manager may use FDIs as allowed in the CIS Code. While the prudent and judicious use of FDIs by investment professionals can be beneficial, FDIs involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. The ability to use FDIs successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the FDIs do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used such FDIs.

Some of the risks associated with FDIs are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. In addition to the inherent risks of investing in FDIs, a Sub-Fund will also be exposed to credit risk on the counterparties with which it trades, particularly in relation to FDIs that are not traded on a recognised market. Such instruments are not afforded the same protection as may be afforded to participants trading such FDIs on a recognised market, such as the performance guarantee of an exchange clearing house. The Sub-Fund may be subject to the possibility of insolvency, bankruptcy or default of a counterparty with which that Sub-Fund trades, which could result in substantial losses to the Sub-Fund.

Investments in FDIs may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, a Sub-Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in FDIs be monitored closely. The Manager has the necessary expertise and controls for investments in FDIs and has in place systems to monitor any derivative positions for a Sub-Fund.

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

- (s) Changes in the Index. The Index is subject to regular review and revisions. The securities which comprise the Index may be changed by the Index Provider from time to time. The price of the Shares may rise or fall as a result of such changes. Announcements that are made with respect to potential deletions from and additions to the Index can affect the price of affected companies and the Index as a whole. The composition of the Index may also change if one of the securities were to be delisted or if a new security were to be added to the Index. If this happens, the weighting or composition of the Index Securities invested by a Sub-Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in the Sub-Fund will generally reflect the 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 Sub-Fund.

A Sub-Fund will typically hold Index Securities but may, under a representative sampling strategy, hold shares issued by companies that may not be Index Securities.

The relative performance of these two groups of companies can have an adverse impact on a Sub-Fund.

- (t) Licence to use the Index may be terminated. The Company has been granted a licence by the Index Licensor of each Sub-Fund to use the Index for such Sub-Fund as a basis for the composition of such Sub-Fund, and to use certain trade names and trademarks associated with the Index of such Sub-Fund. A Sub-Fund may not be able to achieve its objective and may be terminated if the Licence Agreement for such Sub-Fund is terminated and the Company is unable to identify or agree with the Index Licensor or any other index licensor terms for the use of a suitable replacement index that uses, in the opinion of the Company, the same or a substantially similar formula for the method of calculation as the Index for such Sub-Fund. Any such replacement index will be notified to Shareholders via SGXNET. Accordingly, you should note that a Sub-Fund's ability to track its Index depends on its Licence Agreement continuing in force or a suitable replacement index being found.
- (u) Termination of a Sub-Fund. The commercial success of a Sub-Fund is dependent on attracting assets under management significantly larger than a traditional unit trust. If the size of a Sub-Fund is less than S\$20 million (or its equivalent in any applicable currency) or such other amount as may be stated in the relevant Appendix of a Sub-Fund on any day after the date of its inception, the Company may terminate such Sub-Fund.
- (v) Errors or inaccuracies in the Index. There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Index, which may result in significant deviations between the NAV of the Shares and the Index. The accuracy and completeness of the calculation of the Index may be affected by, without limitation, the availability and accuracy of prices for its constituent securities, market factors and errors in its compilation. The Company and the Manager are not responsible or involved in the compilation or calculation of the Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

No warranty, representation or guarantee is given as to the accuracy or completeness of the Index and its computation or any information related thereto. The process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice.

The computation of the Index may be inaccurate or incomplete if, amongst other factors, the information received by the Index Provider from the Market on which an Index Security has its primary listing is inaccurate or incomplete. Examples of types of errors which may occur include:

- (i) the closing price of an Index Security on a given day being incorrect;
- (ii) a missed corporate event;
- (iii) a missed Index methodology event (deviation from what is stated in the methodology document for the Index); and
- (iv) a late announcement in respect of an Index Security.

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

(x) Tax and regulatory risk. There may be laws and regulations governing and taxes (including capital gains and/or withholding taxes) imposed on the outward remittance by foreign investors of their share of net profits and dividends out of any jurisdiction which applies to an Index Security or company whose shares are held by a Sub-Fund and the repatriation of their investments in a foreign currency.

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

(y) Currency risk. As the investments of a Sub-Fund may be denominated in currencies other than its base currency, fluctuations of the exchange rate of such currencies against the base currency of a Sub-Fund may have an impact on the investments and income of a Sub-Fund and affect the value of the Shares.

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

In addition, as a Sub-Fund may be denominated in a base currency other than the currencies traded on the SGX-ST, foreign currency exchange rate movements may affect the returns to investors in Singapore (who purchase Shares traded on the SGX-ST in currencies other than the base currency of a Sub-Fund), and investors may be exposed to exchange rate risks.

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

Trades may be settled in currency(ies) (such as Indian Rupee, Malaysian Ringgit and Vietnamese Dong, etc) which may be restricted and are not freely convertible. As a result, a Sub-Fund will be exposed to foreign exchange control policies of, and prior approvals required for repatriation from, the relevant authority(ies). Any devaluation of the currency(ies) could also adversely affect the value of investors' investments in such Sub-Fund.

- (z) Conflicts of Interest Risk. The Directors, the Fund Administrator, the Custodian, the Manager and other Service Providers or their respective agents, delegates or associated parties may face potential conflicts of interest in the course of discharging their duties owed to the Company and each Sub-Fund.

For instance, certain Directors may also serve as directors and executives of the Manager's related corporations or other funds managed by the Manager. In addition, only the holder of the Management Shares may vote on the appointment and removal of the Directors in accordance with the Constitution while the Directors may terminate the appointment of the Manager in accordance with the Management Agreement. These matters do not require and are not subject to the approval of holders of Participating Shares. In the event that the Manager shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation to act as the manager of the Company and such appointment is subject to the approval of the holders of Participating Shares by Special Resolution.

In dealing with any potential conflicts of interest, the Directors shall act in the best interest of the Company and each Sub-Fund as a whole, pursuant to their duties imposed by the Act as well as any other duties mandated by common law. Further, the Company will have at least one independent Director. Additionally, the Manager is required to act in the best interest of Shareholders pursuant to the CIS Code. Further information on how conflicts of interest will be resolved can be found in Section XVI "Conflicts of Interest" below.

- (aa) Corporate Structure Risk. The holders of Participating Shares of each Sub-Fund have limited voting rights. Under the Constitution, voting arrangements will differ depending on the specific matter in question. Further information on the voting rights afforded to each holder of Participating Shares can be found in paragraphs 2 and 4 of this Prospectus.
- (bb) The Sub-Funds are not a typical unit trust. You should note that the Sub-Funds are not like conventional unit trusts or funds offered to the public in Singapore in that the creation and redemption of Shares with the Company are effected by or through Participating Dealers for the account of investors and/or for their own account and may either be made (i) in-kind (if permitted by the Company) in Creation Units or Redemption Units sizes, or (ii) in cash for a Minimum Subscription Amount or Minimum Redemption Amount, at each Dealing Day's NAV. If you wish to purchase or sell less than the Minimum Subscription Amount or Minimum Redemption Amount, you will have to acquire or dispose of your Shares through trading on the SGX-ST. These features are (i) different from the features of conventional unit trusts or funds where units or shares can be purchased and redeemed by the investors for cash from the manager or the company on each dealing day in comparatively smaller multiples of units or shares and (ii) designed to protect investors from the adverse effects which arise from frequent cash subscription and redemption transactions that affect the NAV of conventional unit trusts or funds and to help to keep the trading price of the Shares close to the NAV of the Shares.

Additionally, investors should note that the Sub-Funds are not like the typical exchange traded funds offered to the public in Singapore structured as unit trusts. The Company is a variable capital company constituted under the Act and is not structured as an umbrella unit trust. In a typical umbrella unit trust structure, a trustee is appointed to



safeguard the rights and interests of the holders of the unit trust. This is not present in the Company and the Sub-Funds. Instead, the Company has appointed Directors who are obliged to act in the best interest of the Company and each Sub-Fund, pursuant to their duties imposed by the Act as well as any other duties mandated by common law, and are responsible for the overall management and control of the Company and each Sub-Fund. As a variable capital company, the Company is also regulated by the Act, which is administered by the ACRA.

- (cc) Risks related to borrowings by a Sub-Fund. Subject to the CIS Code, the Manager may pledge the assets of a Sub-Fund if the lender requires security to be provided in connection with any borrowings by the Manager for the account of the Sub-Fund. In the event that the Sub-Fund is unable to repay the principal or interest on such borrowing, the pledged assets may be disposed of by the lender. If the price received by the lender is insufficient to satisfy the outstanding due to the lender in full, the Sub-Fund may have to dispose of its investments to raise cash for payment of the shortfall to the lender. There may be an adverse effect on the Net Asset Value of the Sub-Fund if such disposal is effected during any period when general market conditions are unfavourable.
- (dd) Cross Liability Risk. The assets and liabilities of each Sub-Fund under the Company will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Fund. The Constitution provides that the assets of each Sub-Fund should be segregated from each other and that transactions relating to each Sub-Fund shall be separately recorded. Any asset derived from any Sub-Fund Asset shall be applied in the books and records of the Company to the same Sub-Fund as the asset from which it was derived and any increase or diminution in the value of such asset shall be applied to such Sub-Fund, and each Sub-Fund shall be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to the Sub-Fund. While section 29 of the Act provides that the assets of a sub-fund cannot be used to discharge the liabilities of any sub-fund or the umbrella variable capital company itself and that any liability of a sub-fund must be discharged solely out of the assets of the sub-fund including in its winding up, there is no guarantee that the courts of any jurisdiction outside Singapore will respect the limitations on liability and that the assets of any particular Sub-Fund will not be used to satisfy the liabilities of any other Sub-Fund.

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

## **X SUBSCRIPTION OF SHARES**

### How to purchase Shares with cash or SRS monies

- 48. During the initial offer period of any Sub-Fund (the “**Initial Offer Period**”), you may (i) approach the placement agents appointed by the Manager for more information on how to apply for Shares through the Participating Dealers appointed by the Company, (ii) apply for the Minimum Subscription Amount (i.e. 200,000 Shares (or such higher number of Shares in multiples thereof)) using cash or SRS monies through the Participating Dealers or (iii) acquire Shares

through Automated Teller Machines (“**ATM**”) (if applicable). You may approach the Manager for more information on how to apply for Shares through the ATM (if applicable).

The Initial Offer Period for each Sub-Fund or Class is set out in the relevant Appendix of this Prospectus.

49. Conditions of the Initial Offer

The offer and issue of Shares of a Sub-Fund during the Initial Offer Period is subject to and conditional upon valid subscription applications accepted by the Company for a minimum value by the close of the Initial Offer Period, unless waived by the Company at its discretion, as set out in the relevant Appendix of this Prospectus.

The Company will inform the Participating Dealers if the above condition is not fulfilled. The subscription amount (including any brokerage fees and charges) paid by the Participating Dealer will be returned to the Participating Dealer (without interest) and investors will be refunded by the Participating Dealer and should consult the Participating Dealer on the procedure for such refund.

50. (a) After the Initial Offer Period, you may apply for the Minimum Subscription Amount (subject to the relevant Appendix of this Prospectus) through Participating Dealers on any Dealing Day. You may obtain a list of the Participating Dealers from the Company or Manager.
- (b) If you wish to acquire less than the Minimum Subscription Amount, you may only acquire Shares in lots of 1 Share on the SGX-ST. You may buy Shares on the SGX-ST through brokers in the same way as how you may buy shares in companies listed on the SGX-ST. Subject to the applicable terms and conditions imposed by the relevant SRS operator and any relevant competent authority, if you wish to subscribe for Shares with your SRS monies, you will have to give a written authorisation to the relevant SRS operator for monies to be withdrawn from your SRS account to pay for the subscription of Shares.

Trading Shares on the SGX-ST

Shares of the Sub-Funds are listed for trading on the secondary market on the SGX-ST. Shares can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. When buying or selling Shares through a broker, investors will incur customary brokerage commissions and charges and stamp duty, and investors may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction.

Shares prices are quoted and traded on the SGX-ST in US\$ and S\$ (for USD Share Class of the CSOP iEdge Southeast Asia+ TECH Index ETF) and in S\$ (for RMB Share Class of the CSOP Huatai-PineBridge SSE Dividend Index ETF).

51. Payment for Shares may be made as stipulated by the Participating Dealers from time to time.

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

52. Notwithstanding anything in this Section X, the Company shall retain the absolute discretion to accept or reject any application for Shares (including, but not limited to, rejecting any application for Shares that is received or deemed received by the Registrar on or before the Dealing Deadline of a Dealing Day that is also an Ex. Dividend Date). If an application for Shares is rejected by the Company, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as the Company shall determine. No certificates will be issued by the Company.
53. The minimum investment for each Sub-Fund in respect of subscriptions through Participating Dealers is set out in the relevant Appendix of this Prospectus.
54. During the Initial Offer Period, the amount that you will have to pay for the number of Shares applied for is calculated by multiplying the number of Shares applied for by the Initial Offer Price of the Shares. The Initial Offer Price of the Shares for each Sub-Fund or Class is set out in the relevant Appendix of this Prospectus.

After the Initial Offer Period, the amount that you will have to pay for the number of Shares applied for is calculated by multiplying the number of Shares applied for by the Subscription Price of the Shares of the relevant Class together with any Duties and Charges. The Subscription Price of the Shares of the relevant Class shall be ascertained as follows:

- (a) by dividing the Value of the Sub-Fund Assets attributable to such Class as at the Valuation Point of the relevant Dealing Day on which applications for Shares are deemed to be received and accepted by the Company by the number of Shares then in issue and deemed to be in issue; and
- (b) by rounding the resulting total per Shares to the nearest four (4) decimal places.

The Company may add to the Subscription Price calculated (but not include within it) such sum (if any) as the Company may consider represents the appropriate provision for Duties and Charges, which shall be for the account of the Sub-Funds. The Subscription Price shall be calculated in the respective currency of each Sub-Fund or Class. The Subscription Price shall be based on forward pricing which means that the Subscription Price of the Shares shall not be ascertainable at the time of application for Shares.

55. During the Initial Offer Period, your subscription application must reach the Registrar and the subscription monies for your subscription application must be received in full in cleared funds by and to the order of the Company, on or before 2:00 p.m. (Singapore time) in respect of the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF (the “**Dealing Deadline**”) on the last day of the Initial Offer Period or by such later time and date as the Company shall determine.

After the Initial Offer Period, requests for subscription of Shares using cash must reach the Registrar on or before the Dealing Deadline for the Dealing Day. If the request for subscription of Shares using cash is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Dealing Day. You may obtain the Subscription Price on the next Business Day from the Company’s website at <https://www.csopasset.com/sg/home.html>.

56. The following is an illustration of the amount that you will have to pay based on an investment of 200,000 Shares in a Sub-Fund through a Participating Dealer and an Initial Offer Price\* of S\$1.0000, during the Initial Offer Period.

200,000 Shares	x	S\$1.0000	=	S\$200,000.00 + applicable fees and charges (including brokerage fees and charges), if any
Number of Shares proposed to be subscribed		Initial Offer Price*		Total amount payable by you**

\* You should note that the Initial Offer Price may be changed to such other amount as may be determined by the Company from time to time. If the subscription monies received from you during the Initial Offer Period are insufficient to buy at least the Minimum Subscription Amount in a Sub-Fund and to pay all fees and charges in connection with the subscription, the application will be rejected and the Company will refund all the subscription monies (less all fees in connection with the subscription) paid by you (without interest) by no later than three (3) Business Days after the close of the Initial Offer Period.

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

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

57. The following is an illustration of the amount that you will have to pay based on an investment of 200,000 Shares through a Participating Dealer and a notional Subscription Price of US\$1.050 (the actual Subscription Price of the Shares will fluctuate according to the Value of the Sub-Fund Asset and the number of Shares then in issue):

200,000 Shares	x	US\$1.050	=	US\$210,000.00	+	US\$1,050	=	US\$211,050
Number of Shares proposed to be subscribed		Notional Subscription Price				Duties and Charges*		Total amount payable by you**

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

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

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

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

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

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

59. The Subscription Price excludes any subscription fee or preliminary charge. No subscription fee or preliminary charge is currently payable.

How to subscribe for Shares in-kind (if permitted by the Company)

60. You may, through the Participating Dealers, submit Creation Requests to the Registrar on every Dealing Day for in-kind (if permitted by the Company) subscription of Shares but it is expected that investors who wish to acquire Shares in smaller lot sizes will do so by trading in the Shares on the SGX-ST. You may obtain a list of the Participating Dealers through whom you may submit Creation Requests or Redemption Requests from the Company or Manager. The Company has the absolute discretion to accept or reject requests for the Creation of Shares in-kind.
61. The Company may issue a Creation Unit on every Dealing Day to Participating Dealers at the Subscription Price for that Creation Unit. The Subscription Price for the Creation Unit of a Class shall be ascertained as follows:
- (a) by dividing the Value of the Sub-Fund Asset attributable to that Class at the Valuation Point of the relevant Dealing Day on which applications for Creation Units are deemed to be received by the Company by the number of Shares then in issue and deemed to be in issue;
  - (b) by adjusting the resulting total per Share to the nearest four (4) decimal places; and
  - (c) by multiplying the resulting total by the number of Shares comprising a Creation Unit aggregation.

The Company may add to the Subscription Price calculated (but not include within it) such sum (if any) as the Company may consider represents the appropriate provision for the Transaction Fee, which shall be for the account of the Sub-Fund. The Subscription Price for the Creation Unit shall be calculated in the respective currency of each Sub-Fund or Class. The Subscription Price for the Creation Unit shall be based on forward pricing which means that the Subscription Price of the Shares shall not be ascertainable at the time of request to create the Creation Unit.

For the avoidance of doubt, no subscription of Shares in-kind is currently permitted.

*Procedures for creation of Shares in-kind*

62. If you wish to create Shares by subscribing for Shares in-kind (if permitted by the Company), you must approach a Participating Dealer to do so on your behalf. The Participating Dealer may require you to complete a form. In addition, the Participating Dealer may request that you make certain representations or enter into agreements with respect to the order, for example, to provide for payments of cash, when required. You should be aware that your broker or dealer may not have executed a Participant Agreement and that, therefore, your broker or dealer may have to place orders to create Shares through a Participating Dealer that has entered into a Participant Agreement. In such cases, you may have to pay additional charges. At any given time, there may be only one or a limited number of Participating Dealers through whom you may submit Creation Requests.
63. Creation Requests received from Participating Dealers and accepted by the Company on or before the Dealing Deadline on each Dealing Day will be processed at that Dealing Day's Subscription Price as calculated in accordance with paragraph 61 of this Prospectus. Creation Requests received from Participating Dealers after the Dealing Deadline or on a day which is not Dealing Day shall be deemed to be received by the Registrar on or before the Dealing Deadline for the next Dealing Day. If you place an order for Shares, you should afford sufficient time for the order to be properly submitted by the Participating Dealers to the Registrar prior to the Dealing Deadline on the relevant Dealing Day. Please refer to the relevant Appendix for the Dealing Deadline of each Sub-Fund.
64. When submitting the Creation Request, the Participating Dealer should tender to the Custodian or to the order of the Company the Index Securities and (if representative sampling is adopted) non-Index Securities as comprising a Deposit Basket for each Creation Unit no later than the Settlement Date in accordance with the terms of the Participant Agreement. The delivery of Shares properly applied for will occur in accordance with the terms of the Participant Agreement which is normally no later than the Settlement Date in accordance with the terms of the Participant Agreement.
65. The issue of Shares in Creation Unit aggregations will only be done if the following are satisfied:
  - (a) the Index Securities and (if representative sampling is adopted) non-Index Securities delivered to the Custodian in respect of that issue of Shares, in Creation Unit aggregations, have been approved by the Company as comprising a Deposit Basket with respect to the relevant Transaction Date;
  - (b) the aggregate of (a) the Value of the Index Securities and (if representative sampling is adopted) non-Index Securities at the Valuation Point on the relevant Transaction Date delivered to the Custodian and (b) the amount of cash paid to or to the order of the Company in respect of the Cash Issue Component for the Creation Unit aggregation (as described in paragraph 66 below) is equal to the Subscription Price for that Creation Unit aggregation;
  - (c) the Index Securities and (if representative sampling is adopted) non-Index Securities have been transferred to the Custodian to the Company's satisfaction or satisfactory evidence of title and instruments of transfer shall have been produced to or to the order of the Company by such time and date as determined therefor by the Company in its

discretion, provided that such date shall occur no later than the relevant Settlement Date; and

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

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

- 66. The Cash Issue Component of a Creation Unit is the difference between the Subscription Price of the Creation Unit as calculated in paragraph 61 and the Value of the Index Securities and (if representative sampling is adopted) non-Index Securities constituting a Deposit Basket on the relevant Transaction Date delivered to the Custodian or to the order of the Company. If the Cash Issue Component (after taking into account the Transaction Fee) is a negative amount no cash shall be payable or paid by a Participating Dealer, but a cash amount equal to the negative amount shall be paid by the Company to the Participating Dealer no later than two (2) Dealing Days following the relevant Transaction Date, or such other number of Dealing Days following the relevant Transaction Date as may be determined by the Company.

*Acceptance of orders for Creation Unit aggregations*

- 67. The Company reserves the absolute right without giving any reason therefor to reject a Creation Request transmitted to the Registrar (including, but not limited to, rejecting any Creation Request that is received or deemed received by the Registrar on or before the Dealing Deadline of a Dealing Day that is also an Ex. Dividend Date). The Company currently intends to reject a Creation Request if:
  - (a) the order is not in proper form; or
  - (b) under applicable law or regulation, the applicant (on whose behalf the Participating Dealer is acting) is not eligible to subscribe for, purchase or hold Shares, or in the discretion of the Company, the purchase or holding of Shares by the applicant might result in the Sub-Funds, the Company or the Manager incurring any liability to tax or suffering any other financial disadvantage or becoming subject to any law or regulation which they might not otherwise have incurred or suffered or become subject to.

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

- 68. The Company may at its discretion change the number of Shares comprising a Creation Unit aggregation for the purpose of effecting creations of Shares.

*Confirmation by Participating Dealer*

69. For every successful application for Shares, the relevant Participating Dealer will be sent a confirmation detailing the number of Shares allotted within seven (7) Business Days of the receipt of the application by the Registrar. All Shares created through subscription of Shares by or through the Participating Dealers will be entered on the records of CDP in the name of the relevant Participating Dealer or its nominee. For investors who acquire Shares through a Participating Dealer, please approach the relevant Participating Dealer for information on when the Shares will be credited to his/her account with the relevant Participating Dealer.
70. No Shares will be issued and no application for subscription of Shares or Creation Request will be accepted during any period when the creation and redemption of Shares is suspended (see Section XIII below).

## **XI REALISATION OF SHARES**

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

71. During the Initial Offer Period, no redemption of Shares will be permitted. Shares may only be redeemed after the listing of Shares on the SGX-ST.

After the Shares are listed on the SGX-ST:

- (a) You may apply to redeem the Minimum Redemption Amount of a Sub-Fund or Class as set out in the relevant Appendix of this Prospectus for cash (but not SRS monies) on any Dealing Day through Participating Dealers.
- (b) If you wish to dispose of less than the Minimum Redemption Amount, you may sell your Shares which were purchased with cash or SRS monies on the SGX-ST through brokers in the same way as how you may sell shares in companies listed on the SGX-ST.

### Trading Shares on the SGX-ST

Shares of a Sub-Fund are listed for trading on the secondary market on the SGX-ST. Shares can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. When buying or selling Shares through a broker, investors will incur customary brokerage commissions and charges and stamp duty, and investors may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction.

Share prices are quoted and traded on the SGX-ST in US\$ and S\$ (for USD Share Class of the CSOP iEdge Southeast Asia+ TECH Index ETF) and in S\$ (for RMB Share Class of the CSOP Huatai-PineBridge SSE Dividend Index ETF).

72. A Shareholder holding the Minimum Redemption Amount or more may redeem Shares pursuant to paragraph 71(a) above through completing the redemption request (or such other form as the Company may approve from time to time) and forwarding the same to the Participating Dealers. However, if you have applied to subscribe for Shares using cash on any Dealing Day, you shall not be entitled to redeem the Shares to be issued to you until after the Settlement Date in respect of that Dealing Day.
73. The Minimum Redemption Amount of Shares in respect of cash redemptions through Participating Dealers and the minimum holding amount as set out in the relevant Appendix of this Prospectus. However, if the Shares cease at any time to be listed on the SGX-ST and any



other stock exchange on which the Shares may be listed or quoted on for a continuous period of 30 days, subject to paragraph 93, the Company will, within 14 days from the end of such 30-day period, commence accepting redemption requests made directly by Shareholders, subject to the provisions of the Constitution. If the Shares are subsequently re-listed on the SGX-ST or a stock exchange, the Company may, on reasonable notice given to Shareholders, again require redemption requests to be made only through Participating Dealers. Shareholder with less than the Minimum Redemption Amount may sell their Shares for cash by trading the Shares on the SGX-ST.

74. The net realisation proceeds are calculated by multiplying the number of Shares to be redeemed by the Redemption Price of the Shares of a Class on the relevant Dealing Day which shall be ascertained as follows:
- (a) by dividing the Value of the Sub-Fund Asset attributable to such Class at the Valuation Point of the relevant Dealing Day on which applications to redeem Shares are deemed to be received and accepted by the Company by the number of Shares then in issue and deemed to be in issue; and
  - (b) by adjusting the resulting total per Share to the nearest four (4) decimal places.

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

75. Applications to redeem Shares for cash must reach the Registrar on or before 2:00 p.m. (Singapore time) in respect of the CSOP iEdge Southeast Asia + TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF (the “**Dealing Deadline**”) on the Dealing Day. If the request to redeem Shares for cash is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Dealing Day. You may obtain the Redemption Price on the next Business Day from the Company’s website at <https://www.csopasset.com/sq/home.html>.
76. The following is an illustration of the realisation proceeds that you will receive based on a redemption of 200,000 Shares through a Participating Dealer and a notional Redemption Price of US\$1.100 (the actual Redemption Price of the Shares will fluctuate according to the Value of the Sub-Fund Asset and the number of Shares then in issue).

