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

Global X S&P Crude Oil Futures Enhanced ER ETF (the "Oil ETF") is a futures-based exchange traded fund.

Investment in the Oil ETF is only suitable to those investors who are in a financial position to assume the risks involved in futures investments.

Futures investments are subject to certain key risks including leverage, counterparty and liquidity risks. Movement in the prices of futures may be highly volatile. The Oil ETF may not be suitable for all investors. It is possible that the entire value of your investment could be lost.

Please refer to the "Risk Factors" section in this Prospectus as well as the "Risk factors specific to the Sub-Fund" section in each Appendix.

Investors should note that this Prospectus relates to Sub-Funds which may offer both exchange-traded class of Units and unlisted (not exchange-traded) class of Units.

GLOBAL X ETF SERIES II

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

GLOBAL X

by Mirae Asset

Global X S&P Crude Oil Futures Enhanced ER ETF

HKD Counter Stock Code: 3097

Global X Bloomberg MSCI Asia ex Japan Green Bond ETF

HKD Counter Stock Code: 3059

RMB Counter Stock Code: 83059

Global X FTSE China Policy Bank Bond ETF

HKD Counter Stock Code: 3041

Global X Asia Pacific High Dividend Yield ETF

HKD Counter Stock Code: 3116

PROSPECTUS

Manager

Mirae Asset Global Investments (Hong Kong) Limited

未來資產環球投資(香港)有限公司

16 August 2022

Hong Kong Exchanges and Clearing Limited ("HKEx"), The Stock Exchange of Hong Kong Limited (the "SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC") and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust and each Sub-Fund have each been authorised as collective investment schemes by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the "Units") in the Global X ETF Series II (the "Trust"), an umbrella unit trust established under Hong Kong law by a trust deed dated 25 May 2016, as amended from time to time (the "Trust Deed") between Mirae Asset Global Investments (Hong Kong) Limited 未來資產環球投資(香港)有限公司 (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust will have a number of sub-funds (the "Sub-Funds" or individually a "Sub-Fund") in respect of which a separate class or classes of Units will be issued. Where specified in the relevant Appendix, a Sub-Fund may issue both exchange-traded classes of Units ("Listed Class of Units") and/or unlisted (not exchange-traded) classes of Units ("Unlisted Class of Units").

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Funds. It contains important facts about the Sub-Funds whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each of such Sub-Funds is also issued by the Manager and such product key facts statement shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus. For Sub-Funds which issue both Listed Class of Units and Unlisted Class of Units, a separate set of product key facts statement will be available for each class that is offered to Hong Kong investors.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the Product Key Facts Statement(s) of each Sub-Fund and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with the Code on Unit Trusts and Mutual Funds (the "Code") and the "Overarching Principles" section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and (in respect of the Listed Class of Units only) The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Units. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself in the sub-section headed "The Trustee and Registrar" under the section headed "Management of the Trust".

Each Sub-Fund is a collective investment scheme falling within Chapter 8.6 of the Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the Code. The Trust and the Sub-Funds are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, the Sub-Funds or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should consult your financial adviser or your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

Dealings in the Units of Global X S&P Crude Oil Futures Enhanced ER ETF have commenced on The Stock Exchange of Hong Kong Limited (the "SEHK"). The Units of Global X S&P Crude Oil Futures Enhanced ER ETF have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS").

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units of Global X Bloomberg MSCI Asia ex Japan Green Bond ETF, Global X FTSE China Policy Bank Bond ETF and Global X Asia Pacific High Dividend Yield ETF. Subject to compliance with the admission requirements of HKSCC, the Listed Class of Units of Global X Bloomberg MSCI Asia ex Japan Green Bond ETF, Global X FTSE China Policy Bank Bond ETF and Global X Asia Pacific High Dividend Yield ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASSS with effect from the date of commencement of dealings in the Listed Class of Units of Global X Bloomberg MSCI Asia ex Japan Green Bond ETF, Global X FTSE China Policy Bank Bond ETF and Global X Asia Pacific High Dividend Yield ETF on the SEHK or such other date as may be determined by HKSCC.