200,000	x	US\$1.100	=	US\$220,000.00	–	US\$1,100.00	=	US\$218,900.00
No. of Shares Redeemed		Notional Redemption Price		Gross Realisation Proceeds		Duties and Charges*		Net Realisation Proceeds

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

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

77. Where Shares are to be redeemed for cash, but subject as provided in paragraphs 93 and 94, the Company shall proceed to effect any sales of investments necessary to provide the cash required to pay the realisation proceeds and notify the Registrar that those Shares are to be redeemed and cancelled. In such event the Sub-Funds shall be reduced by the cancellation of those Shares on the Settlement Date and for settlement on that Settlement Date, the Company shall pay the realisation proceeds to the relevant Shareholders. Notwithstanding the foregoing, no realisation proceeds shall be paid unless Shares, the subject of the application to redeem Shares for cash, have been delivered to the Company for redemption by such time on the Settlement Date as the Company shall for the time being prescribe. If Shares are not delivered to the Company for redemption in accordance with the foregoing: (i) the application for redemption for cash shall be deemed never to have been made (except that the Duties and Charges shall remain due and payable) and (ii) the Company may, but shall not be bound to, charge the Shareholder's Participating Dealer (for the account of the Sub-Funds) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the redemption request, purchasing and/or selling any investment and redelivering any Shares, and any losses arising in respect of the Sub-Fund's sale and purchase of investments and any interest costs incurred by the Sub-Fund in connection with such failed redemption. In addition, the Company may, but shall not be bound to require the Shareholder's Participating Dealer to pay to the Company for the account of the Sub-Fund in respect of each Share, the subject of the application for redemption of Shares for cash, the amount (if any) by which the Redemption Price of each such Share on the relevant Dealing Day is less than the Subscription Price which would have applied in relation to each such Share as if the Company had received on the relevant Settlement Date in relation to such Shares to be redeemed an application from such Shareholder's Participating Dealer for the subscription of such Shares in accordance with the relevant provisions of Section X of this Prospectus.
78. The Redemption Price excludes any realisation charge. No realisation charge is currently payable.
79. Payment will be made within two (2) Business Days after the relevant Dealing Day, or such other number of Business Days after the relevant Dealing Day as may be determined by the Company, subject to the provisions of the Constitution. The net realisation proceeds shall be paid to the Participating Dealer. Shareholders redeeming through a Participating Dealer (whether directly or through a stockbroker) should note that there may be other additional fees and charges (including brokerage 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 Company and/or the Registrar and/or the Custodian for the application to redeem Shares to the end investors. Shareholders should consult the relevant Participating Dealer for details on all additional fees and charges payable by Shareholders and also on when the realisation proceeds will be paid.

How to redeem Shares in-kind (if permitted by the Company)

80. You may, through the Participating Dealers, submit Redemption Requests on every Dealing Day for in-kind (if permitted by the Company) redemption of Shares but it is expected that smaller investors who wish to redeem Shares will do so by trading in the Shares on the SGX-ST. The Company has the absolute discretion to accept requests for the Redemption of Shares in-kind.
81. The Company may determine and designate the Index Securities and (if representative sampling is adopted) non-Index Securities comprising the Redemption Basket applicable to

requests to redeem Shares in Redemption Unit aggregations submitted with respect to each Dealing Day. The Company may permit the redemption of a Redemption Unit on every Dealing Day by Participating Dealers at the Redemption Price for that Redemption Unit. On receipt of a Redemption Request by the Registrar from a Participating Dealer on behalf of a Shareholder which complies with the requirements as set out in paragraph 87 below, the Company shall effect the redemption of the Shares, in Redemption Unit aggregations, specified in the Redemption Request for proceeds equivalent to the Redemption Price of the number of Redemption Unit aggregations to be redeemed, such proceeds to be paid by way of a transfer by or on behalf of the Company *in specie* of the Redemption Securities and payment by or on behalf of the Company in cash of the Cash Redemption Component (if positive) determined as at the Transaction Date. The Redemption Price of a Class for a Redemption Unit aggregation shall be ascertained as follows:

- (a) by dividing the Value of the Sub-Fund Asset attributable to such Class at the Valuation Point of the relevant Dealing Day on which applications to redeem the Redemption Unit are deemed to be received by the Company by the number of Shares then in issue and deemed to be in issue;
- (b) by adjusting the resulting total per Share to the nearest four (4) decimal places; and
- (c) by multiplying the resulting total by the number of Shares comprising a Redemption Unit aggregation.

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

For the avoidance of doubt, no redemption of Shares in-kind is currently permitted.

*Procedures for redemption of Shares in-kind*

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

83. Redemption Requests received from Participating Dealers and accepted by the Registrar on or before the Dealing Deadline on each Dealing Day will be processed at that Dealing Day's Redemption Price as calculated in accordance with paragraph 81 of this Prospectus. Redemption Requests received from Participating Dealers after the Dealing Deadline or on a day which is not a Dealing Day shall be deemed to be received by the Registrar on or before the Dealing Deadline for the next Dealing Day. If you place an order to redeem Shares, you should afford sufficient time for the order to be properly submitted by the Participating Dealers to the Registrar prior to the Dealing Deadline on the relevant Dealing Day.
84. The Index Securities and (if representative sampling is adopted) non-Index Securities comprising the Redemption Basket ("**Redemption Securities**") distributable and the Cash Redemption Component payable (less any amount set-off pursuant to paragraph 81) to the Participating Dealer in respect of the redemption of Shares may be transferred or paid sooner but shall, subject to the provisions of paragraphs 93 and 94 of this Prospectus, be distributable and payable on the Settlement Date in accordance with paragraph 85 provided that the Company shall have received the Redemption Request duly signed (to the satisfaction of the Company) by such Participating Dealer, and provided further that the Shares, which are the subject of the Redemption Request, have been delivered in accordance with paragraph 85 and the full amount of the Cash Redemption Component (if negative) and any Duties and Charges and the Transaction Fee payable have been deducted and set-off or otherwise paid in full. For the purposes of this paragraph 84, the Shareholder on whose behalf a redemption application is made by a Participating Dealer hereby authorises (i) the transfer of the Redemption Securities by book entry to the designated stock account and (ii) the payment of the Cash Redemption Component by book entry payment to the designated cash account or by telegraphic transfer to a bank account in the name or to the order, in each case, of that Participating Dealer by or through whom that Redemption Request was made. The Cash Redemption Component shall be paid in the respective currency of each Sub-Fund or Class and, if paid by telegraphic transfer, shall be paid to such bank account(s) determined by the Company.
85. Where Shares are to be redeemed on any Settlement Date, but subject as provided in paragraphs 93 and 94, the Company shall proceed to effect any sales of investments necessary to provide the cash required to pay the Cash Redemption Component (if applicable) and notify the Registrar that those Shares are to be redeemed and cancelled. In such event (but subject as provided below) the Sub-Funds shall be reduced by the cancellation of those Shares on that Settlement Date (or such later date as may from time to time be determined by the Company) and the Company shall transfer the applicable Redemption Securities out of the Sub-Fund Assets to or to the order of the Participating Dealer through which the redeeming Shareholder made his Redemption Request and shall pay the Cash Redemption Component (with such deductions as are permitted under this Prospectus) to the relevant Shareholder within two (2) Dealing Days after the relevant Dealing Day, or such other number of Dealing Days after the relevant Dealing Day as may be determined by the Company. Notwithstanding the foregoing, no Redemption Securities shall be delivered and no Cash Redemption Component shall be paid unless Shares, the subject of the Redemption Request, have been delivered to the Company for redemption by such time on the Settlement Date as the Company shall for the time being prescribe for such Redemption Request. The Company may at its discretion extend the settlement period, such extension to be on such terms and conditions (including as to the payment of any fees it may determine to represent the administrative costs involved in extending the Settlement Date) as the Company may determine. If Shares are not delivered to the Company for redemption in accordance with the foregoing: (i) the Redemption Request shall be deemed never to have been made (except that the Transaction Fee therefor shall

remain due and payable) and (ii) the Company may, but shall not be bound to, charge the Shareholder's Participating Dealer (for the account of the Sub-Funds) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the Redemption Request, purchasing and/or selling any investments and redelivering any Shares, and any losses arising in respect of the Sub-Fund's sale and purchase of investments and any interest costs incurred by the Sub-Funds in connection with such failed redemption. In addition, the Company may, but shall not be bound to, require the Shareholder's Participating Dealer to pay to the Company for the account of the Sub-Funds in respect of each Share, the subject of the Redemption Request, the amount (if any) by which the Redemption Price of each such Share on the relevant Dealing Day is less than the Subscription Price which would have applied in relation to each such Share as if the Company had received on the date on which such Shares were to be redeemed an application from such Shareholder's Participating Dealer for the creation of such Shares in accordance with the provisions of this Prospectus.

86. The Cash Redemption Component of a Redemption Unit is the difference between the Redemption Price of the Redemption Unit calculated in accordance with paragraph 81 of this Prospectus and the Value of the Index Securities and (if representative sampling is adopted) non-Index Securities constituting a Redemption Basket.

*Acceptance of orders for redemption of Redemption Unit aggregations*

87. To be effective, a Redemption Request:
- (a) must be given to the Company by a Participating Dealer in accordance with the relevant Participant Agreement;
  - (b) must specify the (round) number of Redemption Unit aggregations the subject of the Redemption Request; and
  - (c) may not be in respect of Shares other than as comprising a Redemption Unit aggregation.
88. A Redemption Request once given cannot be revoked or withdrawn without the consent of the Company.
89. The Company may from time to time in its absolute discretion substitute an amount of cash to replace any Index Security and (if representative sampling is adopted) non-Index Security comprised in a Redemption Basket in connection with a request to redeem any Redemption Unit aggregation. If the Company exercises such discretion, the cash in lieu amount shall be equal to the Value of such substituted Index Securities or (if representative sampling is adopted) non-Index Securities and shall comprise part of the Cash Redemption Component and each such substituted Index Security or (if representative sampling is adopted) non-Index Security shall be deemed not to be a Redemption Security comprising part of the Redemption Basket. The Company shall be entitled in its discretion to charge (for the account of the Sub-Fund) to the applicant of any Shares for which cash is paid in lieu of delivering any Redemption Securities such additional sum it may consider represents the appropriate provision for Duties and Charges.

Limits on redeeming Shares in cash and in-kind (if permitted by the Company)

90. The Company shall be entitled to limit the total number of Shares of a Sub-Fund which Shareholders are entitled to redeem on a Dealing Day to ten per cent. (10%) (or such higher

percentage as the Company may determine in any particular case) of the total number of Shares of such Sub-Fund in issue (disregarding any Shares which have been agreed to be issued), such limitation to be applied (subject as provided in the last sentence of this paragraph) pro rata to all Participating Dealers who have validly requested redemptions to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all Participating Dealers. Any Shares which, by virtue of the powers conferred on the Company hereby, are not redeemed in respect of a particular Dealing Day (a **“first relevant Dealing Day”**) shall be carried forward for redemption (subject to any further application of the provisions of this paragraph) on the Dealing Day next following the first relevant Dealing Day (such Dealing Day shall be referred to as a **“second relevant Dealing Day”**). The Company will inform the Participating Dealers of Shares the redemption of which has been deferred within one Business Day after the first relevant Dealing Day and that (subject as aforesaid) they shall be redeemed on the second relevant Dealing Day. If on the second relevant Dealing Day the Company shall decide to apply the limitation described in the first sentence of this paragraph, Shares the subject of redemption requests first carried forward from the first relevant Dealing Day shall then (subject to the application of such limitation) be redeemed in priority to Shares the subject of redemption requests received on the second relevant Dealing Day, and such second relevant Dealing Day shall be treated as the first relevant Dealing Day for Shareholders whose redemption requests are to be carried forward hereunder after such second relevant Dealing Day.

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

## **XII OBTAINING PRICES OF SHARES**

92. After the close of the Initial Offer Period and the listing of the Shares on the SGX-ST, the Subscription Price and Redemption Price of Shares will be available on the Business Day following each Dealing Day. You may check such prices on the Company's website at <https://www.csopasset.com/sq/home.html>.

## **XIII SUSPENSION OF DEALINGS**

93. Subject to the provisions of the CIS Code, the Company may at any time suspend the creation, issue and/or redemption of Shares of a Sub-Fund and/or delay the payment of any monies and distribution of any Redemption Securities in respect of any such creation, issue and/or redemption during any of the following periods:
  - (a) any period when the SGX-ST is closed;
  - (b) any period when dealings of the Shares on the SGX-ST are restricted or suspended;
  - (c) any period when settlement or clearing of securities in CDP is disrupted;
  - (d) the existence of any state of affairs as a result of which delivery of Index Securities or (if representative sampling is adopted) non-Index Securities comprised in a Deposit Basket or Redemption Basket or disposal of investments for the time being comprised in the Sub-Fund Assets cannot, in the opinion of the Company, be effected normally or without prejudicing the interests of Shareholders;

- (e) any period when, in the opinion of the Company, funds cannot be normally remitted from the Sub-Fund Assets without prejudicing the interests of Shareholders;
- (f) any period when the Index of a Sub-Fund is not compiled or published;
- (g) any breakdown in the means normally employed in determining the Value of the Sub-Fund Asset or the Sub-Fund Liability or any Class or when for any other reason the Value of any investment or other property for the time being comprised in the Sub-Fund Assets or Sub-Fund Liability or any Class cannot be promptly and accurately ascertained;
- (h) any 48 hours (or such longer period as the Company may determine) prior to the date of any meeting of Members of the Company, a Sub-Fund or the relevant Class, or any adjourned meeting thereof;
- (i) any period when the business operations of the Company or the Manager in relation to the operations of the Sub-Funds 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;
- (j) any period when the dealing of Shares is suspended pursuant to any order or direction issued by the Authority; or
- (k) such circumstances as may be required under the provisions of the CIS Code.

94. Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof by the Company and thereafter there shall be no creation or issue of Shares, and/or (as the case may be) no redemption of Shares and/or transfer of the Redemption Securities and payment of the Cash Redemption Component or cash Redemption Price in respect of any such redemption until the Company shall declare the suspension at an end, except that subject to the provisions of the CIS Code, the suspension shall terminate as soon as practicable when (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised under the Constitution shall then exist, and in any event, within 21 days of the commencement of the suspension. The period of suspension may be extended if the Directors are satisfied that it is in the best interest of the Shareholders for the dealing in Shares to remain suspended. Such extension should be subject to weekly review by the Directors. Each declaration by the Company pursuant to paragraph 93 shall be consistent with such official rules, regulations, codes and guidelines, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Sub-Funds and as shall be in effect at the time. To the extent not inconsistent with such official rules, regulations, codes and guidelines, and subject to the foregoing provisions hereof, the declaration of the Company shall be conclusive. During any such suspension by reason of any of the circumstances set out in paragraphs 93(a) to 93(k) above, the calculation of the Value of the Sub-Fund Asset and each Share (including the Subscription Price and Redemption Price) may also be suspended and the Company shall be under no obligation to rebalance or adjust the Sub-Fund Asset, in either case at the discretion of the Company. The Company shall publish the fact that the calculation of the Net Asset Value and each Share is suspended immediately following such suspension and at least once a month during the period of such suspension in such newspaper or newspapers in Singapore (if required) or elsewhere as the Company may from time to time think fit.

95. Any Participating Dealer may at any time after such a suspension has been declared and before termination of such suspension withdraw any redemption request or any application for the issue of Shares by notice in writing to the Company. If no such notification of the withdrawal of any such request or application has been received by the Company before termination of such suspension, the Company shall, subject to and in accordance with the provisions of the Constitution, redeem Shares in respect of which the Company has received a valid Redemption Request and the Company shall consider applications for the issue of Shares as at the Dealing Day or (in the case of redemptions or issue of Shares in cash) the Dealing Day next following the termination of such suspension. In addition, the period for distributing any proceeds the distribution of which has been delayed pursuant to the suspension shall be extended by a period equal to the length of the period of the suspension.

#### **XIV PERFORMANCE AND BENCHMARK OF THE SUB-FUNDS**

96. The performance of each Sub-Fund is set out in the relevant Appendix of this Prospectus.
97. The benchmark against which the performance of each Sub-Fund will be measured is set out in the relevant Appendix of this Prospectus.

98. Expense ratio

The expense ratio of each Sub-Fund or Class is set out in the relevant Appendix of this Prospectus.

99. Turnover ratio

The turnover ratio of each Sub-Fund is set out in the relevant Appendix of this Prospectus.

#### **XV SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

100. The Manager may receive or enter into soft dollar commissions or arrangements in respect of the Company and/or the Sub-Funds. The Manager will comply with applicable regulatory and industry standards on soft dollars. Subject to the Code, the soft dollar commissions which the Manager may receive include research, and payment of certain expenses, such as newswire and data processing charges, quotation services, and periodical subscription fees.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries, direct money payment, or any other goods and services as may be prescribed from time to time in any code or guideline issued by the Investment Management Association of Singapore from time to time.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft dollar commissions or arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in their management of the Company and/or the Sub-Funds, provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Company and/or the Sub-Funds.



The Company may be deemed to be paying for these services with “soft” or commission dollars. Although the Manager believes that the Company will demonstrably benefit from the services obtained with “soft” dollars generated by trades, the Company does not benefit from all of these “soft” dollar services because the Manager and other accounts managed by the Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Manager uses “soft” or commission dollars to pay for expenses the Manager would otherwise be required to pay itself.

The Manager intends generally to consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied on, and attempt to allocate a portion of their brokerage business on the basis of that consideration. The investment information received from brokers, however, may be used by the Manager and its affiliates in servicing other accounts and not all such information may be used by the Manager in connection with the Company. The Manager believes that such an allocation of brokerage business may help the Company to obtain research and execution capabilities and provides other benefits to the Company.

The relationships with brokerage firms that provide “soft” dollar services to the Manager may influence the Manager’s judgment in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute brokerage transactions. The brokerage commissions that the Manager will pay to those firms, however, will not differ materially from and will not be in excess of customary full brokerage commissions payable to other firms for comparable services.

## **XVI CONFLICTS OF INTEREST**

101. The following inherent or potential conflicts of interest should be considered by prospective investors before investing in the Company and/or the Sub-Funds. Where any potential conflict of interest arises, the Directors and the Manager will endeavour to ensure that any such conflict is resolved in a fair and equitable manner and in the best interest of the Company and its Shareholders.

- (a) The Directors, the Fund Administrator, the Custodian, the Manager and other service providers or their respective agents, delegates or associated parties may engage in or possess an interest in other business ventures of every kind and description, including (i) investments for their own account in securities held by the Company and/or the Sub-Funds from time to time (save and except for the Manager); or (ii) investment advisory or supervisory services with respect to securities or other types of financial investments. Each of the parties will ensure that the performance of their respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the parties will endeavour to ensure that it is resolved fairly and equitably and in the interest of the Company or the relevant Sub-Funds. Moreover, each of them will devote to the Company or the relevant Sub-Funds, as the case may be, only so much of their time as they deem necessary or appropriate in connection with the activities of the Company or the relevant Sub-Funds (as the case may be).
- (b) The Directors, the Fund Administrator, the Custodian and the Manager may from time to time act as director, administrator, registrar, secretary, custodian, cash custodian, manager or investment adviser or carry out 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 Company or the relevant Sub-Funds. Any of them may, in the course of business, have potential conflicts of interest

with the Company or the relevant Sub-Funds. Each will, at all times give due regard in such event to its obligations to the Company and the relevant Sub-Funds and will endeavour to ensure that such conflicts are resolved fairly. To the extent that there are similar investment objectives, the Manager will, as far as practicable, endeavour to have the same securities holdings for such overlapping areas with such securities allocated on a fair and equitable basis among the relevant funds. The Fund Administrator will act in accordance with the standard of care applicable to a professional administrator for hire providing equivalent services to variable capital companies such as the Company.

- (c) The Directors, the Fund Administrator, the Custodian, the Manager and their respective affiliates, delegates and their key personnel may, in certain circumstances, take positions in accounts of other clients opposite to those taken in relation to a Sub-Fund and/or take positions in accounts of other clients which involve conflicts or potential conflicts with positions taken by such Sub-Fund. These positions could adversely affect the performance of investments held by a Sub-Fund. If a conflict of interest does arise, the parties will endeavour to ensure that it is resolved fairly and equitably and in the interest of the Company or the relevant Sub-Funds.
- (d) To the extent permitted by applicable law, the Manager and/or any of its affiliates or delegates may have a monetary or non-monetary interest in the transactions and/or a potential conflict of interest including the fact that the Manager and/or its affiliates or delegates may provide services to other parties in the same transactions and in turn earn profits from such services, including without limitation, investment management and advisory services, brokerage services, marketing services, providing research reports, consultancy services, acting in the same transactions as agent for more than one customer, and none of the Manager and its affiliates and delegates shall be liable to account for any profits earned from any aforementioned transactions, provided that such transactions are conducted on an arm's length basis.
- (e) Without limiting the generality of the forgoing paragraph (d), to the extent permitted by applicable law and the Code, the Manager may enter into portfolio transactions for or with the Company (for the purpose of a Sub-Fund) either as agent, in which case it may receive and retain brokerage commissions, or as principal with the Company (for the purpose of a Sub-Fund) provided that such transactions are carried out as if effected on normal commercial terms negotiated on an arm's length basis, consistent with best execution standards and subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.
- (f) The Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it is entitled to receive from the Company or a Sub-Fund. The Manager and any person connected with it, including any shareholder, director, officer and employee of the Manager or its associated companies, may invest in a Sub-Fund, and the Manager may allow to any such person a reduction or rebate of any fees to which the Manager is entitled.
- (g) The Manager may manage other funds (as set out in paragraph 8 above) and/or accounts and will remain free to provide such services to additional funds and accounts, including for their own accounts, in the future. The Manager may vary the investment strategies employed on behalf of a Sub-Fund from those used for itself and/or for other

clients. No assurance is given that the results of the trading by the Manager on behalf of a Sub-Fund will be similar to that of other funds and/or accounts concurrently managed by the Manager. It is possible that such funds and accounts and any additional funds and accounts to which the Manager in the future provides such services may compete with a Sub-Fund for the same or similar positions in the markets. Where the Manager is managing or advising other funds or accounts with similar investment policies to a Sub-Fund, it will ensure that appropriate investment opportunities are allocated on a fair and equitable basis between the Sub-Fund and such other funds or accounts. The Manager may make a purchase or sale decision on behalf of some or all of the other funds managed by the Manager without making the same decision on behalf of a Sub-Fund, as a decision whether or not to make the same investment or sale for the Sub-Fund depends on factors such as the cash availability and portfolio balance of the Sub-Fund. However, the Manager will use its reasonable endeavours at all times to act fairly and in the best interests of the Sub-Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds managed by the Manager and the Sub-Fund, the Manager will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds managed by the Manager and the Sub-Fund. The Manager may also transact on the Sub-Fund's behalf with its affiliates. The Manager intends to deal with any conflicts of interests in a manner consistent with any applicable guidelines which may be issued from time to time by the Investment Management Association of Singapore.

- (h) The Directors may also hold or may assume directorships or equivalent positions in other funds or entities (including the Manager's related corporations). Therefore, they may be put in a position where their duties to act in the best interests of the funds or entities in which they hold directorships (or equivalent positions) may conflict. In dealing with any potential conflicts of interest, the Directors are obliged to act in the best interest of the Company and each Sub-Fund as a whole, pursuant to their duties imposed by the Act as well as any other duties mandated by common law. The Directors will ensure that the performance of their respective duties will not be impaired by any such involvement and that any such activities will be conducted on an arm's length basis. If a conflict of interest does arise, the Directors will endeavour to ensure that it is resolved fairly and in the interest of the Shareholders.
- (i) A Director may be a party to, or otherwise interested in, any transaction or arrangement with a Sub-Fund, or in which a Sub-Fund is otherwise interested. The Director will not be liable to account to a Sub-Fund for any profit he derives from such a transaction or arrangement provided the nature and extent of any material interest has been disclosed to the other Directors and that the Director acts in the best interest of a Sub-Fund, pursuant to the duties imposed by the Act as well as any other duties mandated by common law. Save as disclosed in this Prospectus, no Director has any interest, direct or indirect, in the promotion of, or in any assets which are proposed to be acquired, disposed of by or leased to, a Sub-Fund. Save as disclosed in this Prospectus, no Director has a material interest in any contract or arrangement entered into by a Sub-Fund which is unusual in nature or conditions or significant in relation to the business of such Sub-Fund, nor has any Director had such an interest since the Company was incorporated. To the extent that a Director has a personal material interest in any contract or arrangement directly or indirectly, such Director may not vote on such contract or arrangement.

- (j) The Fund Administrator, the Custodian and/or their respective Connected Persons may contract with or enter into any financial banking or other transaction with the Company (for the purpose of a Sub-Fund), any Shareholder or any company or body whose assets are held by or on behalf of the Sub-Fund. The Fund Administrator, the Custodian and/or their respective Connected Persons may deal, as principal or agent, with the Company (for the purpose of a Sub-Fund) if such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. In addition, any of the foregoing may own Shares and hold, dispose or otherwise deal with the Shares as well as hold or deal in any investments notwithstanding that similar investments may be held by or on behalf of the Sub-Fund. The Fund Administrator, the Custodian and their respective Connected Persons shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such transaction.
- (k) The Directors, the Manager and Connected Persons may, from time to time, acting on an arm's length basis, receive fees from portfolio companies for structuring, negotiating documentation, monitoring and administering of the facilities and securities of the portfolio companies.
- (l) Each Sub-Fund bears its own expenses. However, common expenses will be incurred on behalf of a Sub-Fund and one or more other clients. The Manager will seek to allocate those common expenses among the Sub-Funds and the other clients in a manner that is fair and equitable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., conflicts relating to different expense arrangements with certain clients). The Manager may use a variety of methods to allocate common expenses among the Sub-Funds and the other clients, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Sub-Funds and the other clients from a product or service, or other relevant factors. Nonetheless, because the Manager's expense allocations often depend on inherently subjective determinations, the portion of a common expense that the Manager allocates to the Sub-Funds for a particular product or service may not reflect the relative benefit derived by such Sub-Funds from that product or service in any particular instance.
- (m) In respect of voting rights relating to any securities where the Manager may face a conflict between its own interest and that of the Shareholders, the Manager shall cause such voting rights to be exercised in consultation with the Directors.

## **XVII REPORTS**

- 102. The Company's financial year ends on 31 December in each year.
- 103. Shareholders may obtain electronic copies of the annual accounts of the Company, reports of the auditors on the annual accounts of the Company and the annual reports of the Company for the relevant financial year (collectively, the "**Reports**"), once available, from the Company's website at <https://www.csopasset.com/sg/home.html>. The Reports will be made available on the Company's website within three (3) months of the financial year-end of the Company and will remain on the Company's website for at least 12 months from the date of posting on the Company's website. The Reports will also be made available on SGXNET. Printed copies of the Reports are not sent to Shareholders. However, Shareholders who would like to receive printed copies of the Reports may submit the relevant request to the Company.

104. Shareholders may obtain electronic copies of the semi-annual report and semi-annual accounts of the Company (collectively, the “**Semi-Annual Reports**”), once available, from the Company’s website at <https://www.csopasset.com/sg/home.html>. The Semi-Annual Reports will be made available on the Company’s website within two (2) months of the end of the period covered by the relevant report and accounts and will remain on the Company’s website for at least 12 months from the date of posting on the Company’s website. The Semi-Annual Reports will also be made available on SGXNET. Printed copies of the Semi-Annual Reports are not sent to Shareholders. However, Shareholders who would like to receive printed copies of the Semi-Annual Reports may submit the relevant request to the Company.

## **XVIII QUERIES AND COMPLAINTS**

105. If you have questions concerning the Company or the Sub-Funds, you may call the Company or the Manager at telephone number (65) 6279 2899.

## **XIX OTHER MATERIAL INFORMATION**

### **106. Book-entry Securities**

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

### **107. Shares’ Trading Prices and Designated Market Makers**

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

108. It is the intention of the Company to assist in the creation of liquidity for investors and the Manager has appointed the Designated Market Maker before the listing of any Sub-Fund to maintain a market for the Shares. Shares may be purchased from and sold to the Designated Market Maker. However, there is no guarantee or assurance as to the price at which a market will be made. You may obtain a list of appointed Designated Market Makers from the Company. In maintaining a market for Shares, the Designated Market Maker may realise profits or sustain losses in the amount of any differences between the prices at which they buy Shares and the prices at which they sell Shares. Any profit made by the Designated Market Maker may be retained by them for their absolute benefit and they shall not be liable to account to the Company in respect of such profits.

### **109. Additional Listing**

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

110. Taxation

The following summary of the principal Singapore income tax consequences applicable to the Company (and the Sub-Funds) is based upon the proposed conduct of the activities to be carried out by the Company (and the Sub-Funds) and the Manager as described in this Prospectus. The following summary does not constitute legal or tax advice and does not address non-Singapore withholding taxes or other taxes that may be applicable to the income and gains derived from the investments of the Company. The comments in this summary could be adversely affected if any of the material facts on which they are based should prove to be inaccurate.

The summary is based on the existing provisions of the relevant Singapore income tax laws and the regulations thereunder, the circulars issued by the MAS and practices and interpretation of such income tax laws in effect as of the date hereof, all of which are subject to change and differing interpretations at any time, either on a prospective or retrospective basis. Any such changes could adversely affect the summary herein. The summary does not purport to be comprehensive.

In addition, the comments herein are not binding on the Singapore tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. The summary is not intended to constitute a complete analysis of all the tax considerations relating to investment in the Shares. It is emphasised that none of the Company, the Manager or any other persons involved in the preparation of this Prospectus accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of the Shares. Prospective investors should consult their own tax advisers concerning the tax consequences of their particular situations.

111. Singapore Income Tax

Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or considered to be received in Singapore, unless otherwise exempted under the Income Tax Act 1947 ("SITA"). The prevailing corporate income tax rate is 17%.

Foreign income in the form of branch profits, dividends and service fee income received or considered to be received in Singapore by a Singapore tax resident company may however be exempted from Singapore income tax subject to meeting certain prescribed qualifying conditions.

112. Gain on Disposal of Investments

Singapore does not impose tax on capital gains. However, depending on the specific facts and circumstances surrounding the acquisition and divestment of investments, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. Generally, gains on disposal of investments are considered income in nature if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

As the investments and divestments of assets of the Company (including the Sub-Funds) are managed by the Manager in Singapore, the Company (and the Sub-Funds) may be construed to be carrying on activities of a trade or business in Singapore. Accordingly, the income derived by the Company (and the Sub-Funds) may be considered income accruing in or derived from

Singapore and subject to Singapore income tax, unless the income of the Company (and the Sub-Funds) is otherwise exempted from Singapore income tax.

#### 113. The Singapore Resident Fund Scheme

The Company will be seeking approval to be an “approved company” under section 13O of the SITA and the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the “**Regulations**”) (collectively referred to as the “**SRF Scheme**”).

Under the SRF Scheme, “specified income” derived from “designated investments” by an “approved company” is exempt from income tax in Singapore, if the “approved company” is managed by a fund manager in Singapore and certain prescribed conditions are met.

A “fund manager” for the purpose of the SRF Scheme means a company holding a capital markets services licence under the Securities and Futures Act for fund management or one that is exempt under the Securities and Futures Act from holding such a licence. The Manager holds a capital markets services licence for fund management under the Securities and Futures Act.

Unless excluded, all income and gains derived by an approved company from “designated investments” will be considered “specified income”. Excluded income or gains are defined to be<sup>1</sup>:

- (a) distributions made by a trustee of a real estate investment trust<sup>2</sup> that is listed on the Singapore Exchange;
- (b) distributions made by a trustee of a trust who is resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under sections 13D, 13F, 13L or 13U of the SITA;
- (c) income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership and/or non-publicly traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

“Designated investments” is defined to mean, among others, the following<sup>3</sup>:

- (a) stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (b) debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of

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<sup>1</sup> This is based on the details of the changes set out in the circular issued by the MAS titled “Tax Incentive Schemes for Funds (FAQs and Update to Designated Investments)” (Circular No.: FDD Cir 05/2022) dated 19 September 2022, which have not been legislated yet.

<sup>2</sup> As defined in section 43(10) of the SITA, which is a trust constituted as a collective investment scheme authorised under section 286 of the Securities and Futures Act and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

<sup>3</sup> This is based on the details of the changes set out in the circular issued by the MAS titled “Tax Incentive Schemes for Funds (FAQs and Update to Designated Investments)” (Circular No.: FDD Cir 05/2022) dated 19 September 2022, which have not been legislated yet.

deposits), other than non-qualifying debt securities<sup>4</sup> issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

- (c) futures contracts held in any future exchanges;
- (d) deposits placed with any financial institution;
- (e) foreign exchange transactions; and
- (f) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives<sup>5</sup> relating to any designated investment specified in this list or financial index.

#### 114. Certain Conditions to be Met by the Company to be Approved for the SRF Scheme

To be approved as an “approved company” under the SRF Scheme, the Company must undertake to meet the conditions set out below. The following conditions should be applied at the Company level (and not the Sub-Fund level). The Company must:

- (a) be a company / variable capital company incorporated in Singapore;
- (b) be a tax resident of Singapore where the control and management of its business is exercised in Singapore where (a) the control and management of its business is exercised in Singapore and (b) meetings of its board of directors are held in Singapore;
- (c) be managed or advised directly throughout each basis period relating to any year of assessment by a Fund Management Company (“**FMC**”) in Singapore, where the FMC must hold a capital markets services licence for the regulated activity of fund management under the Securities and Futures Act or is exempt from the requirement to hold such a licence under the Securities and Futures Act;
- (d) not be a company the income of which is derived from investments which have been transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax;
- (e) not be a person that was previously carrying on a business in Singapore, where that business in Singapore generated income that would not have been tax-exempted<sup>6</sup>;
- (f) incur at least S\$200,000 expenses<sup>7</sup> in each basis period relating to any year of

<sup>4</sup> “Non-qualifying debt securities” refer to debt securities that do not enjoy the “Qualifying Debt Securities” tax status as defined under section 13(16) of the SITA.

<sup>5</sup> “Financial derivatives” means derivatives the payoffs of which are linked, whether in whole or in part, to the payoffs or performance of any financial assets, securities, financial instruments or indices, but excludes derivatives the payoffs of which are wholly linked to the payoffs or performance of commodities. The MAS has clarified in the circular titled “Tax Incentive Schemes for Funds (FAQs and Update to Designated Investments)” (Circular No.: FDD Cir 05/2022) dated 19 September 2022 that “financial derivatives” within the list of designated investments should only refer to financial derivatives relating to any designated investment or financial index.

<sup>6</sup> Warehousing of investments, setting up of bank accounts in anticipation of commencing operations, and monies placed in deposits or money market instruments on a temporary basis before making this application are excluded (i.e. the stated scenarios will not contravene the said rule).

<sup>7</sup> According to accounting principles and includes, but not limited to, the following expenses paid to service providers: remuneration, management fees and other operating costs.



assessment;

- (g) use a Singapore-based fund administrator;
- (h) not change its investment objective / strategy<sup>8</sup> after being approved for the SRF Scheme, unless otherwise approved;
- (i) not concurrently enjoy other tax incentive schemes;
- (j) commit to provide the relevant authority with such other information as such authority may reasonably require; and
- (k) satisfy such other conditions that may be specified in the approval letter.

The Manager will endeavour to conduct the affairs of the Company in such a way that it qualifies for the SRF Scheme and satisfies the qualifying conditions. There is, however, no assurance that the Manager will, on an on-going basis, be able to ensure that Company meets all the qualifying conditions for SRF Scheme. Upon any such disqualification, the Company may be exposed to Singapore tax on its income and gains at the prevailing corporate tax rate.

#### 115. Taxation of the investors

Investors of an approved company should note that under certain circumstances, they may be obliged to pay a penalty to the Comptroller of Income Tax (“CIT”), if they do not meet certain conditions (i.e. they are considered to be “**Non-Qualifying Relevant Owners**”). The following tests should be applied at the Company level and not at each sub-fund level.

An investor of an approved company (“**Relevant Owner**”) will be a Non-Qualifying Relevant Owner if the investor:

- (1) either alone or together with his associates<sup>9</sup>, beneficially owns on the last day of the financial year of the approved company relating to the year of assessment (the “Relevant Day”), issued securities of the approved company the value of which is more than the prescribed percentage of the total value of all issued securities of the approved company on the Relevant Day. The “prescribed percentage” is 30% if the approved company has fewer than ten (10) Relevant Owners; and 50% if the approved company

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<sup>8</sup> In the case of an umbrella variable capital company (VCC), it is pertinent that all the sub-funds meet the investment objective as stated in the approval letter for the SRF Scheme as any breach of the condition by one sub-fund would adversely impact the entire umbrella VCC (i.e. the entire umbrella VCC would not be able to enjoy tax exemption under the SRF Scheme).

<sup>9</sup> Two persons (P1 and P2) will be regarded as being “associates” of each other if:

- (a) at least 25% of the total value of the issued securities of one person is beneficially owned, directly or indirectly, by the other; or
- (b) at least 25% of the total value of the issued securities in each of P1 and P2 is beneficially owned, directly or indirectly, by a third person (P3).

Notwithstanding the above, P1 and P2 will not be regarded as “associates” in the following circumstances:

- where either P1 or P2 is an entity listed in Singapore or elsewhere and does not beneficially own, directly or indirectly, at least 25% of the total value of the issued securities of the other investor;
- P3 is an individual or a designated person (or a nominee company or a trust fund of an individual or a designated person) who is the only person who owns at least 25% of the total value of issued securities of P1 and P2; or
- where P1 is an approved person under Section 13U of the SITA which at all times beneficially owns directly any of the issued securities of the approved company during the relevant financial year and satisfies all of the conditions for exemption under Section 13U.

has at least ten (10) Relevant Owners. The above 30% / 50% test should be applied at the Company level; and

(2) does not fall within any of the following categories:

- (a) an individual;
- (b) a bona fide entity<sup>10</sup> not resident in Singapore who does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore;
- (c) a bona fide entity not resident in Singapore (excluding a permanent establishment in Singapore) who carries on an operation in Singapore through a permanent establishment in Singapore where the funds used to invest directly or indirectly in the fund are not obtained from its Singapore operations;
- (d) a designated person<sup>11</sup>;
- (e) an approved company under Section 13O of the SITA, which, at all times during the basis period for the year of assessment for which the income of the approved company is exempt from tax under section 13O of the SITA, satisfies the conditions in regulation 3(2) of the Regulations; or
- (f) an approved person under Section 13U of the SITA, which, at all times during the basis period for the year of assessment for which the income of the approved company is exempt from tax under section 13U of the SITA, satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010.

Investors should take note of the aggregation rule in (1) above, and should also note that for purposes of determining whether other investors of an approved company who are connected with them are associates under this aggregation rule, shareholding of non-resident non-individual investors connected to them may be aggregated (notwithstanding that these persons are themselves Qualifying Relevant Owners) in assessing whether the relevant thresholds have been exceeded.

Non-Qualifying Relevant Owners will have to declare and pay the penalty in their own Singapore income tax returns for the relevant year of assessment. If applicable, the penalty is calculated based on (a) the percentage of the value of the issued securities of the approved company beneficially owned by the Non-Qualifying Relevant Owner as at the Relevant Day of the approved company, multiplied by (b) the income of the approved company as reflected in the audited / certified accounts for that financial year ("**Non-Qualifying Relevant Owner Income**") and multiplied by (c) the applicable corporate tax rate. The corporate tax rate as of the date of this Prospectus is 17%.

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<sup>10</sup> A "bona fide entity" means an entity that is not a non-bona fide entity. A "non-bona fide entity" means a person not resident in Singapore (excluding a permanent establishment in Singapore) who:

- is set up solely for the purpose of avoiding or reducing payment of tax or penalty under the SITA; or
- does not carry out any substantial business activity for a genuine commercial reason.

<sup>11</sup> A "designated person" refers to specified Singapore government entities.

In addition, the investors should note that the taxation of distributions by the Company (and the Sub-Funds) and gains on investment in the Shares will depend on their particular situations. This is notwithstanding that certain investors may have paid a penalty to the CIT. As mentioned, prospective investors should consult their own tax advisers concerning the tax consequences of investing in the Company (and the Sub-Funds) in the light of their particular circumstances.

116. Reporting Obligations

Under the SRF Scheme, the Manager has certain reporting obligations.

To enable the investors to determine the value of the issued securities they own in the approved company in respect of any financial year of the approved company, the Manager is required to issue an annual statement to each investor. It is prescribed in the Regulations that the annual statement should contain the following:

- (a) the gains or profit of the approved company for that financial year as per the approved company's audited financial statements for that financial year;
- (b) the total value of issued securities of the approved company as at the Relevant Day;
- (c) the total value of issued securities of the approved company held by the Investor concerned as at the Relevant Day; and
- (d) whether the approved company has fewer than ten (10) Investors as at the Relevant Day.

The Manager will be required to submit a declaration to the CIT within one (1) month after the date of issue of the audited accounts of the approved company relating to any financial year in which the Relevant Day falls if, for a particular financial year of the approved company, there are any Non-Qualifying Relevant Owners, and furnish the CIT with their details. In this regard, investors should note that they are each responsible for the computation of the aggregate value of the Fund held by them and their associates and may be required by the Manager to disclose this status and computation to the Manager from time to time.

The Company will be required to submit annual tax returns to the CIT. In addition, once approved for the SRF Scheme, the Company will be required to submit an annual declaration to the MAS. The annual declaration should be submitted within four months of the end of the financial year end of the Company.

The Company, the Manager and the Fund Administrator reserve the right to request such information in their absolute discretion as they may deem fit for the purposes of the SRF Scheme or for such other purposes in relation to the taxation of the Company.

117. Proposed tax changes

The Ministry of Finance published the draft Income Tax (Amendment) Bill 2023 on 6 June 2023. It has been proposed that gains from the sale or disposal of any movable or immovable property situated outside Singapore (collectively 'foreign assets') that are received in Singapore on or after 1 January 2024 by a relevant entity<sup>12</sup> that does not have economic substance in Singapore will be treated as income chargeable to Singapore income tax, subject to certain exceptions.

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<sup>12</sup> A relevant entity is a member of a multinational group whose assets, liabilities, income, expenses and cash flows are included in consolidated financial statements prepared by the parent entity of the group in accordance with generally accepted accounting standards.

The proposed change will apply only to gains from the sale or disposal of foreign assets that occurs on and after 1 January 2024.

Further, it has been announced in the Singapore Budget 2023 presented in parliament on 14 February 2023 that Singapore plans to implement the Global Anti-base Erosion (GloBE) rules and a domestic top-up tax (DTT) for in-scope businesses from their financial year starting on or after 1 January 2025. Very broadly, the GloBE rules operate to ensure that multinational enterprises with consolidated annual revenues of EUR 750 million or more pay tax at an effective rate of at least 15% on profits (as defined) earned in the jurisdictions in which they operate. Details of the DTT are not yet available.

As at 12 September 2023, as these proposed changes have not been legislated and may be subject to further changes, there will be a need to monitor their developments and implications on the Company and the Sub-Funds.

118. PRC Taxation (applicable to the CSOP Huatai-PineBridge SSE Dividend Index ETF only)

In this paragraph 118 only, references to “PRC” or “China” refer to People’s Republic of China, excluding Hong Kong, Macau and Taiwan.

The following summary of PRC taxation on the CSOP Huatai-PineBridge SSE Dividend Index ETF’s key investments is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of China and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in China at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below.

(a) PRC Corporate Income Tax (“CIT”)

Pursuant to the PRC CIT law and its implementation rules, if the CSOP Huatai-PineBridge SSE Dividend Index ETF is considered as a tax resident enterprise of the PRC, it should be subject to CIT at 25% on its worldwide taxable income. If the CSOP Huatai-PineBridge SSE Dividend Index ETF is considered as a non-PRC tax resident enterprise with an establishment or place of business (“PE”) in the PRC, the profits and gains attributable to that PE should be subject to CIT at 25%.

If the CSOP Huatai-PineBridge SSE Dividend Index ETF is a non-PRC tax resident enterprise without a PE in the PRC or has a PE in the PRC but the income derived is not effectively connected with such PE, it will be subject to PRC Withholding Income Tax (“WHT”), generally at a rate of 10%, to the extent it directly derives the PRC sourced taxable income, unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties.

The Manager intends to manage and operate the CSOP Huatai-PineBridge SSE Dividend Index ETF to the extent commercially feasible, in such a manner that the CSOP Huatai-PineBridge SSE Dividend Index ETF should not be treated as a tax resident enterprise of the PRC or non-PRC tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

(i) Dividend Income

Under the current PRC CIT law, non-PRC tax residents (including the CSOP Huatai-PineBridge SSE Dividend Index ETF) without a PE in the PRC, should be subject to PRC WHT at the rate of 10% on cash dividends and distributions from PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF), subject to specific exemption under PRC domestic tax law or applicable income tax treaty relief. Caishui [2008] No.1 (“**Circular 1**”) states that income derived by investors from distribution from securities investment funds (including the Huatai-PineBridge SSE Dividend Index ETF) is temporarily exempt from CIT. However, based on verbal comments from the PRC tax authorities, this CIT exemption policy is interpreted as not applicable to non-PRC tax residents investors (including the CSOP Huatai-PineBridge SSE Dividend Index ETF).

For dividends and distributions received by non-PRC tax residents (including the CSOP Huatai-PineBridge SSE Dividend Index ETF) from PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) traded via QFI regime, in practice, non-PRC tax residents (including the CSOP Huatai-PineBridge SSE Dividend Index ETF), as QFI license holder, are required to self-report the under-withheld WHT to the PRC tax bureau, given that such WHT are commonly not withheld.

For dividends and distributions received by non-PRC tax residents (including the CSOP Huatai-PineBridge SSE Dividend Index ETF) from PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) traded via Stock Connect, Circular [2022] No. 24 (“**Circular 24**”) jointly issued by the MOF, STA and CSRC states that underlying PRC listed companies in the investment portfolio of PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) are required to withhold WHT at 10% from dividends and distributions declared to PRC-incorporated ETFs. PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) are no longer required to withhold any income tax upon distribution to non-PRC tax residents (including the CSOP Huatai-PineBridge SSE Dividend Index ETF).

(ii) Capital gain

Caishui [2014] No.79 promulgated by the MOF, the STA and the CSRC on 14 November 2014 (“Circular 79”) states that QFIs (without PE in the PRC or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE) will be temporarily exempt from WHT on gains derived from the transfer of PRC equity investments effective from 17 November 2014. However, WHT will be imposed on capital gains realised by QFIs from the transfer of PRC equity investment assets realized prior to 17 November 2014 in accordance with laws. Practically, the above PRC equity investments are interpreted to include PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF).

According to Circular 24, capital gains derived by non-PRC enterprises (including the CSOP Huatai-PineBridge SSE Dividend Index ETF) from the trading of PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) via Stock Connect are temporarily exempt from WHT.

(b) Value added Tax (“**VAT**”)

On 23 March 2016, the MOF and the STA jointly released Caishui [2016] No.36 (“Circular 36”) on the VAT reform. VAT reform was officially implemented on 1 May 2016. Pursuant to Circular 36, gains derived from the trading of financial products in China would be subject to 6% VAT, unless there is specific exemption.

(i) Dividend income

Dividends distributions from PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) are not included in the taxable scope of VAT and thus not subject to VAT.

(ii) Capital gains

According to Circular 36 and Caishui [2016] No.70 (“Circular 70”), capital gains realised by QFIs from the trading of PRC securities are exempted from VAT. Practically, the above PRC securities are interpreted to include PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF). In addition PRC tax bureaus have not proactively collected VAT on capital gains realised by QFIs from the trading of PRC-incorporated ETFs.

According to Circular 36 and Circular 24, capital gains realised by non-PRC enterprises (including the CSOP Huatai-PineBridge SSE Dividend Index ETF) from the trading of PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) via Stock Connect are exempt from VAT.

(c) Stamp Duty (“**SD**”)

SD generally applies to the execution and receipt of dutiable documents listed in the PRC SD Law which took effective on 1 July 2022.

Currently, SD is not imposed on the purchase or sale of PRC-incorporated ETFs (including the Huatai-PineBridge SSE Dividend Index ETF) traded in the PRC.

## PRC Tax Provisions

The Manager has its own discretion on whether to make tax provision on the investment income derived by the CSOP Huatai-PineBridge SSE Dividend Index ETF in accordance with tax regulations, local tax practice, and professional and independent advice.

The Manager reserves the right to change the PRC tax provision policy in response to changes in PRC tax law and practices and expiration of temporary tax exemption. The Manager will review the tax provisions policy of the CSOP Huatai-PineBridge SSE Dividend Index ETF, and it may in future change the tax provisions policy, including making provisions to reflect taxes payable when considered appropriate. Investors should note this may have a substantial negative impact on the Net Asset Value of the CSOP Huatai-PineBridge SSE Dividend Index ETF.

Holders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units. If no provision is made by the Manager in relation to all or part of the actual tax levied in future, investors should note that the Net Asset Value of the CSOP Huatai-PineBridge SSE Dividend Index ETF may be lowered, as the CSOP Huatai-PineBridge SSE Dividend Index ETF will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Units in issue at the relevant time, and the existing Holders and subsequent Holders will be disadvantaged, as such Holders

will bear, through the CSOP Huatai-PineBridge SSE Dividend Index ETF, a disproportionately higher amount of tax liabilities as compared to those borne at the time of investment in the CSOP Huatai-PineBridge SSE Dividend Index ETF. On the other hand, in case tax provisions are made, and the actual tax liabilities are lower than such tax provisions, those persons who have already redeemed their Units before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision.

119. General Meetings

Shareholders' meetings may be convened by the Directors or by Shareholders representing at least 10% of the Shares in issue in accordance with the Act and the Constitution, on not less than 21 calendar days' notice (exclusive of the date of the notice and the date of the meeting) in respect of a meeting where a Special Resolution is to be proposed and 14 calendar days' notice (exclusive of the date of the notice and the date of the meeting) in respect of a meeting where an Ordinary Resolution is to be proposed.

The voting rights conferred to the Participating Shareholders can be found in paragraphs 2, 3 and 4 of this Prospectus.

The Directors, the Manager, the Custodian and any of their Connected Persons are prohibited from voting their beneficially owned Shares at, or counted in the quorum for, the meeting at which they have a material interest (including, for the avoidance of doubt, interested party transactions (as defined in the Listing Rules and/or the listing rules of other Recognised Stock Exchange)) in the business to be contracted.

120. Amendments to Constitution

Subject to the Constitution, this Prospectus and the Act, the Company may at any time and from time to time by Special Resolution alter or amend this Constitution in whole or in part.

Notwithstanding the above, the Directors may, without approval of the Shareholders, by Board Resolutions alter the following in the Constitution:

- (a) any alteration for the purpose of establishing a Sub-Fund;
- (b) any alteration to reflect any appointment or change of the Manager;
- (c) any alteration that does not prejudice the interests of any Member, and does not release to any material extent the Manager or any Director from any responsibility to the Members;
- (d) any alteration that is necessary for the purpose of complying with any order of court, law, direction of a public authority, code of conduct or other quasi-legislation; and
- (e) the removal of an obsolete provision or the correction of any manifest error.

121. Indemnities in favour of Manager

The Management Agreement contains the duties and responsibilities of the Manager. It requires amongst others, that the Manager uses its best endeavours to carry on and conduct its business in proper and efficient manner.

The Manager shall not be exempted from any liability to the Company for losses due to its gross negligence, wilful default or fraud or that of its officers or employees, nor may it be indemnified against such liability by the Company.