Settlement of transactions between participants on the SEHK is required to take place in CCASS on the second CCASS settlement day after the trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any other United States Federal or State law and, except in a transaction which does not violate the US Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of the US Securities Act). The Trust and the Sub-Funds have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Units may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), that is subject to Section 4975 of the Internal Revenue Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the Internal Revenue Code ("Similar Law") or (iv) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of units will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial statements of the Sub-Funds (where existing) and, if later, its most recent interim report which form part of this Prospectus.

You should note that any amendment or addendum to this Prospectus will only be posted on the Manager's website (https://www.globalxetfs.com.hk/) the contents of which, and of any other websites referred to in this Prospectus, have not been reviewed by the SFC. This Prospectus may refer to information and materials included in websites. Such information and materials do not form part of this Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Trust (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on +852 2295 1500 during normal office hours.

DIRECTORY

Manager
Mirae Asset Global Investments (Hong Kong) Limited
未來資產環球投資(香港)有限公司
Room 1101, 11/F, Lee Garden Three
1 Sunning Road, Causeway
Bay
Hong Kong

Trustee and Registrar
HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Participating Dealers

Please refer to the Manager's website for the latest list of Participating Dealers of each Sub-Fund

Market Makers

Please refer to the Manager's website for the latest list of Market Makers of each Sub-Fund

Legal Counsel to the Manager
Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditors
PricewaterhouseCoppers
22/F, Prince's Building,
Central, Hong Kong

Service Agent
HK Conversion Agency Services Limited
8th Floor, Two Exchange Square 8
Connaught Place
Central
Hong Kong

Listing Agent
Please refer to the Appendix of the relevant Sub-Fund

CONTENTS

PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND SUB-FUNDS

Part 1 of this Prospectus includes information relevant to the Trust and the Sub-Funds established under the Trust.

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to Part 2 "Specific Information Relating to Each Sub-Fund" for further information.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

"After Listing" means, in respect of a Listed Class of Units, the period which commences on the Listing Date and continues until the Listed Class of Units is terminated.

"Appendix" means an appendix to this Prospectus that sets out specific information applicable to a Sub-Fund.

"Application" means, in respect of a Listed Class of Units, an application by a Participating Dealer for the creation or redemption of Units in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Trust Deed.

"Application Unit" means, in respect of a Listed Class of Units, such number of Units or whole multiples thereof (if any) as specified in this Prospectus or such other number of Units from time to time determined by the Manager, approved by the Trustee and notified by the Manager to the Participating Dealers.

"Business Day" in respect of a Sub-Fund, means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Index Securities and/or Index Futures Contracts, as the case may be, are traded is open for normal trading; or (iii) if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

"Cancellation Compensation" means, in respect of a Listed Class of Units, an amount payable by a Participating Dealer in respect of a Default, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

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

"CCASS Investor Participants" has the meaning as set out in the General Rules of CCASS.

"CCASS Settlement Day" means the term "Settlement Day" as defined in the General Rules of CCASS.

"CFTC" means Commodity Futures Trading Commission of the United States or its successors.

"Class Currency" means, in relation to a class of Units, the base currency of the Sub-Fund relating thereto or such other currency of account as the Manager may specify for such class of Units in accordance with the Trust Deed.

"Code" means the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended or replaced from time to time).

"Connected Person" has the meaning as set out in the Code which at the date of this Prospectus means in relation to a company:

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

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

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

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

"Creation Application" means, in respect of a Listed Class of Units, an application by a Participating Dealer for the creation and issue of Units in an Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

"CSRC" means China Securities Regulatory Commission or its successor.

"Dealing Day" means, in respect of a Sub-Fund, each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine with the written approval of the Trustee.

"Dealing Deadline" means, in respect of a Sub-Fund and in relation to a Dealing Day, the time on each Dealing Day specified in the relevant Appendix or such other time or times as the Manager may from time to time with the written approval of the Trustee determine.

"Default" means a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the requisite Securities, Futures Contracts and/or any relevant cash amount; or

(b) a Redemption Application to deliver the Units the subject of the Redemption Application and/or any relevant cash amount.

"Deposited Property" means, in respect of each Sub-Fund, all the assets (including Income Property), received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts and subject to the terms of the Trust Deed for the account of the relevant Sub-Fund but excluding (i) Income Property standing to the credit of the distribution account of such Sub-Fund (other than interest earned thereon) and (ii) any other amount for the time being standing to the credit of the distribution account of such Sub-Fund.

"Dual Counter" means, in respect of a Listed Class of Units, the facility by which the Units of a Sub-Fund traded in two eligible currencies are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in CCASS in two eligible currencies as described in the relevant Appendix of this Prospectus.

"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 Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities and/or Futures Contracts (as the case may be) or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager or the Trustee to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities and/or Futures Contracts (as the case may be) in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities and/or Futures Contracts (as the case may be) if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities and/or Futures Contracts (as the case may be) if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units.

"Encumbrance" means any mortgage, charge, pledge, lien, third party right or interest, any other encumbrance or security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect other than any such encumbrance or security interest imposed by the terms of the relevant clearing system/depositary or otherwise created by the terms of the Participation Agreement, the Trust Deed or any agreement between the Manager, the Trustee and the relevant Participating Dealer.

"entities within the same group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards.

"Extension Fee" means, in respect of a Listed Class of Shares, the fee payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

"FDIs" means financial derivative instruments.

"FRC" means the Financial Reporting Council in Hong Kong or its successors.

"Futures Contract" means any futures contract which is traded on any Futures Exchange.

"Futures Exchange" means the Hong Kong Futures Exchange Limited and such other futures exchange from time to time determined by the Manager.

"Government and other Public Securities" has the meaning as set out in the Code.

"HKD" means Hong Kong dollars, the lawful currency for the time being and from time to time of Hong Kong.

"HKEx" means Hong Kong Exchanges and Clearing Limited or its successors.

"HKMA" means the Hong Kong Monetary Authority or its successors.

"HKSCC" means the Hong Kong Securities Clearing Company Limited or its successors.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"IFRS" means International Financial Reporting Standards.

"Income Property" means, in respect of each Sub-Fund, (a) all interest, dividends and other sums deemed by the Manager (after consulting the auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the relevant Sub-Fund (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the relevant Sub-Fund relating to applications in respect of Units; (d) all compensations relating to cancellations of applications in respect of Units received by the Trustee for the account of the relevant Sub-Fund; and (e) any payments to be received or are receivable by the Trustee under any contractual agreements in the nature of investments for the benefit of the relevant Sub-Fund but excluding (i) other Deposited Property; (ii) any amount for the time being standing to the credit of the distribution account for the account of the relevant Sub-Fund or previously distributed to Unitholders; (iii) gains for the account of the relevant Sub-Fund arising from the realisation of Securities and/or Futures Contracts (as the case may be); and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the relevant Sub-Fund.

"Index" means, in respect of a Sub-Fund, the index or benchmark if any, against which a Sub-Fund may be benchmarked or may otherwise be referenced as set out in the relevant Appendix.

"Index Futures Contracts" means Futures Contracts at the relevant time comprising the Index, any Futures Contracts used to track the performance of the Index at the relevant time or such other Futures Contracts designated by the Manager.

"Index Provider" means, in respect of a Sub-Fund, the person responsible for compiling the Index against which the relevant Sub-Fund benchmarks its investments and who holds the right to licence the use of such Index to the relevant Sub-Fund as set out in the relevant Appendix.

"Index Securities" means Securities of those companies which are at the relevant time the constituent companies of the Index, any Securities used to track the performance of such Securities constituting the Index at the relevant time or such other Securities designated by the Manager.

"Initial Issue Date" means, in respect of a Sub-Fund or a class of Units, the date of the first issue of Units of that Sub-Fund or class of Units (as the case may be).