The Management Agreement includes certain exclusions of liability and indemnities in favour of the Manager, other than in respect of the Manager's gross negligence, wilful default, fraud or bad faith, which include but are not limited to, the following:

- (a) an indemnity from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Manager in its capacity as Manager;
- (b) an indemnity for all costs and liabilities that may be suffered or incurred by the Manager in relation to the commencement, continuation or defence of any legal proceedings on behalf of the Company;
- (c) an indemnity for any reasonable amount and form satisfactory to the Manager in relation to any action of whatsoever nature which the Company requires the Manager to take, which in the reasonable opinion of the Manager is likely to make the Manager or its nominee(s) liable for the payment of money or liable in any other way; and
- (d) an indemnity from and against all taxes and penalties not attributable to fraud, bad faith, wilful default or reckless disregard as aforesaid (wheresoever and by whomsoever imposed on profits or gains of the Company) which may be assessed upon or become payable by the Manager and against all costs, claims, demands, actions and proceedings in connection therewith.

122. Termination of the Company or any Sub-Fund or any Class

The Company and each Sub-Fund are of indeterminate duration and shall continue until the Company or any Sub-Fund is wound up in accordance with the Act and the Constitution.

The Company and each of its Sub-Funds may be terminated at any time by the Directors in their absolute discretion by notice in writing to the Shareholders if:-

- (a) on any date, the aggregate Net Asset Value of the Shares of all Sub-Funds is less than S\$20 million (or its equivalent in any other currency); or
- (b) any law or regulation is passed or amended or any regulation directive or order is imposed that affects the Company and which renders the Company illegal, impracticable or inadvisable in the opinion of the Directors to continue.

Any Sub-Fund and/or Class may be terminated by the Directors in their absolute discretion by notice in writing to the relevant Shareholders if:

- (a) on any date, the aggregate Net Asset Value of all the Shares in the relevant Sub-Fund or any Class is less than S\$20 million (or its equivalent in any other currency);
- (b) any law or regulation is passed or amended or any regulation directive or order is imposed that affects a Sub-Fund and which renders such Sub-Fund illegal, impracticable or inadvisable in the opinion of the Directors to continue;
- (c) the Shares of the relevant Sub-Fund cease to be listed on the SGX-ST;



- (d) the Authority revokes or withdraws the authorisation of the Sub-Fund under Section 286 of the Securities and Futures Act;
- (e) the Index of a Sub-Fund ceases to be compiled or published, and there is no Successor Index for that Sub-Fund;
- (f) the Licence Agreement for each Sub-Fund is terminated and a new licence agreement relating to the Index or any Successor Index of that Sub-Fund is not entered into by the Company or the Manager on behalf of the Company within three (3) months thereafter;
- (g) the Manager has ceased to carry on business, goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation) upon terms notified in writing to the Company two (2) months before the effective date of liquidation or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a judicial manager or a receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the law of Singapore or such other law as may be applicable in the circumstances where, after the expiration of a period of three months, the Company has not appointed a new manager in accordance with the Constitution;
- (h) on the expiration of three (3) months after notifying the Manager that in the Company's opinion a change of manager is desirable in the interests of the Shareholders and the Company has not found another company ready to accept the office of manager of the Sub-Funds of which the Company and the Authority shall approve; or
- (i) the Directors are of the opinion that it is impracticable or inadvisable to continue the Company or the relevant Sub-Fund (including, without limitation to the foregoing, when in the Directors' or the Manager's opinion, the acquisition or purchase or disposal or sale of or continued investment in the Index Securities and (if representative sampling is adopted) non-Index Securities is not possible, not advisable or becomes impracticable or restricted due to any reason).

The Directors shall give notice of termination to the relevant Shareholders and by such notice fix the date at which such termination is to take effect which date shall not be less than three months after the service of such notice (unless otherwise stated).

Upon the Company or the relevant Sub-Fund being terminated, the Directors may exercise their rights of compulsory redemption under the Constitution and the Manager may commence liquidation of the Company's and/or the relevant Sub-Fund's holdings in order to partially or fully redeem all outstanding Participating Shares of the Company and/or the relevant Sub-Fund prior to the formal commencement of winding up proceedings. All redemptions shall be made in accordance with the Constitution, this Prospectus, the SGX Listing Rules and the applicable provisions of the laws of Singapore.

No Redemption Request may be submitted following the termination of the Company and/or the relevant Sub-Fund. The Manager shall arrange the sale of all investments then comprised in each Sub-Fund being terminated and such sale shall be carried out and completed in such manner and within such period as the Manager shall consider advisable except in the event that circumstances exist as a result of which, in the sole opinion of the Manager, it is not reasonably practicable to realise all the investments comprised in the relevant Sub-Fund.

Participating Shares of the relevant Sub-Fund being terminated shall be compulsorily redeemed on a date determined by the Directors and the Company shall pay (in cash or in specie, as may be determined by the Directors) to each holder of Participating Shares the Redemption Price in respect of the redeemed Participating Share and following the effective date of such compulsory redemption such Shareholder shall only have the right to receive the Redemption Price and the right to receive any declared but unpaid dividends.

123. Remuneration of Manager

The Manager shall, in addition to any other amounts which it is entitled to receive or retain for its own use and benefit under the Constitution, be entitled to receive for its own account out of the Sub-Fund Assets as soon as practicable after the last Dealing Day in each month in each year, commencing with the month in which the initial Shares of a Sub-Fund are issued (until, upon determination of such Sub-Fund, the final distribution shall have been made upon a winding up of the Sub-Fund), the amount of Management Fee payable in respect of such month accrued and remaining unpaid in accordance with the terms of the Management Agreement. The Management Fee shall accrue on a daily basis. The amount of the Management Fee shall not exceed a maximum of 1.50% per annum of the daily Value of the Sub-Fund Assets or Class (as the case may be) provided that (i) the Manager may at any time charge a smaller percentage at its sole discretion, and on giving notice to the Company and at least one (1) month's prior notice to the Shareholders, increase it to a larger percentage not greater than the percentage permitted under the Constitution; (ii) the Manager may, on giving notice to the Company, at any time alter the dates of payment and basis of accrual provided that, in the opinion of the Company, it does not materially prejudice the interests of the Shareholders and at least one (1) month's prior notice is given to the Shareholders (if required under the CIS Code); and (iii) the Manager may not increase the Management Fee to a percentage greater than the percentage permitted under the Constitution or change the structure of the fees payable to the Manager without the sanction of a Special Resolution of Participating Shareholders.

124. Costs and Expenses Payable by the Company, or by the relevant Sub-Fund or Class

The following is a summary of the fees, costs and expenses which under the provisions of the Constitution, the Company shall be entitled to make payment out of the Sub-Fund Assets to the extent they have been incurred in relation to any Sub-Fund or Class:

- (a) all fees paid to the Authority in connection with or arising out of any Sub-Fund and/or its authorisation pursuant to the Securities and Futures Act and, if and for so long as such Sub-Fund is designated as a CPFIS Included Fund all fees paid to the CPF Board and its agents in connection with the Sub-Fund being designated as a CPFIS Included Fund;
- (b) any costs, fees and expenses to be paid under any licence and data supply contracts entered into by the Company and/or the Manager in respect of the Sub-Funds (including, without limitation, the Licence Agreement);
- (c) all fees and expenses to be paid to liquidity providers (including, without limitation, any stipends or incentives to be paid to the designated market makers of a Sub-Fund) or Participating Dealers;
- (d) all stamp and other duties, taxes, governmental charges, brokerage, commissions, exchange costs and commissions and bank charges in relation to transactions involving the whole or any part of the Sub-Fund Assets or on the creation, cancellation or

redemption of Shares or payable in respect of the Constitution;

- (e) all professional fees relating to the agreeing and/or contesting of taxation liabilities or recoveries to be discharged out of or paid into a Sub-Fund;
- (f) the fees and expenses of the Manager, pursuant to the terms of the Management Agreement entered into by the Company with the Manager;
- (g) the fees and expenses of any person acting as the Registrar, the Fund Administrator and the Custodian, pursuant to the terms of the agreements entered into by the Company and/or the Manager with the Registrar, the Fund Administrator or the Custodian respectively or any other Service Provider appointed by the Company;
- (h) the charges, expenses and disbursements of any legal counsel, accountant, auditor, investment advisor, valuer, broker or other professional person appointed by the Company or the Manager in connection with their respective duties in relation to the Company or any Sub-Fund and/or the management and administration of the Company Assets or Sub-Fund Assets;
- (i) all charges, expenses and disbursements incurred in relation to the safe-custody, acquisition, holding, realisation of or other dealing with any investment for the account of any Sub-Fund (including, without limitation, bank charges, Duties and Charges, telex and facsimile and other communication charges);
- (j) all charges and expenses incurred by the Company or the Manager insuring the assets and property of any Sub-Fund;
- (k) all charges and expenses incurred by the Company or the Manager in conducting legal proceedings or applying to any court for any purposes related to the Company or any Sub-Fund;
- (l) all charges and expenses incurred by the Company or the Manager in communicating with each other and with Shareholders, the Registrar, the Custodian, the Fund Administrator, the Participating Dealers or otherwise in relation to any Sub-Fund;
- (m) all charges and expenses incurred by the Company or the Manager in connection with the meetings of Members of the Company or any Sub-Fund or any Class;
- (n) the fees and expenses incurred by the Company or the Manager in obtaining and/or maintaining the listing of Shares on or delisting the Shares from the SGX-ST or any other securities exchange, and/or the authorisation or other official approval or sanction of any Sub-Fund under the Securities and Futures Act or any other law or regulation in any part of the world and/or the designation of any Sub-Fund as a CPFIS Included Fund or the establishment of any Sub-Fund by, and all filing or submission fees payable to ACRA under the Act;
- (o) the fees, costs, charges and expenses incurred in connection with depositing and holding Shares in the CDP (including, without limitation, (i) the fees, costs, charges and expenses of or charged by the CDP arising out of or in connection with any services to be provided by the CDP in relation to any Sub-Fund or the Shares and (ii) the fees, costs, charges and expenses incurred by the Company or the Manager in the performance of their respective duties or obligations under any agreement with the CDP in relation to any Sub-Fund or the Shares);

- (p) all costs incurred in respect of the calculation and publication of the Net Asset Value and/or the Subscription Price and the Redemption Price and/or prices for Shares and/or the suspension of creations and issues and redemptions of Shares in such newspaper or newspapers in Singapore and elsewhere as the Company or the Manager may from time to time think fit;
- (q) to the extent permitted by the CIS Code, all costs incurred in respect of the maintenance of a website or webpage dedicated entirely to the Company or any Sub-Fund;
- (r) all fees, costs and expenses incurred in respect of preparing, printing, distributing and updating this Prospectus and the product highlights sheet for any Sub-Fund, and any supplementary and replacement prospectuses relating to any Sub-Fund;
- (s) all fees, costs and expenses incurred in respect of preparing any amended Constitution and in respect of preparing any agreement in connection with the Company;
- (t) all costs incurred in respect of the preparation, publication and distribution of the audited accounts and unaudited interim accounts in accordance with the provisions of the Constitution and of all cheques, statements, notices and other documents relating to the Company or any Sub-Fund;
- (u) all fees and expenses incurred in connection with the retirement or removal of the Manager or the appointment of a new manager for the Company;
- (v) all fees and expenses of the Auditors in connection with the Company or any Sub-Fund;
- (w) all fees and expenses incurred in connection with the retirement or removal of the Auditors or the appointment of new auditors for the Company;
- (x) all expenses incurred in the collection of income for any Sub-Fund;
- (y) all costs and expenses associated with the distributions declared for any Sub-Fund or Class (including, without limitation, costs and expenses payable in connection with the delivery of distributions to the CDP);
- (z) all fees and expenses incurred by the Company or the Manager in establishing or in winding up the Company or any Sub-Fund or Class, including the fees of the liquidator appointed and all expenses relating to the winding up (including publication in any newspaper);
- (aa) all other reasonable costs, charges and expenses which in the opinion of the Company or the Manager are properly incurred in the administration of the Company and any Sub-Fund Assets and pursuant to the performance of their respective duties under the Constitution;
- (bb) all GST paid or to be paid in respect of services rendered to or by the Company or the Manager;
- (cc) any other fees or charges expressly provided by the Constitution (including but not limited to the remuneration of the Directors (if any) and Secretary) or disclosed in this Prospectus to be paid out of the Company Asset or Sub-Fund Assets;
- (dd) all taxation payable in respect of income or the holding of or dealings with the Company Asset or Sub-Fund Assets;

- (ee) all fees and expenses incurred by the settlement agent and/or trading agent appointed in respect of any investments by any Sub-Fund;
- (ff) in the case of a Sub-Fund investing in any Underlying Fund, all expenses, charges and fees chargeable by the Underlying Fund if such expenses, charges and fees are chargeable to all the shareholders or unitholders of the Underlying Fund; and
- (gg) such other items as may be authorised or permitted by the Constitution or this Prospectus.

Provided That if any fee, cost or expense is incurred for the benefit of several Sub-Funds as determined by the Directors, such fee, cost or expense shall be allocated fairly and proportionately to, and shall be borne by, each such Sub-Fund at the discretion of the Directors.

125. The costs of establishing the Company (which shall not exceed S\$200,000) may be paid out of the Sub-Fund Assets of the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF and may be amortised over a period of 5 years from the date of the first issue of Shares of the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF respectively.

#### Valuation of a Sub-Fund

126. The Company shall calculate or procure the calculation of the Value of the relevant Sub-Fund and determine its NAV as at each Valuation Point by valuing the Sub-Fund Assets in accordance with paragraphs 127 and 128 below, and deducting the liabilities of the relevant Sub-Fund in accordance with paragraph 128 below, as at such Valuation Point. The Company may appoint any professional person to perform such calculation.
127. The Value of the assets comprised or to be comprised in the Sub-Fund Assets shall be ascertained on the following basis:
- (a) The Value of Index Securities and (if representative sampling is adopted) non-Index Securities shall be determined by reference to the last known transacted price or last closing price for such investments furnished by the Index Licensor, or a pricing service or by selected brokers approved by the Company (in consultation with the Fund Administrator) and the Manager ("**Selected Brokers**").
    - (i) The Value of Index Securities may be taken from the Index Licensor (where available). Other acceptable pricing services for Index Securities (where appropriate Values are not available from the Index Licensor) and non-Index Securities include, but are not limited to, Bloomberg or any successors thereto.
    - (ii) Index Securities and (if representative sampling is adopted) non-Index Securities for which quotations are not readily available are valued at fair value as determined by the pricing service or by Selected Brokers.
    - (iii) The pricing service or Selected Brokers may employ electronic data processing techniques and/or a matrix system to determine valuations.
  - (b) The Value of any other investments quoted, listed or normally dealt in on a Recognised Exchange shall be determined by reference to prices for such investments furnished by a pricing service approved by the Company and the Manager.

- (i) The pricing service shall be required to determine or estimate the price of each such investment based on the last known transacted price or last closing price on the most appropriate Recognised Exchange at the Valuation Point.
- (ii) Investments for which quotations are not readily available are valued at fair value as determined by the pricing service using methods which include consideration of prices of investments of comparable quality, type, expiration date, strike price, and the like; indications as to value from dealers; and general market conditions.
- (c) Cash, deposits and similar properties shall be valued at face value (together with accrued interests) unless, in the opinion of the Company, any adjustment should be made to reflect the fair value thereof.
- (d) Notwithstanding any of the foregoing sub-paragraphs, the Company may, with prior notice to Shareholders, adjust the Value of any investment or permit some other method of valuation to be used if, having regards to currency, applicable rates of interest, maturity, marketability and such other considerations as the Company may deem relevant, the Company considers that such adjustment or other method of valuation is required to reflect more fairly the Value of such investment or other property.
- (e) Other investments shall be valued in such manner and at such time or times as the Company shall from time to time agree.

128. In calculating the Value of the Sub-Fund Assets or any part thereof at any Valuation Point:

- (a) every Share agreed to be issued in relation to an application received on or before the Dealing Deadline on a Transaction Date shall be deemed to be in issue on the Dealing Day immediately following the Transaction Date and the Sub-Fund Assets shall be deemed to include the amount of any cash and/or Value of any Deposit Securities to be paid and/or received in respect of each such Share on the Dealing Day immediately following the Transaction Date;
- (b) where, in consequence of any redemption request duly given on or before the Dealing Deadline on a Transaction Date, the Shares in question shall be deemed not to be in issue with effect from the Dealing Day immediately following the Transaction Date and any amount payable in cash and the Value of the Redemption Securities transferable out of the Sub-Fund Assets in pursuance of such redemption shall be deducted with effect from the Dealing Day immediately following the Transaction Date;
- (c) where any investment has been agreed to be purchased or otherwise acquired or sold or otherwise disposed of but such purchase, acquisition, sale or disposal has not been completed, such investment shall be included or excluded and the gross purchase or acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed on the Dealing Day immediately following the date of the agreement to so purchase or acquire or sell or dispose of the investment;
- (d) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Company may have determined to amortise less the amount thereof which have previously been or are then to be written off;
- (e) income derived from loans and deposits and from investments (other than Index

Securities and (if representative sampling is adopted) non-Index Securities) bearing fixed interest shall be deemed to accrue from day to day;

- (f) the outstanding liabilities, costs and expenses attributable to a Sub-Fund shall be deducted from such Sub-Fund Assets which shall include (without limitation):
- (i) any fees of a Service Provider (including the Management Fee) accrued up to and including the relevant time but remaining unpaid;
  - (ii) the amount of tax (if any) on gains or profits accrued up to the last financial year end of the Company but remaining unpaid and any other expenses accrued but remaining unpaid;
  - (iii) the aggregate amount for the time being outstanding of any borrowing effected under the Constitution and the amount of any unpaid interest and expenses;
  - (iv) an amount equal to the Value of any investment which is a negative amount;
  - (v) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Constitution to be payable out of the Sub-Fund Assets;
  - (vi) an appropriate allowance for any contingent liabilities; and
  - (vii) there shall be taken into account such sum (if any) as in the estimate of the Company will fall to be paid or reclaimed in respect of taxation related to income and transactions prior to or on the relevant Dealing Day; and
- (g) liabilities shall (where appropriate) be treated as accruing from day to day.

In respect of this paragraph, the Value of the proportion of the Sub-Fund Assets attributable to each Class shall be calculated by apportioning the Value of the relevant Sub-Fund Assets (obtained in accordance with paragraphs 127 and 128 provided that no deduction or addition shall be made in respect of expenses, charges or other amounts which are not common to all the Classes) between the Classes and then deducting from or adding to the Value of the proportion of the Sub-Fund Assets for each Class any expense, charge or other amount attributable to such Class (including, but not limited to, the Management Fee or any other fee, if it differs between the Classes). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Sub-Fund Assets pursuant to the Constitution is attributable only to a particular Class, such amount shall only be deducted from or added to the value of the Sub-Fund Assets which is attributable to that Class and shall not affect the calculation of the Value of the Sub-Fund Assets attributable to the other Classes.

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

130. Compulsory Redemption of Shares

- (a) The Company may at any time compulsorily redeem any holdings of Shares in a Sub-Fund or Class held by:
- (i) any Shareholder:

- (1) whose subscription for or holding of Shares, in the opinion of the Company, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (2) where such redemption is, in the opinion of the Company, necessary or desirable for the compliance by the Company or the Sub-Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (ii) any Shareholder whose holdings of Shares, in the opinion of the Company:
  - (1) may cause a Sub-Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
  - (2) may cause the offer of the Shares of a Sub-Fund, the Company, this Prospectus, the Constitution, the Manager or the Custodian to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (iii) any Shareholder whose holdings of Shares, in the opinion of the Company:
  - (1) may cause a detrimental effect on the tax status of a Sub-Fund in any jurisdiction or on the tax status of the Shareholders of the Sub-Fund; or
  - (2) may result in a Sub-Fund or other Shareholders of a Sub-Fund suffering any other legal or pecuniary or administrative disadvantage which the Sub-Fund or the Shareholders might otherwise not have incurred or suffered; or
- (iv) any Shareholder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where any information and/or documentary evidence requested by the Company and/or the Manager for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Shareholders, or the Shareholder has failed to provide the same, in a timely manner; or
- (v) any Shareholder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Company and/or the Manager pursuant to any laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any inter-governmental agreement entered into between the United States and Singapore in connection with the FATCA) cannot be obtained from the Shareholder, or the Shareholder has failed to provide the same, in a timely manner; or
- (vi) any Shareholder who does not consent, or withdraws his consent, for the Company or the Manager to collect, use and/or disclose information or data relating to the Shareholder, where such information or data is necessary for, or reasonably required by, the Company, the Manager, their respective related corporations and/or other service providers to perform their respective services



and/or duties to or in respect of (i) the relevant Sub-Fund and/or (ii) the Shareholder in relation to his holdings of Shares in the relevant Sub-Fund.

- (b) If the Company and/or the Manager are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Shares held by a Shareholder, the Company shall be entitled to compulsorily redeem such number of Shares held by that Shareholder as may be necessary to discharge the liability arising. The Company and/or the Manager (as the case may be) shall be entitled to apply the proceeds of such redemption in payment, reimbursement and/or set-off against the liability.
- (c) Any compulsory redemption under paragraphs (a) or 130(b) may be carried out by the Company on any Dealing Day after giving prior written notice to the relevant Shareholder, and shall be carried out in accordance with, and at the Redemption Price determined under, the relevant provisions of the Constitution.
- (d) The Company, the Manager and their respective delegates, agents or Associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Shareholder or any party arising out of or caused in whole or in part by any actions which are taken by the Company, the Manager and/or any of their respective delegates, agents or Associates under paragraphs 130(a), (b) or 130(c).

131. Securities Lending and Repurchase Transactions

- (a) Subject to the Constitution, the CIS Code and the limits and/or restrictions (if any) applicable to Excluded Investment Products, each Sub-Fund may carry out securities lending and repurchase transactions on transferable securities and money market instruments for the sole purpose of efficient portfolio management, subject to the following limits:
  - (i) The collateral of the securities lending or repurchase transactions should exceed the market value of the transferable securities or money market instruments transferred;
  - (ii) The counterparty would be required to provide additional collateral to the relevant Sub-Fund or its agent no later than the close of the next business day when the current value of the eligible collateral tendered for the securities lending or repurchase transactions falls below the required collateral requirements;
  - (iii) For the purposes of securities lending and repurchase transactions, collateral may only consist of:
    - (1) cash;
    - (2) money market instruments; or
    - (3) bonds.

For the purpose of the above, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, an entity or trust that has a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and

Poor's (including sub-categories or gradations therein) (collectively, "**eligible collateral**").

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

- (iv) The maturity period of a repurchase transaction should not exceed 6 months; and
- (v) The Manager may lend the securities of any Sub-Fund to its related corporations and/or any third party and such transactions will be carried out on an arm's length basis. There will be no revenue sharing arrangement between such Sub-Fund and the Manager. Currently, the Company does not intend to lend the securities of any Sub-Fund to its related corporations.

(b) Risks relating to securities lending or repurchase transactions

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

- (i) Counterparty risk/credit risk refers to the risk when a counterparty defaults on its obligations by becoming insolvent or otherwise being unable to complete a transaction.
- (ii) Liquidity risk is the risk that the counterparty cannot settle an obligation for the full value when it is due, but would be able to settle on some unspecific date thereafter. This may affect the ability of a Sub-Fund to meet their redemption obligations and other payment commitments.
- (iii) Sufficiency of collateral risk. Following a default by a counterparty, a Sub-Fund can sell its collateral in the market to raise funds to replace the lent securities. It will suffer a loss if the value of the collateral securities falls relative to the lent securities.
- (iv) Collateral investment risk. The value of the securities in which the Manager invests the cash collateral may decline due to fluctuations in interest rates or other market-related events.
- (v) Delivery risk occurs both when securities have been lent and collateral has not been received at the same time or prior to the loan, and when collateral is being returned but the loan return has not been received.
- (vi) Operational risk is risk that the custodian or the lending agent did not administer the program as agreed. This includes the failure to mark to market collateralization levels, call for additional margin, or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

- (c) As at the date of this Prospectus, the Manager may carry out securities lending and repurchase transactions for the CSOP iEdge Southeast Asia+ TECH Index ETF and the CSOP Huatai-PineBridge SSE Dividend Index ETF.

132. Liquidity Risk Management

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

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

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

- (a) A Sub-Fund may, subject to the provisions of the Constitution, borrow up to 10% of its latest available net asset value (or such other percentage as may be prescribed by the CIS Code) at the time the borrowing is incurred and the borrowing period should not exceed one month, provided always and subject to the borrowing restrictions in the CIS Code;
- (b) The Company may, pursuant to the Constitution, suspend the realisation of Shares of a Sub-Fund or any Class and delay the payment of any moneys and distribution of any Redemption Securities; and
- (c) The Company shall, and pursuant to the Constitution, be entitled to limit the total number of Shares which Shareholders are entitled to redeem on a Dealing Day to ten per cent. (10%) (or such higher percentage as the Company may determine in any particular case) of the total number of Shares in issue (disregarding any Shares which have been agreed to be issued), such limitation to be applied (subject as provided in the last sentence of this paragraph) *pro rata* to all Participating Dealers who have validly requested redemptions to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all Participating Dealers.

133. Constitution

The Company is established under Singapore law by the Constitution. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Constitution. Shareholders and potential investors are advised to review the provisions of the Constitution. All material amendments to the Constitution will be announced on the SGXNET.

134. Documents Available for Inspection

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

- (a) the Constitution;
- (b) the Depository Services Agreement;
- (c) the Licence Agreement; and
- (d) a sample Participant Agreement.