"Initial Offer Period" means, in respect of a Sub-Fund or a class of Units, such period as may be determined by the Manager for the purpose of making an initial offer of Units of such Sub-Fund or class of Units (as the case may be) as set out in the relevant Appendix, which (in the case of a Listed Class of Units), shall be before the relevant Listing Date.

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

"Issue Price" means, in respect of a Listed Class of Units, the price at which Units may be issued, determined in accordance with the Trust Deed.

"Listed Class of Units" means a class of Units of a Sub-Fund which is listed on either the SEHK or any Recognised Stock Exchange.

"Listing Date" means, in respect of a relevant Sub-Fund, the date on which the Units of the Listed Class of Units of the Sub-Fund are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

"Manager" means Mirae Asset Global Investments (Hong Kong) Limited 未來資產環球投資(香港)有限公司 or such other person or persons for the time being duly appointed pursuant to the Trust Deed as manager or managers of the Trust in succession thereto being approved by the SFC under the Code.

"Market" means in any part of the world:

(a) in relation to any Security: the SEHK or such other stock exchange from time to time determined by the Manager; and

(b) in relation to any Futures Contract: the Hong Kong Futures Exchange Limited or such other futures exchange from time to time determined by the Manager,

and any over-the-counter transaction conducted in any part of the world and in relation to any Security or Futures Contract shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the Security or Futures Contract which the Manager may from time to time elect.

"Market Maker" means a broker or dealer permitted by the SEHK to act as such by making a market for a Listed Class of Units in the secondary market on the SEHK.

"MOF" means the Ministry of Finance of the PRC.

"Net Asset Value" means the net asset value of a Sub-Fund (or Class thereof) or, as the context may require, the net asset value of a Unit of a Sub-Fund (or Class thereof) calculated under the Trust Deed.

“NYMEX” means the New York Mercantile Exchange.

“Operating Guidelines” means, in respect of a Listed Class of Units, the guidelines for the creation and redemption of Units as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers, including without limitation, the procedures for creation and redemption of Units subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being notified in writing by the Manager in advance to the Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Listed Class of Units applicable at the time of the relevant Application.

“Participant” means a person admitted for the time being by HKSCC as a participant of CCASS.

“Participating Dealer” means a broker or dealer who is (or who has appointed an agent or delegate who is) a Participant and who has entered into a Participation Agreement in form and substance acceptable to the Manager and Trustee, and any reference in this Prospectus to “Participating Dealer” shall include a reference to any agent or delegate so appointed by the Participating Dealer.

“Participation Agreement” means an agreement entered into between, among others, the Trustee, the Manager and a Participating Dealer, setting out, amongst other things, the arrangements in respect of the Applications. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

“PBOC” means the People’s Bank of China.

“PRC” means the People’s Republic of China, excluding for the purposes of interpretation of this Prospectus only, Hong Kong, Macau and Taiwan.

“Recognised Futures Exchange” means an international futures exchange which is recognised by the SFC or which is approved by the Manager.

“Recognised Stock Exchange” means an international stock exchange which is recognised by the SFC or which is approved by the Manager.

“Redemption Application” means, in respect of a Listed Class of Units, an application by a Participating Dealer for the redemption of Units in Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

“Redemption Price” means, in respect of an Unlisted Class of Units, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

“Redemption Value” means, in respect of a Listed Class of Units, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

“Registrar” means HSBC Institutional Trust Services (Asia) Limited or such person as may from time to time be appointed as registrar in respect of each Sub-Fund to keep the register of the Unitholders of the Sub-Fund.

“Registrar Agreement” means, in respect of a Sub-Fund where applicable, the agreement entered into between the Trustee, the Manager and the Registrar appointing the Registrar as registrar in respect of such Sub-Fund, as amended from time to time.

“reverse repurchase transactions” means transactions whereby a Sub-Fund purchases Securities from a counterparty of sale and repurchase transactions and agrees to sell such Securities back at an agreed price in the future.

"RMB" or "Renminbi" means Renminbi Yuan, the lawful currency of the PRC.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

"S&P GSCI Business Day" means any day on which the S&P GSCI Crude Oil Enhanced Index Excess Return ("Excess Return" does not mean any additional return on the ETF's performance) is calculated, as determined by NYSE Euronext Holiday & Hours Schedule.

"sale and repurchase transactions" means transactions whereby a Sub-Fund sells its Securities to a counterparty of reverse repurchase transactions and agrees to buy such Securities back at an agreed price with a financing cost in the future.

"Securities" means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust (as defined in the Trust Deed);

(b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;

(c) any instrument commonly known or recognised as a security;

(d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and

(e) any bill of exchange and any promissory note.

"securities lending transactions" means transactions whereby a Sub-Fund lends its Securities to a security-borrowing counterparty for an agreed fee.

"SEHK" means The Stock Exchange of Hong Kong Limited or its successors.

"Service Agent" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to a Sub-Fund.

"Service Agent's Fee" means, in respect of a Listed Class of Units of a Sub-Fund, the fee which may be charged for the benefit of the Service Agent to each Participating Dealer on each book-entry deposit or book-entry withdrawal transaction made by the relevant Participating Dealer, the maximum level of which shall be determined by the Service Agent and set out in this Prospectus.

"Service Agreement" means each agreement by which the Service Agent provides its services in respect of a Listed Class of Units of a Sub-Fund entered amongst the Trustee and Registrar, the Manager, the Participating Dealer, the Service Agent and the Hong Kong Securities Clearing Company Limited.

"Settlement Day" means, in respect of a Listed Class of Units, the Business Day which is 2 Business Days after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers or as otherwise described in the relevant Appendix.

"SFC" means the Securities and Futures Commission of Hong Kong or its successors.

"SFO" means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

"STA" means the State Taxation Administration of the PRC. "Sub-Fund" means a segregated pool of assets and liabilities into which the Trust Fund is divided, established under the Trust Deed and the relevant supplemental deed as a separate trust as described in the relevant Appendix.

"Subscription Price" means, in respect of an Unlisted Class of Units, the price at which Units may be subscribed for, determined in accordance with the Trust Deed.

"Transaction Fee" means the fee, in respect of a Listed Class of Units, which may be charged for the benefit of the Trustee, the Registrar and the Service Agent to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

"Trust" means the umbrella Unit Trust (as defined in the Trust Deed) constituted by the Trust Deed and called "Global X ETF Series II" or such other name as the Manager may from time to time determine upon prior notice to the Trustee.

"Trust Deed" means the trust deed dated 25 May 2016 between the Manager and the Trustee constituting the Trust (as amended, supplemented and/or restated from time to time).

"Trust Fund" means with respect to each Sub-Fund, all the property for the time being held or deemed to be held by the Trustee upon the trusts hereof, including the Deposited Property and Income Property attributable to that Sub-Fund and subject to the terms and provisions of the Trust Deed, except for amounts to be distributed, and where such term is used generically, "Trust Fund" means the Trust Fund attributable to all Sub-Funds taken together.

"Trustee" means HSBC Institutional Trust Services (Asia) Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto in accordance with the Trust Deed.

"Unit" means a unit representing an undivided share in a Sub-Fund.

"Unitholder" means a person for the time being entered on the register of holders as the holder of Units including, where the context so admits, persons jointly registered.

"Unlisted Class of Units" means a class of Units of a Sub-Fund which is neither listed on the SEHK nor any Recognised Stock Exchange.

"USD" means United States dollars, the lawful currency of the United States of America.

"Valuation Point" means, in respect of a Sub-Fund or a class of Units, unless otherwise specified in the relevant Appendix of a Sub-Fund the official close of trading on the Market on which the Securities or Futures Contracts constituting the Index are listed on each Dealing Day or if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the (in respect of a Listed Class of Units) creation and redemption or (in respect of an Unlisted Class of Units) issue, subscription and redemption of Units.