## XX GLOSSARY

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

**“ACRA”** means the Accounting and Corporate Regulatory Authority;

**“Act”** means the Variable Capital Companies Act 2018 of Singapore;

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

**“Authority”** means the Monetary Authority of Singapore;

**“Board Resolutions”** means a resolution of the Directors;

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

**“Cash Issue Component”** has the meaning ascribed to it in paragraph 66 of this Prospectus;

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

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

**“Company”** means CSOP Investments III VCC;

**“Company Asset”** means an asset of the Company;

**“Company Liability”** means a liability of the Company;

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

- (a) another firm, limited liability partnership or corporation in which the first mentioned firm, limited liability partnership or corporation has control of not less than twenty per cent. (20%) of the voting power in that other firm, limited liability partnership or corporation;  
or
- (b) a director, chief executive officer or substantial shareholder or Controlling Shareholder of the company or any of its subsidiaries or an Associate of any of them;

**“Constitution”** means the constitution of the Company filed with the ACRA, as amended or restated from time to time;

**“Controlling Shareholder”** has the meaning ascribed to it under the Listing Rules;

**“CPF”** means the Central Provident Fund;

**“Creation Request”** means a request for the creation and issue of Shares in-kind (if permitted by the Company), as set out in paragraphs 60 to 68 of this Prospectus;

**“Creation Unit”** in relation to each Sub-Fund, means such number of Shares as specified in the relevant Appendix of this Prospectus or of such other number of Shares as may be determined by the Company from time to time;

**“CSDCC”** means the China Securities Depository and Clearing Co., Ltd.;

**“CSRC”** means the China Securities Regulatory Commission;

**“Custodian”** means DBS Trustee Limited (or such other person as may be appointed as custodian by the Company);

**“Dealing Day”** means:

- (a) in respect of the CSOP iEdge Southeast Asia+ TECH Index ETF, any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for normal trading (other than a day on which trading on the SGX-ST is scheduled to close prior to its regular weekday closing time) and the Index is compiled and published and/or such other day or days as the Company may from time to time determine; and
- (b) in respect of the CSOP Huatai-PineBridge SSE Dividend Index ETF, any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the PRC and the SGX-ST and the SSE are open for normal trading (other than a day on which trading on the SGX-ST or the SSE are scheduled to close prior to its regular weekday closing time) and the Index is compiled and published and/or such other day or days as the Company may from time to time determine;

**“Dealing Deadline”** means, in respect of a Sub-Fund, such time as may be indicated in paragraphs 55 and 75 of this Prospectus and in the relevant Appendix of this Prospectus on the relevant Dealing Day, for purposes of the subscription of Shares in cash, redemption of Shares for cash, or for purposes of the subscription or redemption of Shares in-kind (if permitted by the Company) on any Dealing Day (or such other time as the Company may determine);

**“Deposit Basket”** means a portfolio of Index Securities and (if representative sampling is adopted) non-Index Securities determined and designated, or approved, by the Company in respect of each Dealing Day for the purposes of the creation and issue of Shares in a Creation Unit aggregation for that Dealing Day;

**“Depositor”** means (i) direct account holder with the Depository; or a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder, whose name is entered in the Depository Register in respect of Shares held by him;

**“Depository Agent”** shall have the meaning ascribed to it in Section 81SF of the Securities and Futures Act;

**“Depository Agreement”** means the Depository Agreement to be entered into between the Depository and the Company containing their agreement on the arrangements relating to the Shares being deposited with the Depository pursuant to the listing of a Sub-Fund on the SGX-ST, as the same may be amended from time to time;

**“Depository Register”** means the electronic register of Shares deposited with the Depository, maintained by the Depository;

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

**“Directors”** means the directors of the Company;

**“Duties and Charges”** means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Company Assets or Sub-Fund Assets or the increase or decrease of the Company Assets or Sub-Fund Assets or the creation, issue, transfer, cancellation or redemption of Shares 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, any transaction or dealing and including but not limited to, in relation to an issue of Shares or redemption of Shares, a charge (if any) of such amount or at such rate as determined by the Manager to be made for the purpose of (i) compensating or reimbursing the Company and/or the Sub-Funds for the difference between (a) the prices used when valuing the securities of the Company Assets or Sub-Fund Assets for the purpose of such issue or redemption of Shares and (b) (in the case of an issue of Shares) the prices which would be used when acquiring the same securities if they were acquired by the Company and/or the Sub-Funds with the amount of cash received by the Company and/or the Sub-Funds upon such issue of Shares and (in the case of a redemption of Shares) the prices which would be used when selling the same securities if they were sold by the Company and/or the Sub-Funds in order to realise the amount of cash required to be paid out of the Company Assets or Sub-Fund Assets upon such redemption of Shares and (ii) preventing the Net Asset Value of the Company and/or the Sub-Funds from being diluted by the high transactional costs which would be incurred by the Company and/or the Sub-Funds in connection with a large or significant Creation Request or Redemption Request.

**“Ex. Dividend Date”** means each date in each year which falls one (1) Business Day (or such other number of days as may from time to time be determined by the Company) immediately before a Record Date;

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

**“Fitch”** means Fitch Incorporated;

**“Index”** means the index of each Sub-Fund as set out in the relevant Appendix or such other index as a Sub-Fund may track from time to time;

**“Index Licensor”** or **“Index Provider”** means the licensor for the time being of the Index for each Sub-Fund as set out in the relevant Appendix or such successor(s) or such other person(s) which licence the Index or any Successor Index to the Company (or the Manager on behalf of the Company) in respect of a Sub-Fund;

**“Index Securities”** means any securities which are for the time being constituent securities of the Index of a Sub-Fund;

**“Licence Agreement”** means the licence agreement entered or to be entered into between the Index Licensor of a Sub-Fund and the Company or the Manager on behalf of the Company relating to the Index of such Sub-Fund or any subsequent licence agreement entered into by

the Company (or the Manager on behalf of the Company) with an Index Licensor relating to the Index including any Successor Index;

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

**“Management Shares”** means the management shares in the capital of the Company issued subject to and in accordance with the Act and the Constitution and having the rights and subject to the restrictions provided for in the Constitution, and as may be further described in this Prospectus;

**“Manager”** means CSOP Asset Management Pte. Ltd.;

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

**“Member”** or **“Shareholder”** means a registered holder of Shares in the Company or a registered holder of Shares in the Company in respect of a particular Sub-Fund, as the case may be;

**“Minimum Redemption Amount”**, in relation to each Sub-Fund, means such number of Shares (or such higher number of Shares in multiples thereof) as specified in the relevant Appendix of this Prospectus or such other number of Shares or redemption amount as may be determined from time to time by the Company;

**“Minimum Subscription Amount”**, in relation to each Sub-Fund, means such number of Shares (or such higher number of Shares in multiples thereof) as specified in the relevant Appendix of this Prospectus or such other number of Shares or investment amount as may be determined from time to time by the Company;

**“Moody’s”** means Moody’s Investors Service, Inc. U.S.A.;

**“NAV”** or **“Net Asset Value”** means net asset value calculated by reference to the provisions and principles set out in paragraphs 126 to 129 of this Prospectus;

**“NAV per Share”** in respect to a Share or Class, means that proportion of the Net Asset Value of the Company or any Sub-Fund, as the case may be, represented by such Share or Class, as determined in accordance with the Constitution and this Prospectus;

**“Notice on the Sale of Investment Products”** means the Notice on the Sale of Investment Products (SFA 04-N12) issued by the Authority, as the same may be modified, amended or revised from time to time;

**“non-Index Securities”** means securities other than Index Securities;

**“OTC”** means over-the-counter;

**“Ordinary Resolution”** a resolution passed by a simple majority of the votes cast by the Members as, being entitled to do so, vote in person or by proxy at a general meeting of the Company (and includes any resolution in writing signed in accordance with regulation 107 of the Constitution);

**“Participant Agreement”** means an agreement entered into between the Company and a Participating Dealer setting out, *inter alia*, the arrangements in respect of the issue, redemption, switching and cancellation of Shares;

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

**“Participating Shares”** means the participating shares in the capital of the Company or in respect of a particular Sub-Fund, as the case may be, issued subject to and in accordance with the Act and the Constitution and having the rights and subject to the restrictions provided for in the Constitution, and as may be further described in this Prospectus. For the avoidance of doubt, if the Company has constituted one or more Sub-Funds, the Participating Shares of each Sub-Fund participate only in the assets and liabilities of that particular Sub-Fund as a collective investment scheme segregated from any other Sub-Fund or Sub-Funds;

**“PRC”** means the People’s Republic of China;

**“PRC Broker”** means brokers in the PRC appointed by the Manager for the purposes of buying and selling onshore securities in the PRC invested into by the Sub-Fund.

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

**“QFI”** means a RMB qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time);

**“QFI Regulations”** means the laws and regulations governing the establishment and operation of the QFI regime in the PRC (as amended from time to time);

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

**“Record Date”** means the date or dates determined by the Company for the purpose of determining the Shareholders entitled to receive any distributions of income and/or capital of a Sub-Fund;

**“Redemption Basket”** means a portfolio of Index Securities and (if representative sampling is adopted) non-Index Securities determined and designated, or approved, by the Company in respect of each Dealing Day for the purposes of the redemption of Shares in a Redemption Unit aggregation for that Dealing Day;

**“Redemption Day”**, in respect of a Sub-Fund, means a Dealing Day or such Business Day as the Directors may from time to time determine, and as may be further described in this Prospectus;

**“Redemption Price”** means, in relation to a Share (or in relation to a particular Class), the price equal to the applicable NAV per Share in the capital of the Company or in respect of a particular Sub-Fund, as the case may be, as adjusted (to the extent required) by adding to such price or subtracting from such price such fees and charges as may be determined by the Directors, as may be further described in this Prospectus;



**“Redemption Request”** means a request for the redemption of Shares in-kind as set out in paragraphs 80 to 89 of this Prospectus;

**“Redemption Securities”** means, in relation to any redemption of Shares, the Index Securities and (if representative sampling is adopted) non-Index Securities comprising a Redemption Basket to be distributed, subject to paragraph 89, from a Sub-Fund to or for the account of a Participating Dealer on behalf of a Shareholder pursuant to a Redemption Request submitted by that Participating Dealer for that Shareholder in accordance with paragraphs 80 to 87;

**“Redemption Unit”**, in relation to each Sub-Fund, means such number of Shares (or such higher number of Shares in multiples thereof) as specified in the relevant Appendix of this Prospectus or of such other number of Shares as may be determined by the Company from time to time;

**“Registrar”** means DBS Trustee Limited as described in paragraph 18 of this Prospectus;

**“RMB”** means Renminbi Yuan, the lawful currency of the PRC;

**“S\$”, “SGD” or “Singapore dollars”** means the lawful currency of the Republic of Singapore;

**“SAFE”** means the State Administration of Foreign Exchange of the PRC;

**“Securities Accounts”** means the securities account or sub-account maintained by a Depositor with CDP;

**“Securities and Futures Act”** means Securities and Futures Act 2001 of Singapore;

**“Service Provider”** means the service providers appointed by the Company (including the Manager) from time to time;

**“Settlement Date”** has the meaning ascribed to it in paragraph 58 of this Prospectus or such other time/date as may be determined by the Company;

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

**“Shares”** means the shares in the capital of the Company or the Participating Shares in respect of a particular Sub-Fund, as the case may be, and includes any Class thereof;

**“Special Resolution”** means a resolution passed by not less than 75 per cent of the votes cast by the Members as, being entitled to do so, vote in person or by proxy at a general meeting of the Company (and includes any resolution in writing signed in accordance with regulation 107 of the Constitution);

**“SRS”** means Supplementary Retirement Scheme;

**“Sub-Fund”** means a collective investment scheme that is part of the Company;

**“Sub-Fund Asset(s)”** means an asset of the Company in respect of or attributable to or allocated or held by the Company for the purpose of a Sub-Fund;

**“Sub-Fund Liability(ies)”** means a liability of the Company in respect of or attributable to or allocated or incurred by the Company for the purpose of a Sub-Fund;

**“Subscription Day”**, in respect of a Sub-Fund, means a Dealing Day or such Business Day as the Directors may from time to time determine and as may be further described in this Prospectus;

**“Subscription Price”** means, in relation to a Share (or in relation to a particular Class and/or Series of such Share): (a) during the Initial Offer Period applicable to such Share, the initial price for such Share as the Directors may from time to time determine; and (b) after the Initial Offer Period applicable to such Share, the price equal to the applicable NAV per Share in the capital of the Company or in respect of a particular Sub-Fund, as the case may be, as adjusted (to the extent required) by adding to such price or subtracting from such price such fees and charges as may be determined by the Directors, in each case as may be further described in this Prospectus;

**“Transaction Date”** means the Dealing Day on which the Registrar receives or is treated as having received a valid application for Shares or a valid request to redeem Shares;

**“Underlying Fund”** means:

- (a) a mutual fund company or a sub-fund of a mutual fund company or a unit trust or a sub-fund of a unit trust or any other collective investment scheme, from time to time invested into by a relevant Sub-Fund and **“Underlying Funds”** shall be construed accordingly;
- (b) in the context of the CSOP Huatai-PineBridge SSE Dividend Index ETF, the Huatai-PineBridge SSE Dividend Index ETF;

**“Underlying Fund Custodian”** means, in the context of the CSOP Huatai-PineBridge SSE Dividend Index ETF, China Merchants Bank Co., Ltd.;

**“Underlying Fund Manager”** means, in the context of the CSOP Huatai-PineBridge SSE Dividend Index ETF, Huatai-PineBridge Fund Management Co., Ltd.;

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

**“Valuation Point”** means the close of business of the relevant Dealing Day (or such other time or times as from time to time determined by the Company who shall determine if Shareholders should be notified of such change) provided that there shall always be a Valuation Point on each Dealing Day; and

**“Value”** means with reference to the Sub-Fund Asset or any part thereof, its net asset value, or with reference to any asset or liability comprised or to be comprised in the Sub-Fund Asset (except where otherwise expressly stated) the value thereof, calculated by reference to the provisions and principles set out in paragraphs 126 to 129 of this Prospectus.

## APPENDIX I

### CSOP IEDGE SOUTHEAST ASIA+ TECH INDEX ETF (Sub-Fund Registration No. T22VC0188B-SF001)

#### 1. Key Information

The following table is a summary of key information in respect of the CSOP iEdge Southeast Asia + TECH Index ETF.

Instrument Type	Exchange Traded Fund
Index	iEdge Southeast Asia+ TECH Index
Index Provider	Singapore Exchange Limited
Listing Date	20 June 2023
Exchange Listing	SGX-ST – Main Board
Class	USD Share Class
SGX Trading/Counter Name	<u>USD Share Class</u> Primary Currency: CSOP SEA TECH ETF US\$ Secondary Currency: CSOP SEA TECH ETF S\$
Stock Code	<u>USD Share Class</u> Primary Currency: SQU Secondary Currency: SQQ
Trading Board Lot Size	1 Share or such other number of Shares as the SGX-ST may determine to be the trading board lot size
Currency of Account (Base Currency)	United States Dollar (USD)
Trading Currencies (Primary Market Creation / Redemption)	<u>USD Share Class</u> Primary Currency: United States dollars (US\$)
Trading Currencies (Secondary Market Trading)	<u>USD Share Class</u> Primary Currency: United States dollars (US\$) Secondary Currency: Singapore dollars (S\$)
Dividend Distribution	<u>USD Share Class</u> : Nil
Creation / Redemption (only applicable to Participating Dealers)	Cash only  Creation Unit size / Redemption Unit size of 200,000 Shares (or such higher number of Shares in multiples thereof) or such other subscription amount as may be determined by the Manager
Dealing Deadline for subscription or redemption	2:00 p.m. (Singapore time) (or such other time as the Manager may determine with prior notification to Participating Dealers)
Fees and Charges Payable by Participating Dealers	<u>Creation and Redemption of Shares</u>  Transaction Fee: US\$500 per Application  Application Cancellation Fee: US\$1,200 per Application

	Extension Fee: US\$1,200 per Application
Company	CSOP Investments III VCC
Manager	CSOP Asset Management Pte. Ltd.
Registrar	DBS Bank Ltd
Custodian	DBS Trustee Limited
Website	<a href="https://www.csopasset.com/sg/home.html">https://www.csopasset.com/sg/home.html</a>
Investor Profile	<p>The Sub-Fund is <u>only</u> suitable for investors who:</p> <ul style="list-style-type: none"> <li>o seek an index-based approach to capture the performance of the 30 largest technology companies domiciled in India, Singapore, Indonesia, Thailand, Vietnam and Malaysia in a cost effective and easy to access manner;</li> <li>o believe that the Index will increase in value; and</li> <li>o are comfortable with the volatility and risks of an equity fund.</li> </ul>

## 2. **Investment Objective and Approach**

The investment objective of the Sub-Fund is to replicate as closely as possible, before fees and expenses, the performance of the iEdge Southeast Asia+ TECH Index.

The Manager employs a “passive management” or indexing investment approach designed to track the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective or will be able to fully track the performance of the Index.

The Manager aims to deliver an investment performance which closely corresponds to the performance of the Index.

The Sub-Fund will not invest in warrants, commodities, unlisted securities and precious metals.

For so long as the Shares of this Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products, this Sub-Fund does not and will not invest in any product or engage in any transaction which may cause the Shares not to be regarded as Excluded Investment Products and Prescribed Capital Markets Products. The Manager may engage in securities lending or repurchase transactions for this Sub-Fund, where such securities lending or repurchase transactions 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 this Sub-Fund, and is in line with the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore issued by the MAS (as may be amended from time to time). Any securities lending or repurchase transactions which the Manager may engage in will be in accordance with Appendix 1 of the Code.

The Sub-Fund is only suitable for investors who seek an index-based approach to capture the performance of the 30 largest technology companies domiciled in India, Singapore, Indonesia, Thailand, Vietnam and Malaysia in a cost effective and easy to access manner, believe that the Index will increase in value and are comfortable with the volatility and risks of an equity fund. **You should consult your financial advisers if in doubt as to whether the Sub-Fund is suitable for you.**

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

3. **Investment Strategy**

In managing the Sub-Fund, the Manager will adopt a Representative Sampling Strategy.

Using a Representative Sampling Strategy, the Sub-Fund will hold a representative sample of a portfolio of securities selected by the Manager using quantitative analytical models in a technique known as “portfolio sampling”. Where a Representative Sampling Strategy is employed, securities that are not constituents of the Index may also be held by the Sub-Fund, at the Manager’s discretion. Such securities will be expected to have a high level of correlation or a similar valuation or market capitalisation as the relevant Index Securities. The Manager will seek to construct the portfolio of the Sub-Fund such that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of the Index.

However, if the Manager believes that a Representative Sampling Strategy is not the most efficient means to track the Index, the Manager may swap between a Replication Strategy and a Representative Sampling Strategy without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of this Sub-Fund. In any event, the Manager will arrange for such change to be announced on SGXNET.

There will be no change to the investment objective and/or investment policy of this Sub-Fund during the 3-year period commencing from the date of this Prospectus, unless any such change is approved by a Special Resolution of Holders in a general meeting or such prohibition on changes to the investment objective and/or investment policy of this Sub-Fund is waived by the SGX-ST. Where there is any change to the investment strategy adopted for this Sub-Fund, such changes will be announced by the Manager through SGXNET. A list of the holdings of this Sub-Fund will be published in the monthly fund factsheet which is available on the Manager’s website at <https://www.csopasset.com/sg/home.html>.

4. **Designated Market Makers**

The current Designated Market Makers of the CSOP iEdge Southeast Asia+ TECH Index ETF are Phillip Securities Pte Ltd. Any change to the Designated Market Makers of this Sub-Fund will be announced on the SGXNET and the Company’s website at <https://www.csopasset.com/sg/home.html>.

5. **Participating Dealers**

Please approach the Company or refer to the Company’s website at <https://www.csopasset.com/sg/home.html> for the current list of Participating Dealers of this Sub-Fund. Any changes to the Participating Dealers will be announced on the SGXNET.

6. **Index and Index Licensor**

The iEdge Southeast Asia+ TECH Index is the current benchmark for the Sub-Fund. The Index is compiled and calculated by Singapore Exchange Limited (the “Index Licensor”) and aims to track the performance of the 30 largest technology companies domiciled in India, Singapore, Indonesia, Thailand, Vietnam and Malaysia.

The Manager has been granted a license by Singapore Exchange Limited to use the Index for a period of 12 months commencing from 1 May 2023.

Singapore Exchange Limited is independent of the Manager.

The Index is reviewed and rebalanced quarterly. Further description of the index methodology is available at <https://www.sgx.com/indices/products/asiatecn>. The composition of the Index and the latest information relating to the Index is available at <https://www.sgx.com/indices/products/asiatecn>.

#### Index Methodology

The Index is subject to the following criteria:-

(a) Country Eligibility

- (i) All companies domiciled in India, Singapore, Indonesia, Thailand, Vietnam and Malaysia.
- (ii) Additionally, Indian-domiciled companies must be listed on US exchanges to be considered for Index eligibility. Thailand-listed companies are accessed via their Non-Voting Depository Receipt variant.
- (iii) Both primary and secondary listings are eligible for inclusion into the Index. Stocks listed on exchanges that do not have open access to market and data will not be considered for inclusion. Only ordinary shares in issue are considered for inclusion; other share classes, such as preference shares, are ineligible for index inclusion.

(b) Sector Eligibility

- (i) Companies must satisfy 3 criteria to be eligible for index inclusion: (i) business falls within an eligible sector listed by the Index Licensor ("**Eligible Sector**") where company revenue data is available: more than 40% of a company's revenue must be generated from the sectors; the threshold is lowered to 30% for existing constituents; (ii) business does not fall within any excluded sector listed by the Index Licensor; and (iii) identification of conglomerates with sufficiently large Tech-related revenue contributions (i.e. 40% of revenue from Eligible Sectors (for existing Index constituents) and 50% for new inclusions). Further description of the inclusion criteria including the scope of eligible sectors and excluded sectors is available under 'index methodology' at <https://www.sgx.com/indices/products/asiatecn>.
- (ii) Sectors are sourced from a combination of classification systems such as Revere Business Industry Classification System and North American Industry Classification System, and at the most granular level of classification available in each classification system.

(c) Liquidity Criteria

- (i) All eligible companies will be screened for liquidity at each Index review period in February, May, August and November.

- (ii) Newly listed companies are treated as new constituents, with liquidity screened from the date of listing to the review cut-off dates.
  - (iii) Liquidity screening accounts for two parameters: (i) Median Daily Traded Value, and (ii) Free-Float Market Capitalisation.
- (d) Free-Float Criterion
  - (i) Free-float is used to determine a company's free-float market capitalization, which is used to calculate a company's daily traded velocity and compute the weights of an Index's constituents.
  - (ii) New constituents must meet a minimum free-float market capitalisation of 12%, measured at each Index review date.
  - (iii) Existing constituents must have a free-float market capitalisation of 10% to maintain inclusion.
- (e) Velocity Screen
  - (i) All eligible companies must rank 120 or better based on Daily Traded Velocity. The threshold is increased to 144 for existing constituents.
  - (ii) Where there is a tie in Daily Traded Velocity values, the company with the largest Total Market Cap will be given the better rank.
- (f) Index Review
  - (i) Index is reviewed quarterly in February, May, August and November.
  - (ii) Index reviews will be performed using data from the last business day of the preceding month to the Index review month.
  - (iii) Results from an Index review are implemented effective on the fourth Monday of the review month.
  - (iv) Index review process (in sequence) includes (a) screening; (b) ranking; (c) inclusion; (d) minimum foreign headroom requirement; and (e) weighting and capping.
- (g) Treatment for IPOs between Index Rebalances
  - (i) New Initial Public Offerings may potentially be included in the Index in between Index rebalance dates.

Disclaimer by the Index Licensor

The CSOP iEdge Southeast Asia+ TECH Index ETF is not in any way sponsored, endorsed, sold or promoted by Singapore Exchange Limited and/or its affiliates (collectively, "SGX") and SGX makes no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Index and/or the figure at which the Index stand at any particular time on any particular day or otherwise. The Index is administered, calculated and published by SGX. SGX shall not be liable (whether in negligence or otherwise) to any person for any error in the CSOP iEdge Southeast Asia+ TECH Index ETF and the Index and shall not be under any obligation to advise any person of any error therein.

“SGX” is a trade mark of SGX and is used by the Manager under license. All intellectual property rights in the Index vest in SGX.

## 7. **Dual Currency Trading**

The Sub-Fund consists of 1 Share Class, namely the USD Share Class.

The Sub-Fund trades in different currency denominations on the SGX-ST, i.e. United States dollar (US\$) and Singapore dollar (S\$). Investors of the USD Share Class can buy and/or sell Shares in US\$ or S\$, regardless of the currency in which it was first bought and/or sold.

<b>Classes</b>	<b>Currency denomination available for trading</b>	<b>Trading/Counter Name</b>	<b>Stock Code</b>	<b>Traded Currency</b>
USD Share Class	Primary Currency (US\$)	CSOP SEA TECH ETF US\$	SQU	US\$
	Secondary Currency (S\$)	CSOP SEA TECH ETF S\$	SQQ	S\$

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

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

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

## 8. **Distribution Policy**

Currently, no distributions will be made for the USD Share Class. Dividend and/or interest income and/or capital gains derived from investments by the Sub-Fund which is attributable to the USD Share Class will be reinvested and this will be reflected in the NAV of the Shares of such Class.

## 9. **Fees and Charges**

### (a) **Fees and Charges Payable by Participating Dealers (for Primary Market transactions)**

The fees and charges payable by Participating Dealers in respect of the Sub-Fund are summarised as follows:-

<b><i>Creation of Shares:</i></b>	
Transaction Fee <sup>13</sup>	US\$500

<sup>13</sup> A Transaction Fee (which includes the transaction charges and out-of-pocket expenses) is payable by a Participating Dealer to the Company and/or the Registrar (as the case may be).



<b>Creation of Shares:</b>	
Application Cancellation Fee <sup>14</sup>	US\$1,200
Extension Fee <sup>15</sup>	US\$1,200

<b>Redemption of Shares:</b>	
Transaction Fee <sup>12</sup>	US\$500
Application Cancellation Fee <sup>13</sup>	US\$1,200
Extension Fee <sup>14</sup>	US\$1,200

The above fees and charges payable by the Participating Dealers may be passed on to the end investors (those who choose to subscribe and/or redeem Shares through a Participating Dealer) in full or in part, depending on the relevant Participating Dealer.

(b) Fees and Charges Payable by Investors Dealing in Shares on the SGX-ST (for Secondary Market transactions)

The fees and charges payable by investors dealing in Shares in the Sub-Fund on the SGX-ST are summarised as follows:

Subscription/Redemption fee	Nil
Brokerage	Market rates. You will have to bear brokerage fees charged by your stockbrokers.
Clearing fee and SGX access fee	Currently the clearing fee and SGX access fee for trading Shares on the SGX-ST is at the rate of 0.0325% and 0.0075% of the transaction value <sup>#</sup> and subject to the prevailing goods and services tax ("GST").

<sup>#</sup> Subject to change at SGX-ST's discretion.

(c) Fees and Charges Payable by the Sub-Fund

The fees and charges payable by the Sub-Fund are summarised as follows:-

Management Fee	Currently: 0.99% per annum of the Net Asset Value of the Sub-Fund. Maximum: 1.50% per annum of the Net Asset Value of the Sub-Fund.
Custodian fee	The Custodian Fee payable is subject to agreement between the Company and the Custodian and may exceed 0.10% of the Net Asset Value of the Sub-Fund depending on,

<sup>14</sup> The Application Cancellation Fee is payable by a Participating Dealer to account of the Company and/or the Registrar (as the case may be) on each occasion that a Creation or Redemption Request is cancelled by the Participating Dealer or the Company where applicable.

<sup>15</sup> The Extension Fee is payable by a Participating Dealer to the Manager and/or the Company (as the case may be) on each occasion that the Manager, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of an Application.

	amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs, out-of-pocket expenses and Directors' fees. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% of the Net Asset Value of the Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of the Sub-Fund.

#### 10. **Specific Risk Factors**

In addition to the risk factors described under paragraph 47 "Risks" of this Prospectus, investors should also consider the specific risks associated with investing in this Sub-Fund set out below before deciding whether to invest in this Sub-Fund.

##### **Technology Sector Risk**

The value of the Shares may be susceptible to factors affecting technology-related industries and to greater risk and market fluctuation than investment in a broader range of portfolio securities covering differing economic sectors. Technology and technology-related industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse effect on these industries. Additionally, these companies may be subject to inherent risks of developing technologies, competitive pressures and other factors as well as a relatively high risk of obsolescence caused by scientific and technological advances and are independent upon consumer and business acceptance as new technologies evolve. The development of these sector-specific investments may differ from the general stock exchange trends.

There can be no assurance that promising technologies will be successfully developed into profitable products or services by any of the Sub-Fund's technology companies. In addition, the valuation of such companies may be disproportionately influenced by the companies' intellectual property assets, the value of which can be difficult to estimate. Such intellectual property may be subject to litigation that could adversely impact its value.

Technology companies may also experience extreme earning fluctuations which could be due to seasonality factors. The Sub-Fund may from time to time invest in technology companies that possess promising technologies or patents which could reap rewards in the longer term.

Technology companies may also store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have a negative impact on these companies, or could be negatively impacted by disruptions in services caused by hardware or software failure, or by interruptions in delays in service by third party data centre hosting facilities and maintenance providers. Technology companies involved in alternative currencies may face slow adoption rates and be subject to higher levels of regulatory scrutiny in the future, which could severely affect the viability of these companies.

The operations of technology companies can also be subject to extensive regulation. Technology companies may need to obtain licenses and approvals from government regulators

to operate or sell their technologies. Licenses granted can be revoked and applications for new licenses can be delayed for substantial periods of time. Governmental actions can impose rate regulation, limit returns, increase costs, affect the types of services provided, the ownership of companies, areas served, the terms for dealing with competitors and customers, and otherwise limit the economic incentive for implementing new technologies. Certain companies may be subject to regulations designed to encourage competition or limit the dominance of a particular company or technology in a given market or may be foreclosed from entering markets with respect to which exclusive licenses may have been granted. Government regulation can be unpredictable and subject to political, economic, social and market developments. There can be no assurances as to the level or effect of government regulation on technology companies in the future.

#### Emerging Markets risk.

The Sub-Fund will invest in Index Securities and non-Index Securities (via representative sampling) listed on stocks exchanges of India and several ASEAN countries, including Malaysia, Indonesia, Thailand and Vietnam, which are considered to be emerging markets as compared to Singapore. These markets are subject to special risks associated with foreign investment in these emerging markets including, but not limited to:

- (a) Political and economic factors: Investing in emerging markets involves certain risks not typically associated with investing in the securities of issuers in more established markets, including: (1) political and economic risks, such as greater risks of expropriation, nationalisation and lower social, political and economic stability; (2) a greater level of government involvement in and control over the economy; (3) substantially higher rates of inflation; (4) certain national policies which may restrict the investment opportunities of the Sub-Fund, including restrictions on investing in issuers or industries deemed sensitive to the national interest; and (5) bureaucratic restraints relating to investment in the country.
- (b) Developing legal system: At present, the securities market and the regulatory framework for the securities industry in many emerging markets is at an early stage of development. Tax and associated laws are also evolving on a continuing basis. As these laws, regulations and legal requirements are relatively recent, interpretation and enforcement involve significant uncertainty. In particular, laws governing business organisations, bankruptcy and insolvency in emerging markets may provide substantially less protection to security holders, such as the Sub-Fund, than that provided by the laws of more developed countries.
- (c) Market considerations: As emerging markets are at an early stage of development, they typically have less volume, are less liquid and experience greater volatility than more established markets. Settlement of transactions may be subject to delay and administrative uncertainties.
- (d) Currency: The currencies in which investments are denominated may be unstable and/or subject to significant depreciation. Such currencies may not be freely convertible.
- (e) Custody risk: Custodians are not able to offer the level of service and safe-keeping in relation to the settlement and administration of securities that is customary in more developed markets. In particular, there is a risk that the Sub-Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

- (f) Disclosure: Less complete and reliable fiscal and other information may be available to investors.

#### Concentration Risk

The Sub-Fund, which is comprised of companies that are in similar businesses, may be more susceptible to any single economic market, political or regulatory occurrence affecting that industry or group of industries. To the extent that the technology sector or the geographical region (i.e. primarily ASEAN) in which the Sub-Fund invests in falls out of favour, the Sub-Fund's performance may be negatively affected.

#### New Index Risk

The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

#### Risks of Natural Disasters, Epidemics, and Technical Failures

Certain regions of Asia face relatively high systemic risks in connection with natural disasters that may have a severe impact on the value of the Sub-Fund's investments.

Certain regions in Asia also face relatively high systemic risks in connection with epidemics such as the Covid-19 disease caused by the SARS-CoV-2 virus ("COVID – 19"), Severe Acute Respiratory Syndrome ("SARS") or Avian flu. Past occurrences of epidemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies throughout Asia. A recurrence of SARS or an outbreak of any other epidemic in Asia, such as COVID – 19, the H5N1 avian flu or the H1N1 "Swine flu" may adversely affect the Sub-Fund's financial condition and results of operation and have an adverse effect on the national and regional economies of Asia.

In addition, power outages, or failures of hardware, software, system or other technology may prevent or significantly impact the technology companies from trading and operating, which would adversely affect the Sub-Fund.

#### Dual currency trading risk.

The USD Share Class of the Sub-Fund is traded in two different currencies on the SGX-ST (i.e. US\$ and S\$). The price of the Shares in the secondary currency (i.e. S\$) is based on the price of the Shares in the primary currency (i.e. US\$) converted at the prevailing foreign exchange rate. Therefore, the performance of the Shares in the secondary currency may not be the same as that of the primary currency due to fluctuations in the foreign exchange rate between the US\$ and S\$.

### 11. **Subscription or Redemption by or through the Participating Dealers**

#### Cash subscription or redemption

Minimum Subscription Amount	200,000 Shares (or such higher number of Shares in multiples thereof) or such other subscription amount as may be determined by the Company.  Investors who wish to acquire less than 200,000 Shares may acquire such number of Shares on the SGX-ST.
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Minimum Holding Amount	<p>The minimum holding amount is 200,000 Shares.</p> <p>For investors who have subscribed through the Participating Dealers, please check with the relevant Participating Dealer on the applicable minimum holding amount.</p>
Minimum Redemption Amount	<p>The minimum redemption amount is 200,000 Shares (or such higher number in multiples thereof) or such other redemption amount as may be determined by the Company.</p> <p>Investors who wish to redeem less than 200,000 Shares may do so through the Participating Dealers. Please check with the Participating Dealers for the applicable minimum redemption amount.</p> <p>Investors who wish to dispose of less than 200,000 Shares may sell such number of Shares on the SGX-ST.</p>

## 12. **Performance and Benchmark of the Sub-Fund**

- (a) A track record of 1 year is not available as at the date of this Prospectus.

The benchmark against which the performance of the Sub-Fund will be measured is the iEdge Southeast Asia+ TECH Index.

- (b) Expense ratio

The Sub-Fund's annualised expense ratio<sup>16</sup> is 1.57%.

- (c) Turnover ratio

The Sub-Fund's turnover ratio is not available as it was only inception on 20 June 2023.

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<sup>16</sup> The expense ratios of the Sub-Fund are calculated in accordance with the Investment Management Association of Singapore's Guidelines for the Disclosure of Expense Ratios ("**IMAS Guidelines**"), and are based on the Sub-Fund's latest audited accounts.

The following expenses as set out in the IMAS Guidelines are excluded from the calculation of the expense ratio (where applicable):

- (i) interest expense;
- (ii) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (iii) foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- (iv) tax deducted at source or arising on income received, including withholding tax;
- (v) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund; and
- (vi) dividends and other distributions paid to Shareholders.

13. **Information on the Index**

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

As at 31 October 2023, the composition and weightings of the top 10 constituent securities of the Index were as follows:

<b><u>No.</u></b>	<b><u>Stock Name</u></b>	<b><u>Weighting (%)</u></b>
1.	Sea Ltd	12.51
2.	Infosys Ltd	10.67
3.	Wipro Ltd	10.5
4.	Astra International Tbk PT	9.69
5.	Grab Holdings Ltd	9.19
6.	Delta Electronics Thailand PCL	7.96
7.	Venture Corp Ltd	5.71
8.	Jardine Cycle & Carriage Ltd	4.44
9.	Inari Amertron Bhd	3.08
10.	KCE Electronics PCL	2.97

Source: Singapore Exchange Limited.

## APPENDIX II

### CSOP HUATAI-PINEBRIDGE SSE DIVIDEND INDEX ETF (Sub-Fund Registration No. T22VC0188B-SF002)

#### 1. Key Information

The following table is a summary of key information in respect of the CSOP Huatai-PineBridge SSE Dividend Index ETF.

Instrument Type	Exchange Traded Fund
Index	SSE Dividend Index
Index Provider	Shanghai Stock Exchange
Listing Date	1 December 2023
Exchange Listing	SGX-ST – Main Board
Class	RMB Share Class
SGX Trading/Counter Name	<u>RMB Share Class</u> CSOP DIV ETF S\$
Stock Code	<u>RMB Share Class</u> SHD
Trading Board Lot Size	1 Share or such other number of Shares as the SGX-ST may determine to be the trading board lot size
Currency of Account (Base Currency)	RMB
Trading Currencies (Primary Market Creation / Redemption)	<u>RMB Share Class</u> Primary Currency: RMB
Trading Currencies (Secondary Market Trading)	<u>RMB Share Class</u> Primary Currency: RMB Secondary Currency: S\$
Dividend Distribution	<u>RMB Share Class</u> : Annually
Creation / Redemption (only applicable to Participating Dealers)	Cash only  Creation Unit size / Redemption Unit size of 200,000 Shares (or such higher number of Shares in multiples thereof) or such other subscription amount as may be determined by the Manager
Dealing Deadline for subscription or redemption	2:00 p.m. (Singapore time) (or such other time as the Manager may determine with prior notification to Participating Dealers)
Fees and Charges Payable by Participating Dealers	<u>Creation and Redemption of Shares</u>  Transaction Fee: S\$650 / RMB3,000 per Application (in cash)  Application Cancellation Fee: S\$1,560 / RMB8,500 per Application  Extension Fee: S\$1,560 / RMB8,500 per Application

Company	CSOP Investments III VCC
Manager	CSOP Asset Management Pte. Ltd.
Registrar	DBS Bank Ltd
Custodian	DBS Trustee Limited
Website	<a href="https://www.csopasset.com/sg/home.html">https://www.csopasset.com/sg/home.html</a>
Investor Profile	<p>The Sub-Fund is <u>only</u> suitable for investors who:</p> <ul style="list-style-type: none"> <li>o seek an index-based approach to reflect the overall performance of the SSE-listed high-dividend securities by selecting 50 SSE-listed securities with high cash dividend yields, relatively stable dividend distribution in a cost effective and easy to access manner;</li> <li>o believe that the Index will increase in value; and</li> <li>o are comfortable with the volatility and risks of an equity fund.</li> </ul>

## 2. **Investment Objective and Approach**

The investment objective of the Sub-Fund is to replicate as closely as possible, before fees and expenses, the performance of the SSE Dividend Index.

The Manager will invest at least 90% of the Sub-Fund's Net Asset Value in the Huatai-PineBridge SSE Dividend Index ETF (the "**Underlying Fund**") directly and/or indirectly via the QFI Status granted to the Manager and/or through any permissible means available to the Sub-Fund under prevailing laws and regulations. The Underlying Fund is an exchange traded fund listed on the Shanghai Stock Exchange ("**SSE**") that tracks the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective or will be able to fully track the performance of the Index.

The Manager aims to deliver an investment performance which closely corresponds to the performance of the Index.

The Sub-Fund will not invest in warrants, commodities, unlisted securities and precious metals.

For so long as the Shares of this Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products, this Sub-Fund does not and will not invest in any product or engage in any transaction which may cause the Shares not to be regarded as Excluded Investment Products and Prescribed Capital Markets Products. The Manager may engage in securities lending or repurchase transactions for this Sub-Fund, where such securities lending or repurchase transactions 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 this Sub-Fund, and is in line with the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore issued by the MAS (as may be amended from time to time). Any securities lending or repurchase transactions which the Manager may engage in will be in accordance with Appendix 1 of the Code.

The Sub-Fund is only suitable for investors who seek an index-based approach to reflect the overall performance of the SSE-listed high-dividend securities by selecting 50 SSE-listed securities with high cash dividend yields, relatively stable dividend distribution and certain scale and liquidity as the constituents of the Index, believe that the Index will increase in value and



are comfortable with the volatility and risks of an equity fund. **You should consult your financial advisers if in doubt as to whether the Sub-Fund is suitable for you.**

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

### 3. **Investment Strategy**

The Sub-Fund is a feeder fund, which in seeking to achieve its investment objective, will invest at least 90% of its Net Asset Value in Underlying Fund directly and/or indirectly via the QFI Status granted to the Manager and/or through any permissible means available to the Sub-Fund under prevailing laws and regulations. The Underlying Fund is an exchange traded fund listed on the SSE that tracks the performance of the Index. The Sub-Fund may also invest up to 10% of its Net Asset Value into money market instruments for cash management purposes.

The Sub-Fund and the Underlying Fund are able to comply with Circular No. CFC 03/2022 “Guidance on requirements that are applicable to Exchange Traded Funds participating in the SZSE-SGX and SSE-SGX ETF Links”.

The manager of the Underlying Fund is Huatai-PineBridge Fund Management Co., Ltd. (“**Underlying Fund Manager**”). The Underlying Fund will primarily invest in the constituent stocks and alternative constituent stocks in the Index (“**Index Securities**”). The proportion of assets of the Underlying Fund invested in the Index Securities will be not less than 95% of the net asset value of the Underlying Fund. In the event that such investment proportion standard is not reached due to the adjustment of the Index Securities, cash substitution or cash difference in the purchase and redemption consideration of shares in the Underlying Fund, or other reasons, the Underlying Fund Manager shall make adjustments within 10 Business Days. To better achieve the investment objective, the Underlying Fund may also invest in a small number of new stocks, depositary receipts, bonds, and other financial instruments in which the Underlying Fund is permitted to invest by the CSRC. Assets of the Underlying Fund in such investments shall account for less than 5% of the net asset value of the Underlying Fund. The Underlying Fund’s investment in depositary receipts is subject to the same proportional limit as investments in PRC listed and traded stocks. The Underlying Fund’s investment in depositary receipts and in PRC listed stocks shall be combined for the purposes of such calculation.

The Sub-Fund will, as a feeder fund, primarily hold shares in the Underlying Fund but may also directly hold Index Securities from time to time for the purposes of, and to facilitate, any subscription or redemption of shares in the Underlying Fund.

There will be no change to the investment objective and/or investment policy of this Sub-Fund during the 3-year period commencing from the date of this Prospectus, unless any such change is approved by a Special Resolution of Holders in a general meeting or such prohibition on changes to the investment objective and/or investment policy of this Sub-Fund is waived by the SGX-ST. Where there is any change to the investment strategy adopted for this Sub-Fund, such changes will be announced by the Manager through SGXNET. A list of the holdings of this Sub-Fund will be published in the monthly fund factsheet which is available on the Manager’s website at <https://www.csopasset.com/sg/home.html>.

#### **Investment Objective and Approach of the Underlying Fund**

The investment objective of the Underlying Fund is to track the Index by adopting a Replication Strategy, with minimum tracking deviation and tracking error.

The Underlying Fund shall follow an index-based investment philosophy in investment management, with the Index reflecting the overall stock yield featuring high cash dividend yield and stable dividend distribution on the SSE.

The Underlying Fund shall be committed to minimising the tracking difference and tracking error by using the Replication Strategy to ensure satisfying long-term investment returns for investors and to meet their diversified investment needs.

The Underlying Fund Manager monitors and adjusts the portfolio by tracking changes in the underlying index and considering the fundamentals of the constituent stocks, liquidity, cash flow in fund purchase and redemption, and the investment performance of the portfolio to ensure the portfolio is as close to the underlying index as possible.

Where it is unable to obtain adequate Index Securities due to unusual circumstances, the Underlying Fund Manager shall seek to build the portfolio of the Underlying Fund using other reasonable investment methods, attempting to replicate the Index as much as possible. The term *unusual circumstances* mainly refers to such circumstances where the constituent securities of the Index change or the structure and weight of the constituent securities varies due to issuers' actions such as additional offerings/share allotments and the Underlying Fund is unable to adjust its portfolio accordingly in a timely manner because of transaction costs, trading rules, the suspension of individual constituent securities, or insufficient liquidity. In such cases, the Underlying Fund Manager shall try to build a portfolio as close to the Index as possible using other reasonable investment methods.

In normal market conditions, the absolute value of the daily average tracking difference of the Underlying Fund (without regard to dividend distribution on constituent securities) shall be within 0.1% and the annual tracking error shall be within 2%. Where the tracking difference and error go beyond these limits due to the adjustment of compilation rules of the Index or other reasons, the Underlying Fund Manager shall take reasonable measures to avoid an additional increase in the tracking difference and error.

To the extent permitted by laws and regulations, the Underlying Fund Manager may attempt to improve investment efficiency and better achieve the investment objective of the Underlying Fund by investing assets of the Underlying Fund in stock futures, options, and other financial derivatives. The Underlying Fund Manager shall only use such financial derivatives for the purposes of fully investing the assets of the Underlying Fund, reducing trading costs, and minimising tracking differences. The Underlying Fund Manager shall not use such derivatives for speculation or as leverage to amplify the Underlying Fund's investments.

The investment by the Underlying Fund in stock futures, options, and other financial derivatives is subject to approval by its investment decision-making committee who is responsible for making decisions on major index adjustments, major portfolio adjustments, and major individual investments.

#### 4. **Designated Market Makers**

The current Designated Market Makers of this Sub-Fund is Flow Traders Asia Pte. Ltd. Any change to the Designated Market Makers of this Sub-Fund will be announced on the SGXNET and the Company's website at <https://www.csopasset.com/sg/home.html>.

5. **Participating Dealers**

Please approach the Company or refer to the Company's website at <https://www.csopasset.com/sg/home.html> for the current list of Participating Dealers of this Sub-Fund. Any changes to the Participating Dealers will be announced on the SGXNET.

6. **Index and Index Licensor**

The SSE Dividend Index is the current benchmark for the Sub-Fund. The Index is compiled and calculated by China Securities Index Co., Ltd. (the "**Index Licensor**") and aims to reflect the overall performance of the SSE-listed high-dividend securities by selecting 50 SSE-listed securities with high cash dividend yields, relatively stable dividend distribution and certain scale and liquidity as the constituents of the Index.

The Manager has been granted a license by the Index Licensor to use the Index for a period of 36 months commencing from 18 August 2023.

The Index Licensor is independent of the Manager.

The Index is reviewed and rebalanced annually. Further description of the index methodology is available at <https://www.csindex.com.cn/#/indices/family/detail?indexCode=000015>. The composition of the Index and the latest information relating to the Index is available at <https://www.csindex.com.cn/#/indices/family/detail?indexCode=000015>.

**Index Methodology**

The Index is subject to the following criteria:-

(a) Index Eligibility

(i) Index Universe: The securities in the universe of SSE 180 Index (which are all listed on the SSE), which meet the following requirements:

- (1) Average daily total market cap in the past one year is ranked top 80% of the universe of SSE 180 Index.
- (2) Average daily trading value in the past one year is ranked top 80% of the universe of SSE 180 Index.
- (3) Continuously paid dividend in the past three years and the average payout ratio in the past three years and the payout ratio in last year are both between 0 and 1.

(ii) Constituents Selection: The securities are ranked in the index universe by average cash dividend yield for the past three years and the top 50 securities are selected as the constituents.

(b) Index Calculations

(i) The Index is calculated as according to the following formula:

$$\text{Current Index} = \text{Current Total Adjusted Market-Cap} / \text{Divisor} \times \text{Base Value}$$

Where Current Total Adjusted Market-Cap =  $\sum (\text{Security Price} \times \text{Number of Free Float Adjusted Shares} \times \text{Weight Factor})$

Weight Factor = dividend yield/(Security Price × Number of Free Float Adjusted Shares)

Please refer to the CSI Index Calculation and Maintenance Methodology for further details on the formulas described above.

- (ii) For the calculation of number of free float adjusted shares, please refer to the CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, which is calculated at each rebalancing date, so that each constituent is weighted by dividend yield, the weight of each constituent is capped at 10%, and the weight of each constituent with total market value of less than 10 billion RMB is capped at 1%.

(c) Constituents and Index Weights Adjustment

(i) Constituent's Periodical Review:

The Index is adjusted and rebalanced annually and the adjustment will be effective as of the next trading day after the 2<sup>nd</sup> Friday in December. Current constituents that do not meet the following requirements in the review will be removed:

- (1) Last year's cash dividend yield is higher than 0.5%;
- (2) Average daily negotiable market cap in the past one year is ranked top 90% of the SSE 180 Index;
- (3) Average daily trading value in the past one year is ranked top 90% of the SSE 180 Index;
- (4) Average payout ratio in the past three years is between 0 and 1.

Original constituents that meet the above requirements are still qualified for the new index universe. Number of constituents adjusted at each periodical review will generally not exceed 20% unless more than 20% of the current constituents are removed because of lower than 0.5% cash dividend yield in last year.

Weight Factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing date.

- (ii) Ongoing Review: When special events occur, the Index Licensor will review the index accordingly. Delisted securities will be deleted from the constituents. Upon the deletion of a delisted security from the list of constituents of the Index, the highest-ranking company on the reserve list will take the place of the aforementioned.

Disclaimer by the Index Licensor

All rights in the Index vest in China Securities Index Company ("CSI"). CSI does not make any warranties, express or implied, regarding the accuracy or completeness of any data related to the Index. CSI is not liable to any person for any error of the Index (whether due to negligence or otherwise), nor shall it be under any obligation to advise any person of any error therein. The

Product based on the Index is in no way sponsored, endorsed, sold or promoted by CSI and CSI shall not have any liability with respect thereto.

## 7. **Indicative Timetable**

The following table summarises the key events in the Company's indicative timetable:

<b>Event</b>	<b>Indicative Timeline</b>
Initial Offer Period commences	20 November 2023 at 9:00 a.m. (Singapore time)
Initial Offer Period closes (unless extended by the Company)	27 November 2023 at 12:00 p.m. (Singapore time)
Listing commences and Shares may then be created and redeemed by any Participating Dealer as well as traded by any retail investor (i.e. commencement of trading of the Shares on a "ready" basis on the SGX-ST)	Expected to be 9:00 a.m. on 1 December 2023, subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Shares on a "ready" basis have been fulfilled (unless the Initial Offer Period is extended in which case dealings on the SGX-ST will commence on the second Business Day following the close of the Initial Offer Period).
Settlement date for all trades done on a "ready" basis on 1 December 2023	5 December 2023

In the event of any extension of the Initial Offer Period, the Company will make an announcement on SGXNET, with the announcement to be posted on the SGX-ST website at [www.sgx.com](http://www.sgx.com).

This timetable is indicative only and is subject to change. All dates and times referred to above are Singapore dates and times.

Investors should consult the SGX-ST announcement on the "ready" listing date on the SGX-ST website <http://www.sgx.com> or check with their brokers for the date on which trading on a "ready" basis will commence.

## 8. **Distribution Policy**

Distributions, if any will be determined by the Company. To the extent that any distributions will be determined by the Company, such distributions will be declared to Shareholders annually of each year or at such other times as the Company may determine. Shareholders should note that the declaration of annual distributions is not guaranteed and the Company may review the distribution policy in the future depending on prevailing market conditions.

## 9. **Fees and Charges**

### (a) **Fees and Charges Payable by Participating Dealers (for Primary Market transactions)**

The fees and charges payable by Participating Dealers in respect of the Sub-Fund are summarised as follows:-

<b>Creation of Shares:</b>	
Transaction Fee <sup>17</sup>	S\$650 / RMB3,000 per Application (in cash)
Application Cancellation Fee <sup>18</sup>	S\$1,560 / RMB8,500 per Application
Extension Fee <sup>19</sup>	S\$1,560 / RMB8,500 per Application

<b>Redemption of Shares:</b>	
Transaction Fee <sup>12</sup>	S\$650 / RMB3,000 per Application (in cash)
Application Cancellation Fee <sup>13</sup>	S\$1,560/ RMB8,500 per Application
Extension Fee <sup>14</sup>	S\$1,560/ RMB8,500 per Application

The above fees and charges payable by the Participating Dealers may be passed on to the end investors (those who choose to subscribe and/or redeem Shares through a Participating Dealer) in full or in part, depending on the relevant Participating Dealer.

(b) Fees and Charges Payable by Investors Dealing in Shares on the SGX-ST (for Secondary Market transactions)

The fees and charges payable by investors dealing in Shares in the Sub-Fund on the SGX-ST are summarised as follows:

Subscription/Redemption fee	Nil
Brokerage	Market rates. You will have to bear brokerage fees charged by your stockbrokers.
Clearing fee and SGX access fee	Currently the clearing fee and SGX access fee for trading Shares on the SGX-ST is at the rate of 0.0325% and 0.0075% of the transaction value <sup>#</sup> and subject to the prevailing goods and services tax ("GST").

<sup>#</sup> Subject to change at SGX-ST's discretion.

(c) Fees and Charges Payable by the Sub-Fund

The fees and charges payable by the Sub-Fund are summarised as follows:-

Management Fee	Currently: 0.89% per annum of the Net Asset Value of the Sub-Fund. Maximum: 1.50% per annum of the Net Asset Value of the Sub-Fund.
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<sup>17</sup> A Transaction Fee (which includes the transaction charges and out-of-pocket expenses) is payable by a Participating Dealer to the Company and/or the Registrar (as the case may be).

<sup>18</sup> The Application Cancellation Fee is payable by a Participating Dealer to account of the Company and/or the Registrar (as the case may be) on each occasion that a Creation or Redemption Request is cancelled by the Participating Dealer or the Company where applicable.

<sup>19</sup> The Extension Fee is payable by a Participating Dealer to the Manager and/or the Company (as the case may be) on each occasion that the Manager, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of an Application.

Custodian fee	The Custodian Fee payable is subject to agreement between the Company and the Custodian and may exceed 0.10% of the Net Asset Value of the Sub-Fund depending on, amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs, out-of-pocket expenses and Directors' fees. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% of the Net Asset Value of the Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of the Sub-Fund.

#### 10. **Specific Risk Factors**

In addition to the risk factors described under paragraph 47 "Risks" of this Prospectus, investors should also consider the specific risks associated with investing in this Sub-Fund set out below before deciding whether to invest in this Sub-Fund.

##### **Feeder Risk**

A sub-fund which invests all or substantially all of its assets into an underlying collective investment scheme is subject to the specific risks applicable to the collective investment scheme. Before investing in the Sub-Fund, prospective investors should familiarise themselves with the risk factors associated with the Underlying Fund.

The Sub-Fund invests into the Underlying Fund under the SSE-SGX exchange-traded fund link ("**SSE-SGX ETF Connect**"), which rules are subject to change from time to time, as may be determined by the SGX-ST, SSE and the relevant regulatory authorities. In the event that the Sub-Fund is unable to comply with the rules of the SSE-SGX ETF Connect on a continuing basis, the Sub-Fund may not be able to continue investing in the Underlying Fund or may be required to divest its investment in the Underlying Fund and invest into other underlying funds which track the Index. This may adversely impact the Sub-Fund's value, depending on the rules of the SSE-SGX ETF Connect, as amended from time to time.

The Sub-Fund invests substantially in the Underlying Fund and may therefore be subject to the risks associated with the Underlying Fund. The performance of the Sub-Fund depends on the price of the Underlying Fund. The ability of the Sub-Fund to meet its investment objective is also largely dependent on the Underlying Fund. Past performance of the Underlying Fund is not necessarily a guide to future performance of the Underlying Fund or the Sub-Fund.

The performance of the Sub-Fund may deviate from the performance of the Underlying Fund due to the Sub-Fund's holdings in investments other than the Underlying Fund, as well as the Sub-Fund's fees and expenses. While the Sub-Fund seeks to minimise the tracking difference/tracking error arising from the Underlying Fund, there is no guarantee that the Sub-Fund may achieve such objective via investments other than investments in the Underlying Fund, due to various factors (e.g. timing differences/delays in adjusting the Sub-Fund's investments).

The Sub-Fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund. Shareholders also do not have any direct interest in the shares of the Underlying Fund and will not be able exercise any voting right in respect of the Underlying Fund.

There may be additional costs involved when investing into the Underlying Fund. By investing in the Underlying Fund, the Sub-Fund will bear a proportion of the fees and charges of the Underlying Fund. Such fees and charges of the Underlying Fund will be deducted from the net asset value of the Underlying Fund and reflected in the net asset value per share of the Underlying Fund.

There is also no guarantee that the Underlying Fund will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in the Underlying Fund at such time as it wants to.

There is no assurance that the liquidity of the Underlying Fund will always be sufficient to meet realisation requests. Further, there could be trading suspension of the Underlying Fund in the secondary market in PRC and these factors may have an adverse impact on the Sub-Fund and its Shareholders.

#### Duplication of costs when investing in the Underlying Fund

The Sub-Fund incurs costs of its own management and trustee fees. It should be noted that, in addition, the Sub-Fund incurs similar costs in its capacity as an investor in the Underlying Fund, which in turn pays similar fees to its manager and other service providers. Further, the investment strategies and techniques employed by the Underlying Fund may involve frequent changes in positions and a consequent fund turnover. This may result in brokerage commission expenses which exceed those of underlying funds of comparable size. As a consequence, the direct and indirect costs borne by the Sub-Fund is likely to represent a higher percentage of the NAV than would typically be the case with funds which invest directly in securities (and not through other underlying collective investment schemes).

#### Trading in Index Securities on the SSE may be suspended

The Index Securities may be temporarily or permanently suspended from trading. When the Index Securities are suspended from trading on a large scale, the Underlying Fund may not be able to sell the Index Securities in time to obtain sufficient redemption monies as required. In such cases, the Underlying Fund Manager may take measures to suspend redemption, and the investors will be exposed to the risk of being unable to redeem all or part of their Shares.

#### Fluctuations risk

The performance of the Underlying Fund should, before fees and expenses, correspond closely with the performance of the Index. If the Index experiences volatility or declines, the price of the Index Securities will vary or decline accordingly.

#### Licence to use Index may be terminated

The Underlying Fund Manager is granted a licence by the Index Licensor to use the Index to create the relevant Underlying Fund based on the Index and to use certain trade-marks and any copyright in the Index. The Underlying Fund may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement



may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. The Underlying Fund will be terminated if the Index ceases to be compiled or published and if there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

In addition, the Manager has been granted a licence by the Index Licensor to use the Index in specific circumstances, including but not limited to publication in marketing materials for the Sub-Fund and disclosure of Index data in this Prospectus. There can be no guarantee that this licence will be perpetually renewed. Termination grounds of the licence agreement entered into between the Manager and the Index Licensor include any unforeseen circumstances (such as force majeure, war, turmoil, natural disaster, material change in political or economic policies, change in regulations of the competent authorities or a major adverse incident occurring in the stock market within the term of the agreement that prevents the performance of the agreement), company closure, failure to launch the Sub-Fund within 1 year from the date of the licence agreement, termination in writing by the Manager or failure to pay Index fees.

#### Compilation of Index risk

The Index Securities are determined and composed by the Index Provider without regard to the performance of the Underlying Fund. The Underlying Fund is not sponsored, endorsed, sold or promoted by the Index Provider. The Index Provider makes no representation, warranty, express or implied, to investors in the Underlying Fund or other persons regarding the advisability of investing in Index Securities generally or in the Underlying Fund particularly. The Index Provider has no obligation to take the needs of the Underlying Fund Manager or investors in the Underlying Fund into consideration in determining, composing or calculating the Index. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accordingly. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of the Index Provider will not prejudice the interests of the Underlying Fund, the Underlying Fund Manager or investors.

#### Composition of Index may change

The Index Securities will change as the Index Securities are delisted or as new securities are included in or as existing securities are removed from the Index. When this happens, the weightings or composition of the Index Securities owned by the Underlying Fund will change as considered appropriate by the Underlying Fund Manager to achieve its investment objective. Thus, an investment in Shares will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Shares. However, there can be no guarantee that the Underlying Fund will, at any given time, accurately reflect the composition of the Index.

#### Trading Differences risk

As the SSE may be open when Shares in the Sub-Fund are not priced, the value of the Securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Furthermore, the market price of Index Securities listed on the SSE may not be available during part or all of the SGX-ST trading sessions due to trading hour differences which may result in the trading price of the Sub-Fund deviating away from the NAV. Securities listed in stock exchanges in the PRC are subject to trading bands which restrict

increases and decreases in the trading price. Shares listed on the SGX-ST are not. This difference may also increase the level of premium or discount of the Share price to its NAV. There may also be a time lag in terms of disclosure of information that is likely to affect the price of the Underlying Fund's shares, and such disclosures will be made in Chinese. Singapore investors will be notified of such information in English.

Singapore investors will also be notified, in English, of any public information released relating to the Underlying Fund that is likely to materially affect the price of the Sub-Fund's Shares in a timely manner after it has been made publicly available by the Underlying Fund.

#### Delisting risk of Underlying Fund

The Underlying Fund is subject to the listing rules of the SSE and may be delisted if it is unable to comply with the said rules or at the discretion of the SSE. In such event, the Sub-Fund will no longer be able to invest into the Underlying Fund and may not be able to invest into any other underlying fund in order to meet its investment objective. This may have a negative impact on the value of the Shares and may result in the termination of the Sub-Fund.

#### Initial Offer Period risk

As a Feeder Fund, the subscription monies raised during the Initial Offer Period will be invested into the Underlying Fund after the close of the Initial Offer Period and prior to listing of the Shares on the SGX-ST, in order for shares in the Underlying Fund to be issued to the Sub-Fund on or by the said listing date. There is a possibility that the value of the Shares on the listing date may deviate from the Initial Offer Price of the Shares due to fluctuations in the value of the Underlying Fund during the period when the subscription monies are invested into the Underlying Fund and the listing date.

### 11. **PRC related Risk Factors**

In addition to the risk factors described under paragraph 47 "Risks" of this Prospectus, investors should also consider the specific risks associated with investing in this Sub-Fund set out below before deciding whether to invest in this Sub-Fund.

#### China market risks

The Sub-Fund invests in the China market and is subject to the relevant risks associated with the China market, including but not limited to QFI regime associated risks, RMB distribution risks, PRC tax risks and RMB currency and conversion risks.

#### PRC economic, political and social conditions as well as government policies

The economy of China, which has been in a state of transition from a planned economy to a more market-oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in China are still owned by the PRC government at various levels, in recent years, the PRC government has implemented economic reform measures emphasising the use of market forces in the development of the economy of China and a high level of management autonomy. The economy of China has experienced significant growth in the past 20 years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of

high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth and carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. Any adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC as well as the Index Securities which are constituents of the Index and/or the underlying issuers of the Index Securities or interests issued by PRC companies and listed on the SSE (the “China A-Shares”) in the investment portfolio of the Underlying Fund. Furthermore, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the Sub-Fund. Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the property held by the underlying issuers of the China A-Shares in the investment portfolio of the Underlying Fund and/or the Index.

#### PRC government control of currency conversion and future movements in exchange rates

The value of the Sub-Fund's investment portfolio will reflect the dividends and distributions received from the underlying issuers of the China A-Shares in the investment portfolio of the Underlying Fund which are converted at the prevailing foreign exchange rate.

The existing PRC foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. However, we cannot predict whether the PRC government will continue its existing foreign exchange policy and when the PRC government will allow free conversion of the RMB to foreign currency.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the State Administration of Foreign Exchange of the PRC.

#### PRC laws and regulations

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, because these laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

#### PRC market risk/Volatility of China A-Shares

You should note that the SSE on which China A-Shares are traded are undergoing development and the market capitalisation of, and trading volumes on those exchanges are lower than those in more developed financial markets. Generally, investments in or linked to emerging markets,

such as the market for China A-Shares, may involve increased risk such as the likelihood of a high degree of market volatility, lack of a liquid trading market, currency risks/control, political and economic uncertainties, legal, regulatory and taxation risks, custody risks and settlement risks in the China A-Share markets. The China A-Share markets may be more volatile and unstable (e.g. due to suspension of particular stocks or government intervention) than those in the more developed markets. All these may result in significant fluctuations in the prices of China A-Shares which are Index Securities, which may in turn adversely affect the NAV of the Underlying Fund and the Sub-Fund.

#### Risks relating to dependency on China A-Share and China A-Share ETF market

The existence of a liquid trading market for China A-Shares and ETFs listed in the PRC (such as the Underlying Fund) may depend on whether there is supply of, and demand for, such China A-Shares and ETFs. The price at which the China A-Shares may be purchased or sold by the Underlying Fund may be adversely affected if trading markets for China A-Shares are limited or absent. This may have impact on the price at which shares of the Underlying Fund may be purchased or sold by the Sub-Fund.

Further, the price at which shares of the Underlying Fund may be purchased or sold by the Underlying Fund and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for the Underlying Fund are limited or absent.

Investors should note that the SSE on which China A-Shares and the Underlying Fund are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets.

The China A-Share and China A-Share ETF market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Shares if the shares of the Underlying Fund are not available.

Market volatility and settlement difficulties in the China A-Share and ETF markets may also result in significant fluctuations in the prices of the China A-Shares and ETFs traded on such markets and thereby may affect the value of the Sub-Fund.

#### Risks relating to suspension of the China A-Share and China A-Share ETF market

Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the Sub-Fund to losses. Under such circumstances, while creation/redemption of the Sub-Fund's Shares may be suspended, subject to the Manager's discretion, the trading of the Sub-Fund on the SGX-ST may or may not be suspended. If trading of the Underlying Fund on the SSE is suspended, it may be difficult for the Manager to determine the Net Asset Value of the Sub-Fund. Where trading of the Underlying Fund on the SSE is suspended, the Manager may determine to suspend the creation and redemption of Shares of the Sub-Fund, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the Sub-Fund on the SGX-ST continues when the trading of the Underlying Fund is suspended, the trading price of the Sub-Fund may deviate away from its Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in the PRC on China A-Shares and China A-Share ETFs (including the Underlying Fund), it may not be possible for

Participating Dealers to create and/or redeem Shares of the Sub-Fund on a Dealing Day, because the Underlying Fund may not be available if the trading band limit has been exceeded or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the Sub-Fund to losses. Further, the price of the Shares of the Sub-Fund may be traded at a premium or discount to its Net Asset Value.

#### Accounting and Reporting Standards

Accounting, auditing and financial reporting standards and practices applicable to PRC companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

#### QFI Regulations risk

The current QFI Regulations include rules on investment restrictions applicable to a Sub-Fund. Transaction sizes for QFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities are registered in the joint names of the Manager and the Sub-Fund in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. The Manager selects the PRC Broker to act on its behalf in the onshore PRC securities market as well as the Underlying Fund Custodian to maintain its assets in custody in accordance with the terms of the participation agreement between the Manager and the Underlying Fund Custodian.

In the event of any default of either the relevant PRC Broker or the Underlying Fund Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, a Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the Net Asset Value of the Sub-Fund.

The regulations which regulate investments by QFIs in the PRC and the repatriation of capital from QFI investments are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no certainty as to how such discretion may be exercised now or in the future.

Changes to the foreign investment regulation in the PRC may be made at any time by the CSRC and the SAFE, and such changes may have a detrimental impact on the ability of a Sub-Fund to achieve its investment objective.

#### Underlying Fund Custodian and PRC Broker risk

Onshore PRC assets will be maintained by the Underlying Fund Custodian in electronic form via a securities account with the CSDCC and a special deposit account with the Underlying Fund Custodian.

The Manager also selects the PRC Broker to execute transactions for a Sub-Fund in the PRC markets. When selecting PRC Broker(s), the Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Manager considers appropriate, it is possible that a single PRC Broker will be appointed for

the SSE. Should, for any reason, the Manager be unable to use the relevant broker in the PRC, the operation of a Sub-Fund would be adversely affected and may cause Shares to trade at a premium or discount to the Sub-Fund's Net Asset Value or unable to track the relevant Index. A Sub-Fund may also incur losses due to the acts or omissions of either the PRC Broker(s) or the Underlying Fund Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Manager will make arrangements to ensure that the relevant PRC Broker and Underlying Fund Custodian have appropriate procedures to properly safe-keep a Sub-Fund's assets.

According to the QFI Regulations and market practice, the securities and special deposit accounts for a Sub-Fund in the PRC are maintained in the joint names of the Manager, as the QFI holder, and the Sub-Fund. Although the Manager has obtained a legal opinion that the assets in such securities account would belong to the Sub-Fund, such opinion cannot be relied on as being conclusive, as the QFI Regulations are subject to the interpretation of the relevant authorities in the PRC.

Investors should note that cash deposited in the special deposit account of a Sub-Fund with the Underlying Fund Custodian will not be segregated but will be a debt owing from the Underlying Fund Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Underlying Fund Custodian. In the event of bankruptcy or liquidation of the Underlying Fund Custodian, a Sub-Fund will not have any proprietary rights to the cash deposited in such special deposit account, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the Underlying Fund Custodian. A Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

#### Repatriation risk

Repatriations by QFIs in respect of an investment fund such as the Sub-Fund conducted in RMB based on the net balance of subscriptions or redemptions each day are permitted daily and are not subject to any lock-up periods or prior approval. The realised cumulative profits generated from investments via the QFI for the account of the Sub-Fund may be repatriated out of the PRC, as and when the Manager instructs the Underlying Fund Custodian to do so and after the completion of the audit of such net realised cumulative profits by a PRC registered accountant and the issuance of the tax payment certificate or tax filing certificate (if any). There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions/requirements will not be cancelled or additionally imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.

#### QFI status risk

There can be no assurance that the QFI status of the Manager will not be suspended or revoked. Such event may adversely affect the Sub-Fund's performance as it may not be possible to implement the investment strategy of the Sub-Fund at all, which in the worst case scenario may lead to termination of the Sub-Fund.

#### Clearing and settlement risk

The Sub-Fund may be exposed to risks associated with settlement procedures and default of counterparties under the laws of the PRC and the rules of the SSE. For cross-boundary trades

initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC's securities market, CSDCC operates a comprehensive network of clearing, settlement and stock holding infrastructure. CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. The changes of CSDCC default are considered remote. If CSDCC defaults in delivering the securities, the trade may be cancelled and the Sub-Fund may need to find another counterparty to complete the transaction, which may be at a less favourable price and thus adversely affecting the value of the Sub-Fund. Any transaction via exchange markets may also be subject to settlement delays.

#### Onshore RMB and offshore RMB differences risk

While both onshore RMB and offshore RMB are the same currency, they are traded in different and separated markets. Onshore RMB and offshore RMB are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of RMB held offshore (i.e. outside the PRC), offshore RMB cannot be freely remitted into PRC and is subject to certain restrictions, and vice versa. You should note that subscriptions and realisations of Shares will be in the relevant Class currency, and will be converted to/from offshore RMB and you will bear the foreign exchange expenses associated with such conversion and the risk of a potential difference between the onshore RMB and offshore RMB rates. The liquidity and NAV of the relevant Sub-Fund may also be adversely affected by the rate and liquidity of RMB outside the PRC.

#### Risks associated with the Shanghai-Hong Kong Stock Connect ("**Stock Connect**")

The Sub-Fund may invest through the Stock Connect and is subject to the following additional risks:

**Quota limitations risk.** The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

**Suspension risk.** It is contemplated that the Stock Exchange of Hong Kong Limited ("**SEHK**") and the Shanghai Stock Exchange ("**SHSE**") would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the Sub-Fund's ability to access the PRC mainland market will be adversely affected.

**Differences in trading day.** The Stock Connect only operates on days when both the PRC mainland (SHSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as Sub-Fund) cannot carry out any trading via the Stock Connect. The Sub-Fund may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is

not trading as a result.

**Operational risk.** The Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system (“**China Stock Connect System**”) was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Sub-Fund’s ability to access the PRC market (and hence to pursue its investment strategy) will be adversely affected.

**Restrictions on selling imposed by front-end monitoring risk.** PRC regulations require that before an investor sells any SHSE Securities, there should be sufficient SHSE Securities in the account; otherwise the SHSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SHSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Sub-Fund desires to sell certain SHSE Securities it holds, it must transfer such SHSE Securities to the respective accounts of its brokers before the market opens on the day of selling (“**trading day**”). If it fails to meet this deadline, it will not be able to sell SHSE Securities on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of holdings of SHSE Securities in a timely manner.

**Recalling of eligible securities risk.** When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

**Clearing and settlement risk.** The HKSCC and CSDCC have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC’s securities market, CSDCC operates a comprehensive network of clearing, settlement and security holding infrastructure. CSDCC has



established a risk management framework and measures that are approved and supervised by the CSRC. The chances of CSDCC default are considered to be remote.

Should the remote event of CSDCC default occur and CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CSDCC. HKSCC will in good faith, seek recovery of the outstanding securities and monies from CSDCC through available legal channels or through CSDCC's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from CSDCC.

**Nominee arrangements in holding SHSE Securities risk.** HKSCC is the "nominee holder" of the SHSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SHSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies.

It should be noted that, under the CCASS rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SHSE Securities in the PRC mainland or elsewhere. Therefore, although the Sub-Fund's ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing its rights in SHSE Securities.

**Participation in corporate actions and shareholders' meetings risk.** HKSCC will keep CCASS participants informed of corporate actions of SHSE Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SHSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) are holding SHSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Sub-Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SHSE Securities.

**No Protection by Investor Compensation Fund.** Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. The Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SHSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the

China Securities Investor Protection Fund in the PRC. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in SHSE Securities through the programme.

**Regulatory risk.** The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Fund, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

**Taxation risk.** On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 (“**Notice No.81**”) in relation to the taxation rule on the Stock Connect. Under Notice No.81, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the Sub-Fund may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the Sub-Fund.

#### Risks relating to cross-border nature of the product

The Sub-Fund is an RMB-denominated exchange traded fund which invests substantially in the Underlying Fund, which in turn directly invests in China A-Share market (which is a market with restricted access). In light of the cross-border nature of the Sub-Fund, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the Sub-Fund.

The Sub-Fund may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the Sub-Fund portfolio and adversely affect the Sub-Fund.

#### 12. Initial Offer Period and Initial Offer Price

During the initial offer period of the Sub-Fund which is from 20 November 2023 to 27 November 2023 (or such other dates and for such other period as may be determined by the Company from time to time) (the “**Initial Offer Period**”), investors of this Sub-Fund may apply for Shares

through the Participating Dealers (provided that such investor has a Securities Account with the CDP).

The initial offer price of each Share of the RMB Share Class during the Initial Offer Period is S\$1.0000 per Share, or such other amount as may be determined by the Company from time to time.

Participating Dealers may apply for Shares on their own account or for the account of their clients in accordance with the Operating Guidelines.

#### Conditions of the Initial Offer

Application has been made to the SGX-ST for listing of and permission to deal in Shares in this Sub-Fund. Shares in this Sub-Fund are neither listed nor dealt on any other stock exchange (other than the SGX-ST) and no application for such listing or permission to deal is being sought as at the date of this Prospectus.

The offer and issue of Shares during the Initial Offer Period is subject to and conditional upon valid subscription applications accepted by the Company for a minimum value of S\$20 million (or its equivalent in any other currency) by the close of the Initial Offer Period.

If the above condition is not fulfilled and the Manager decides not to proceed with this Sub-Fund, the subscription amount (including any Duties and Charges and the Transaction Fee) paid by the Participating Dealer will be returned to the Participating Dealer (without interest) and investors who have applied for Shares through the Participating Dealer will be refunded by the Participating Dealer and should consult the Participating Dealer on the procedure for such refund. The Manager may at its discretion continue with this Sub-Fund even if the minimum value of S\$20 million (or its equivalent in such other foreign currency as may be determined by the Manager) is not raised at the close of the Initial Offer Period.

#### Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 27 November 2023 to another Dealing Day, Creation Requests received during the Initial Offer Period should be settled on the Business Day which is two Business Days after such Dealing Day (the “**Extended Date**”). In such circumstances, dealings in the Shares on the SGX-ST would commence on the second Business Day after the Extended Date.

### 13. **Subscription or Redemption by or through the Participating Dealers**

#### Cash subscription or redemption

Minimum Subscription Amount	200,000 Shares (or such higher number of Shares in multiples thereof) or such other subscription amount as may be determined by the Company.  Investors who wish to acquire less than 200,000 Shares may acquire such number of Shares on the SGX-ST.
Minimum Holding Amount	The minimum holding amount is 200,000 Shares.  For investors who have subscribed through the Participating Dealers, please check with the relevant Participating Dealer on the applicable minimum holding

	amount.
Minimum Redemption Amount	<p>The minimum redemption amount is 200,000 Shares (or such higher number in multiples thereof) or such other redemption amount as may be determined by the Company.</p> <p>Investors who wish to redeem less than 200,000 Shares may do so through the Participating Dealers. Please check with the Participating Dealers for the applicable minimum redemption amount.</p> <p>Investors who wish to dispose of less than 200,000 Shares may sell such number of Shares on the SGX-ST.</p>

14. **Soft dollar commissions/arrangements**

The Underlying Fund Manager will not be receiving soft dollars in respect of the Underlying Fund.

15. **Performance and Benchmark of the Sub-Fund**

- (a) As the Sub-Fund has yet to be launched as at the date of this Prospectus, a track record of 1 year is not available.

The benchmark against which the performance of the Sub-Fund will be measured is the SSE Dividend Index.

The past performance of the Underlying Fund as at 31 October 2023 is as follows:

	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since Inception (average annual compounded return) (%)
Huatai- PineBridge SSE Dividend Index ETF  (Inception date: 18 November 2021)	14.23	8.21	7.25	9.15	9.48
SSE Dividend Index (benchmark)	16.93	9.56	7.95	9.86	7.67

*Performance is calculated on a NAV-NAV basis, with all dividends and distributions reinvested (net of reinvestment charges).*

(b) Expense ratio

As the Sub-Fund has yet to be launched as at the date of this Prospectus, the Sub-Fund's expense ratio is not available.

(c) Turnover ratio

As the Sub-Fund has yet to be launched as at the date of this Prospectus, the Sub-Fund's turnover ratio is not available.

The turnover ratio of the Underlying Fund for the financial year ended 31 December 2022 is 49.19%

16. **Information on the Index**

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

As at 1 November 2023, the composition and weightings of the top 10 constituent securities of the Index were as follows:

<b><u>No.</u></b>	<b><u>Stock Name</u></b>	<b><u>Weighting (%)</u></b>
1.	China Petroleum & Chemical Corporation	4.54
2.	Tangshan Port Group Co Ltd	3.53
3.	Guizhou Panjiang Refined Coal Co Ltd	3.38
4.	Nanjing Iron & Steel Co Ltd	3.22
5.	China Shenhua Energy Co Ltd	3.14
6.	Bank of Communications Co LTD	2.9
7.	Heilan Home Co., Ltd	2.85
8.	Hebei Yangyuan ZhiHui Beverage Co., Ltd.	2.82
9.	Shandong Hi-speed Company Limited	2.79
10.	Bank of China Ltd	2.75

Source: China Securities Index Company

## **SCHEDULE TO APPENDIX II – HUATAI-PINEBRIDGE SSE DIVIDEND INDEX ETF**

The information on Huatai-PineBridge SSE Dividend Index ETF (“**Underlying Fund**”) below has been extracted from public sources and/or the Underlying Fund’s prospectus and is subject to change over time. Investors in the CSOP Huatai-Pinebridge SSE Div Index ETF (the “**ETF**”) will only own shares in the ETF and do not own any shares/units/interest in the Underlying Fund itself.

### **1. Basic Information**

#### **(a) Huatai-PineBridge SSE Dividend Index ETF**

The Underlying Fund is publicly traded on the Shanghai Stock Exchange (“**SSE**”) with stock code 510880 and was listed on 17 November 2006. The Underlying Fund invests in securities which are for the time being constituent securities of the SSE Dividend Index (“**Index Securities**”). The Underlying Fund is domiciled in China, regulated by the CSRC and is registered under the Securities Investment Fund Law of the PRC. The Underlying Fund Manager is Huatai-PineBridge Fund Management Co., Ltd. (the “**Underlying Fund Manager**”).

#### **(b) Date of Underlying Fund Prospectus and Expiry Date of Underlying Fund Prospectus**

The CSRC approved the prospectus of the Underlying Fund on 26 September 2006 (“**Underlying Fund Prospectus**”). The Underlying Fund Prospectus was updated as of June 2023. The Underlying Fund Manager is required to update the Underlying Fund Prospectus and publish it on the designated websites within 3 working days if there are substantial changes to the information set out in the Underlying Fund Prospectus; and at least once a year if there are changes to other information set out in the Underlying Fund Prospectus.

#### **(c) Underlying Fund Contract**

The Underlying Fund was constituted by way of a fund contract dated 17 November 2006 between the Underlying Fund Manager, Underlying Fund Custodian and Underlying Fund shareholders (the “**Underlying Fund Contract**”).

#### **(d) Accounts and Reports**

The Underlying Fund Manager shall prepare the Underlying Fund’s annual report within three months from the end of each year, and publish the annual report through such internet websites stipulated in the Measures for Information Disclosures (“**prescribed websites**”), and the indicative announcement of the annual report through such national newspapers that meet the requirements specified by the CSRC (“**prescribed newspapers**”). The financial and accounting reports in the Underlying Fund’s annual report shall be audited by an accounting firm that complies with the conditions stipulated in the China Securities Law.

The Underlying Fund Manager shall prepare the Underlying Fund’s interim report within two months from the end of first half year, and publish the interim report on the prescribed website, and the indicative announcement of the interim report on the prescribed newspaper.

The Underlying Fund Manager shall prepare the Underlying Fund’s quarterly report within 15 Business Days from the end of the quarter, and publish the quarterly report

on the prescribed website, and the indicative announcement of the quarterly report on the prescribed newspaper.

(e) Interests in the Underlying Fund

The Underlying Fund will issue units at a par value of RMB 1.00 per unit, with no limit set on the size of the offering. Units will only be issued after the receipt of valid subscription funds by the Underlying Fund Manager.

2. **Underlying Fund Manager**

The Underlying Fund Manager is Huatai-PineBridge Fund Management Co., Ltd., situated at 17/F, No. 1, Zendai Wudaokou Plaza, Lane 1199, Minsheng Road, China (Shanghai) Pilot Free Trade Zone. The date of establishment of the Underlying Fund Manager is 18 November 2004. The approving authority of the Underlying Fund Manager is the CSRC for its activities in managing collective investment schemes in the PRC, and the approval number is CSRC ZJJJZ (2004) No. 178. The registered capital of the Underlying Fund Manager is RMB 200,000,000.

As of 30 June 2023, the consolidated assets under management of the Underlying Fund Manager and its subsidiaries was RMB 330.18 billion. The Underlying Fund Manager and its group of companies have managed collective investment schemes or discretionary funds since 2008. There is a total of 136 public funds under management by the Underlying Fund Manager, covering A-share, US equity, HK equity, fixed income, money market and Fund of Funds.

The names, descriptions and addresses of all the Directors of the Underlying Fund Manager are as follows:

(a) **JIA Bo (Chairman of the Board)**

Mr. Jia previously worked in the ICBC Jiangsu Branch, and then worked in Huatai Securities from July 2001 to November 2016, where he served as Technical Director of the Brokerage Business Headquarters, Regional Manager of the Retail Client Service Headquarters, General Manager of the Nanning Shuangyong Road Business Department, General Manager of the Nanjing Changjiang Road Business Department, Deputy General Manager of the Planning Department (in charge of work), General Manager of the Beijing Branch, and General Manager of the Securities Margin Trading Department, etc. In December 2016, he joined the Huatai-PineBridge Fund Management Co., Ltd.

(b) **LU Chunguang**

Mr. Lu joined Huatai Securities in May 2009, where he served as the Head of Internet operation team of the Network Finance Department, the Head of user experience and design team, and Deputy General Manager. He is now the Deputy General Manager (in charge of work) of Huatai Securities Shanghai Branch.

(c) **Kirk Chester SWEENEY**

Mr. Sweeney joined the United States Trust Co of NY in September 1982, served as Vice President of Drexel Burnham Lambert from 1984 to 1988, Vice President of Morgan Stanley (New York) from 1988 to 1990, and Director of Wardley-Thomson Securities (Hong Kong) from 1990 to 1992. He served as Managing Director and Hong Kong Regional Head of Lehman Brothers Asia Ltd (Hong Kong) from 1992 to 2008,

Managing Director of Nomura Securities (Hong Kong) from 2009 to 2010, and Managing Director of Barclays Capital (Hong Kong) from 2010 to 2013. He acted as Asia CEO of Millennium Capital Management (Hong Kong/Singapore) Pte Ltd from 2013 to 2019, President of Ortus Capital Management Limited from 2019 to 2020, and Asia Director and Hong Kong CEO of ExodusPoint Capital Management Hong Kong Limited from 2020 to 2021. Since 2021, he has served as Asia CEO of PineBridge Investments Asia Limited.

(d) **YANG Zhiya**

Ms. Yang worked at Sheng Chang Metal Industry Co., Ltd. and Wall Street International Business Consultants Limited. From April 1992 to December 1996, she served as Manager of the Management Department of AIG Securities Investment Consulting Co., Ltd. From January 1997 to July 2001, she served as Manager, Senior Manager, and Assistant Manager of the Management Department of AIG Securities Investment Trust Co., Ltd. From July 2001 to February 2010, she served as Deputy General Manager, General Manager, Chairman of the Board of Directors and General Manager of AIG Securities Investment Consulting Co., Ltd. Since February 2010, she has served as Chairman of the Board of Directors & General Manager, and General Manager of PineBridge Securities Investment Consulting Co., Ltd.

(e) **HAN Yong**

Mr. Han served at Guotai Junan Securities Co., Ltd., Huaxia Securities Co., Ltd., and China Securities Regulatory Commission (CSRC). From July 2007 to September 2011, he served as Deputy General Manager of HuaAn Fund Management Co., Ltd. In October 2011, he joined the Huatai-PineBridge Fund Management Co., Ltd.

(f) **LI Han** (independent director)

Ms. Li joined Tian Yuan Law Firm in 2007, and has been a partner of the law firm since 2015.

(g) **Eiji TANAKA** (independent director)

Mr. Tanaka worked in Nomura Securities Co., Ltd., Mizuho Securities Asia Limited, Nomura International (Hong Kong) Limited, and Nomura Asset Management Hong Kong Limited. Since September 2022, he has served as Representative Director of CICC Japan.

(h) **SUN Maozhu** (independent director)

From June 1987 to February 2019, Mr Sun served as professor and doctoral supervisor at the Business School of Renmin University of China. In February 2019, he retired from the aforementioned university.

(i) **LU Zhen** (independent director)

Ms. Lu served as Deputy General Manager of China Financial Leasing Co., Ltd., and Senior Vice President of Beijing Tsing Yun Energy Technology Co., Ltd. Since 2018, she has served as the founder and CEO of Rongxun Commercial Factoring (Shenzhen) Co., Ltd., and since 2019, she has served as Vice President of Beijing Qingyi Houze Investment Co., Ltd.



3. **Portfolio Managers of the Underlying Fund**

The portfolio managers of the Underlying Fund Manager in relation to the Underlying Fund are:-

(a) **LIU Jun**

Mr. Liu Jun holds a Master of Financial Management from Fudan University. He served as a member of financial staff of SAIC Finance Co., Ltd. from 2000 to 2001, and Senior Fund Accountant of HuaAn Fund Management Co., Ltd. from 2001 to 2004. He joined Huatai-PineBridge Fund Management Co., Ltd. in July 2004, and served as Director of Fund Affairs Department, and Assistant Fund Manager of Huatai-PineBridge SSE Dividend Index ETF. Since June 2009, he has acted as Portfolio Manager of the SSE Dividend Index ETF. He served as Deputy Director of the Index Investment Department from October 2010. From January 2011 to February 2020, he served as Portfolio Manager of Huatai-PineBridge SSE Mid-Small Cap ETF and Huatai-PineBridge SSE Mid-Small Cap ETF Feeder Fund. Since May 2012, he has served as Portfolio Manager of Huatai-Pinebridge CSI 300 EFT and Huatai-Pinebridge CSI 300 EFT Feeder Fund. Since February 2015, He has served as Director of the Index Investment Department. Since May 2015, he has served as Portfolio Manager of Huatai-Pinebridge CSI 500 EFT and Huatai-Pinebridge CSI 500 EFT Feeder Fund. From March 2018 to November 2018, he served as Portfolio Manager of Huatai-Pinebridge Jinli Flexible Allocation Mixed Securities Investment Fund and Huatai-Pinebridge Yuli Flexible Allocation Mixed Securities Investment Fund. From March 2018 to October 2018, he served as Portfolio Manager of Huatai-Pinebridge Taili Flexible Allocation Mixed Securities Investment Fund. Since April 2018, he has acted as Portfolio Manager of Huatai-PineBridge MSCI China A-share Guojitong ETF. Since October 2018, he has acted as Portfolio Manager of Huatai-PineBridge MSCI China A-share Guojitong ETF Feeder Fund. Since December 2018, he has acted as Portfolio Manager of Huatai-PineBridge CSI Dividend Low Volatility ETF. Since July 2019, he has acted as Portfolio Manager of Huatai-PineBridge CSI Dividend Low Volatility ETF Feeder Fund. From September 2019 to April 2021, he served as Portfolio Manager of Huatai-PineBridge CSI Technology 100 ETF. From February 2020 to April 2021, he served as Portfolio Manager of Huatai-PineBridge CSI Technology 100 ETF Feeder Fund. Since September 2020, he has served as Portfolio Manager of Huatai-PineBridge SSE Science and Technology Innovation Board 50 Index ETF. Since March 2021, he has served as Portfolio Manager of Huatai-PineBridge SSE Science and Technology Innovation Board 50 Index ETF Feeder Fund. Since May 2021, he has served as Portfolio Manager of Huatai-PineBridge CSOP Hang Seng TECH Index ETF (QDII). Since July 2021, he has served as Portfolio Manager of Huatai-PineBridge CSI Shanghai-Shenzhen-Hong Kong Innovative Drug Industry ETF. Since August 2021, he has served as Portfolio Manager of Huatai-PineBridge CSI Broad Market Index Healthcare Equipment and Service ETF. Since December 2021, he has served as Portfolio Manager of Huatai-PineBridge CSI 500 Enhanced Strategy ETF. Since August 2022, he has served as Portfolio Manager of Huatai-PineBridge CSOP Hang Seng TECH Index ETF Feeder Fund (QDII). Since November 2022, he has served as Portfolio Manager of Huatai-Pinebridge CSI KRX China-South Korea Semiconductor ETF and Huatai-PineBridge CSI 1000 Enhanced Strategy ETF. Since March 2023, he has served as Portfolio Manager of Huatai-

PineBridge NASDAQ-100 ETF (QDII).

(b) **LI Qian**

Ms Li, Master of Financial Mathematics from the London School of Economics and Political Science. She worked at the Financial Services Bureau of Hongkou District, Shanghai. In March 2015, she joined Huatai-Pinebridge Fund Management Co., Ltd. and served as Assistant Researcher and Researcher successively of the Index Investment Department. Since November 2019, she has served as Portfolio Manager of SSE Dividend Index ETF, Huatai-PineBridge SSE Mid-Small Cap ETF, and Huatai-PineBridge SSE Mid-Small Cap ETF Feeder Fund. Since December 2020, she has served as Portfolio Manager of Huatai-PineBridge CSI Photovoltaic Industry ETF and Huatai-PineBridge CSI Hong Kong Stock Connect 50 ETF. Since January 2021, she has served as Portfolio Manager of Huatai-PineBridge CSI SH-HK-SZ Internet ETF. Since February 2021, she served as Portfolio Manager of Huatai-PineBridge CSI Intelligent Vehicle Theme ETF, Huatai-PineBridge CSI Anime Comic and Game ETF, and Huatai-PineBridge CSI Rare Earth Industry ETF. Since March 2021, she has served as Portfolio Manager of Huatai-PineBridge CSI 1000 ETF and Huatai-PineBridge CSI Internet of Things ETF. Since September 2021, she has served as Portfolio Manager of Huatai-PineBridge CSI Hong Kong Stock Connect 50 ETF Initiated Feeder Fund. Since November 2021, she has served as Portfolio Manager of Huatai-PineBridge CSI Dividend ETF Feeder Fund. Since January 2022, she has served as Portfolio Manager of Huatai-PineBridge CSI SH-HK-SZ Cloud Computing Industry ETF. Since April 2022, she has served as Portfolio Manager of Huatai-PineBridge CSI Hong Kong Stock Connect High Dividend Investment ETF (QDII). Since December 2022, she has served as Portfolio Manager of Huatai-PineBridge CSI Hong Kong 300 Financial Service ETF (QDII).

4. **Underlying Fund Custodian**

The custodian of the Underlying Fund is China Merchants Bank Co., Ltd. (the “**Underlying Fund Custodian**”), situated at China Merchants Bank Building, No. 7088 Shennan Boulevard, Shenzhen, China, and its activities as a custodian in the PRC are regulated by the CSRC.

The Underlying Fund Custodian was established on 8 April 1987. It is China's first joint-stock commercial bank wholly owned by an enterprise legal person. Its head office is located in Shenzhen.

The Underlying Fund Custodian shall keep the register of Underlying Fund shareholders at its premise. If the Underlying Fund Custodian fails to properly keep the register of Underlying Fund shareholders, the Underlying Fund Manager shall report to the CSRC, and perform the duty of keeping the register of Underlying Fund shareholders on behalf of the Underlying Fund Custodian. The Underlying Fund Custodian shall compensate the Underlying Fund Manager for the custody fee arising thereby.

5. **Other Parties**

(a) **Underlying Fund Auditors**

The Auditors of the Underlying Fund are PricewaterhouseCoopers Zhong Tian LLP. The office address is at 11/F, PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai 200021, China.

(b) **Index Provider**

The Index Provider of the Underlying Fund is the Index Licensor. The Index Provider is not related to the Underlying Fund Manager. An index licensing agreement was signed between the Index Licensor and the Underlying Fund Manager.

The Index Licensor has authorised the Underlying Fund Manager to use the Index for various purposes as stated in and subject to the conditions of the index licensing agreement entered into between the Index Licensor and the Underlying Fund Manager, including using the Index as the performance benchmark for the Underlying Fund.

All rights in the Index vest in China Securities Index Company (“**CSI**”). CSI does not make any warranties, express or implied, regarding the accuracy or completeness of any data related to the Index. CSI is not liable to any person for any error of the Index (whether due to negligence or otherwise), nor shall it be under any obligation to advise any person of any error therein. The Product based on the Index is in no way sponsored, endorsed, sold or promoted by CSI and CSI shall not have any liability with respect thereto.

**SSE Dividend Index (the “Index”)**

The Index is compiled and calculated by the Index Licensor. The Index selects 50 SSE-listed securities with high cash dividend yields, relatively stable dividend distribution and certain scale and liquidity as the constituents of the Index.

*Index Construction*

The Index is reviewed on an annual basis and has a basket size of 50 stocks.

*Calculation Times*

On any Business Day, the Index is calculated on a real-time basis. The official closing value of the Index is calculated on an end-of-day basis.

6. **Structure of the Underlying Fund**

The Underlying Fund is traded on the SSE and invests in Index Securities. The Underlying Fund is domiciled in China. The base currency of the Underlying Fund is RMB.

7. **Investment Considerations**

(a) **Investment Objective**

The investment objective of the Underlying Fund is to closely track the Index and minimise the tracking deviation and tracking error.

(b) Investment Strategy and Approach

The Underlying Fund will primarily invest in the constituent securities and alternative constituent securities in the Index. The proportion of assets of the Underlying Fund invested in the Index Securities will be not less than 95% of the net asset value of the Underlying Fund. In the event that such investment proportion standard is not reached due to the adjustment of the Index Securities, cash substitution or cash difference in the purchase and redemption consideration of shares in the Underlying Fund, or other reasons, the Underlying Fund Manager shall make adjustments within 10 Business Days. To better achieve the investment objective, the Underlying Fund may also invest in a small number of new stocks, depositary receipts, bonds, and other financial instruments in which the Underlying Fund is permitted to invest by the CSRC. Underlying Fund assets in such investments shall account for less than 5% of the net asset value of the Underlying Fund. The Underlying Fund's investment in depositary receipts is subject to the same proportional limit as that for investments in PRC listed and traded stocks. The two investments shall be combined in such calculation.

In normal market conditions, the absolute value of the daily average tracking difference of the Underlying Fund (without regard to dividend distribution on constituent stocks) shall be within 0.1% and the annual tracking error shall be within 2%. Where the tracking difference and error go beyond the limits due to the adjustment of compilation rules of the index or other reasons, the Underlying Fund Manager shall take reasonable measures to avoid further increase of the tracking difference and error.

To the extent permitted by laws and regulations, the Underlying Fund Manager may attempt to improve investment efficiency and better achieve the investment objective of the Underlying Fund by investing Underlying Fund assets in stock futures, options, and other financial derivatives. The Underlying Fund Manager shall only use such financial derivatives for the purposes of fully investing Underlying Fund assets, reducing trading costs, and minimising tracking differences. The Underlying Fund Manager shall not use such derivatives for speculation or as leverage to amplify the Underlying Fund's investment.

(c) Distribution Policy

Income of the Underlying Fund shall be distributed in cash. Each share in the Underlying Fund is entitled to equal distribution rights. The Underlying Fund Manager shall evaluate the rate of excess returns of the Underlying Fund against the Index every quarter. Income distribution may be made when the Underlying Fund's cumulative return rate surpasses the cumulative return rate of the Index over the same period by 1% or more as verified on the income evaluation date of the Underlying Fund.

Distributions shall be made quarterly as evenly as possible, based on the actual dividend distribution for the corresponding quarter of constituent securities in the Index, while the Underlying Fund's cumulative return rate shall be as close to the cumulative return rate of the Index over the same period as possible after the distribution. Given the nature and characteristics of the Underlying Fund, the income of the Underlying Fund does not need to be distributed to cover floating losses. The distribution may result in the net asset value per share after restoration being lower than the face value.

The annual income distribution proportion of the Underlying Fund shall not be lower than 90% of the annual distributable Underlying Fund income. Income distribution may be skipped for the first three months after the Underlying Fund Contract takes effect. Distributions may be made up to four times a year subject to applicable laws and regulations.

The income distribution plan of the Underlying Fund shall be prepared by the Underlying Fund Manager, reviewed by the Underlying Fund Custodian, and announced on designated media according to the CSRC's Measures for the Administration of the Disclosure of Information on Publicly Offered Securities Investment Funds.

8. **Fees, Charges and Expenses**

The fees and charges payable by the Underlying Fund are summarised as follows:-

Management fee (payable to the Underlying Fund Manager)	0.50% per annum of the net asset value of the Underlying Fund.
Custodian fee (payable to the Underlying Fund Custodian)	0.10% per annum of the net asset value of the Underlying Fund.

9. **Underlying Fund Valuation**

The purchase and redemption prices of shares of the Underlying Fund shall be calculated based on the net asset value per share determined after valuation. After the Underlying Fund Contract takes effect, assets of the Underlying Fund will be valued on every trading day.

As the net value data of the Underlying Fund to be disclosed is calculated by the Underlying Fund Manager, it shall be reviewed by the Underlying Fund Custodian. The Underlying Fund Manager shall calculate the net asset value per share every business day after trading ends and send the calculation to the Underlying Fund Custodian. After reviewing and verifying the value to be correct, the Underlying Fund Custodian shall return the document to the Underlying Fund Manager to issue an announcement.

10. **Removal of the Underlying Fund Manager**

The appointment of the Underlying Fund Manager may be terminated upon approval by the CSRC under the following circumstances:

- (a) the Underlying Fund Manager is disqualified from performing fund management according to the applicable laws and regulations;
- (b) the Underlying Fund Manager is dissolved, disqualified, or declared bankrupt according to the applicable laws and regulations;
- (c) the Underlying Fund Manager is dismissed by a special resolution passed at a general meeting of unitholders of the Underlying Fund; or
- (d) other circumstances which are outlined under the applicable laws and regulations and approved by the CSRC.

11. **Termination of the Underlying Fund Contract**

The Underlying Fund Contract shall be terminated in any of the following circumstances:

- (a) the general meeting of unitholders of the Underlying Fund decides to terminate the

Underlying Fund Contract;

- (b) the Underlying Fund Manager is unable to perform its fund management duties due to its dissolution, bankruptcy, or disqualification, and no new fund manager has been appointed to take over its rights and obligations within the following six months;
- (c) the Underlying Fund Custodian is unable to perform its fund custody duties due to its dissolution, bankruptcy, or disqualification, and no new fund custodian has been appointed to take over its rights and obligations within the following six months; or
- (d) other circumstances which are outlined under the applicable laws, regulations, or as may be determined by the CSRC.

12. **Taxation of the Underlying Fund**

Please refer to paragraph 117 of this Prospectus.

13. **Borrowing and Securities Lending and Securities Repurchase Transactions by the Underlying Fund**

The Underlying Fund does not engage in borrowing and securities lending, and securities repurchase transactions.

14. **Indemnities**

The Underlying Fund Manager is to bear the liability for compensation in case of any loss of the Underlying Fund property or damage to the legitimate rights and interests of Underlying Fund unitholders due to violation of the Underlying Fund Contract, and such liability shall not be exempted in case of retirement. The Underlying Fund Manager may claim compensation from the Underlying Fund Custodian for the benefit of Underlying Fund unitholders in case of any loss of the Underlying Fund property due to the violation of the Underlying Fund Contract by the Underlying Fund Custodian.

### APPENDIX III

#### LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS OVER THE LAST 5 YEARS

Current Directorships	Past Directorships of last 5 Years
<b>Ng Choe Yong</b>	
CSOP Asset Management Pte. Ltd.	Nil
CSOP Alternative VCC	
CSOP Alternative Strategy Fund SPC	
CSOP Investments VCC	
CSOP Investments II VCC	
CSOP FTSE Indian Government Bond (FAR) Index ETF VCC	
<b>Wong Ka Yan</b>	
China Southern Dragon Dynamic Fund	Source CSOP Markets Plc
CSOP Alternative Strategy Fund SPC	CSOP Simpleway Multi Strategy Fund SPC
China Southern Dragon Dynamic Multi Strategy Fund SPC	
CSOP Indices Company Limited	
CSOP ETF Series OFC	
CSOP Investments VCC	
CSOP Investments II VCC	
CSOP FTSE Indian Government Bond (FAR) Index ETF VCC	
<b>Esmond Choo Liong Gee</b>	
Ecterra Pyay Pte Ltd	Seasure Pte Ltd
GMC268 Investment Limited	UOB Kay Hian Holdings Limited
ECterra Agriculture Company Limited	
Sustainable Finance Institute Asia Limited	
Singapore Eye Research Institution	
CSOP Investments II VCC	
SPH Foundation Limited	
CSOP FTSE Indian Government Bond (FAR) Index ETF VCC	

**CSOP INVESTMENTS III VCC**

**PROSPECTUS**

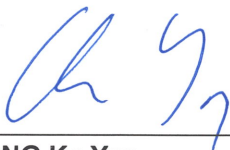
**BOARD OF DIRECTORS OF CSOP INVESTMENTS III VCC**

Signed:



**NG Choe Yong**  
Director

Signed:

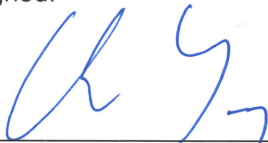


**WONG Ka Yan**

Director

(signed by NG Choe Yong for and  
on behalf of WONG Ka Yan)

Signed:



**Esmond CHOO Liong Gee**

Director

(signed by NG Choe Yong for and  
on behalf of Esmond CHOO Liong Gee)