INTRODUCTION

The Trust

The Trust is an umbrella unit trust created by the Trust Deed between the Manager and the Trustee made under Hong Kong law. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 of the Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the Code. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Funds

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a “Sub-Fund”) to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. Each Sub-Fund will be an exchange traded fund listed on the SEHK, but it may issue both Listed Class of Units (which will be listed on the SEHK and, where indicated in the relevant Appendix, may be available for trading on the SEHK using a Dual Counter) and Unlisted Class of Units (which will not be listed on the SEHK).

The Manager and the Trustee reserve the right to establish other Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed. Each Sub-Fund will have its own Appendix.

INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITY FINANCING AND BORROWING

Investment objective

The investment objective of each Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the relevant Index unless otherwise stated in the relevant Appendix.

Investment strategy

Each Sub-Fund will adopt either a full replication or a representative sampling strategy. The investment strategy of each Sub-Fund is stated in the relevant Appendix. No Sub-Fund is a "synthetic" exchange traded fund.

Investment restrictions

If any of the restrictions or limitations set out below are breached in respect of a Sub-Fund, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy the situation, taking due account the interests of the Unitholders of that Sub-Fund.

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Sub-Fund was authorised.

The investment restrictions applicable to each Sub-Fund (that are included in the Trust Deed) are summarised below:

(a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity (other than Government and other Public Securities) through the following may not exceed 10% of the Net Asset Value of such Sub-Fund, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code:

(1) investments in Securities issued by such entity;

(2) exposure to such entity through underlying assets of FDIs; and

(3) net counterparty exposure to such entity arising from transactions of over-the-counter FDIs;

(b) subject to (a) above and Chapter 7.28(c) of the Code and unless otherwise approved by the SFC, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group through the following may not exceed 20% of the Net Asset Value of the Sub-Fund:

(1) investments in Securities issued by such entities;

(2) exposure to such entities through underlying assets of FDIs; and

(3) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs;

(c) unless otherwise approved by the SFC, the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the Net Asset Value of the Sub-Fund, unless:

(1) the cash is held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested, or

(2) the cash is proceeds from liquidation of investments prior to the merger or

termination of a Sub-Fund, whereby the placing of cash deposits with various financial institutions may not be in the best interests of investors; or

(3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise investors' interests;

For the purpose of this sub-paragraph (c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

(d) ordinary shares issued by any single entity (other than Government and other Public Securities) held for the account of a Sub-Fund, when aggregated with other holdings of ordinary shares of the same entity held for the account of all other Sub-Funds under the Trust collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;

(e) not more than 15% of the Net Asset Value of a Sub-Fund may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;

(f) notwithstanding (a), (b), (d) and (e), where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:

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

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

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

(g) notwithstanding (a), (b) and (d), not more than 30% of the Net Asset Value of a Sub-Fund may be invested in Government and other Public Securities of the same issue;

(h) subject to (g), a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, a Sub-Fund which has been authorised by the SFC as an index fund may invest all of its assets in Government and other Public Securities in any number of different issues;

(i) unless otherwise approved by the SFC, a Sub-Fund may not invest in physical commodities;

(j) for the avoidance of doubt, exchange traded funds that are:

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

(2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which

complies with the applicable requirements under Chapter 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code,

may either be considered and treated as (i) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

(k) where a Sub-Fund invests in shares or units of other collective investment schemes ("underlying schemes"),

(1) the value of such Sub-Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC, may not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund; and

(2) such Sub-Fund may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Sub-Fund's investment in units or shares in each such underlying scheme may not exceed 30% of the Net Asset Value of the Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Sub-Fund,

provided that in respect of (1) and (2) above:

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, a Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraph (k)(1) and (k)(2);

(ii) where the underlying schemes are managed by the Manager, or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;

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

(3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and

(4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme, or any quantifiable monetary benefits in connection with investments in any underlying scheme;

(l) a Sub-Fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme and will be authorised as a feeder fund by the SFC. In this case:

(1) the underlying scheme ("master fund") must be authorised by the SFC;

(2) the relevant Appendix must state that:

(i) the Sub-Fund is a feeder fund into the master fund;

(ii) for the purpose of complying with the investment restrictions, the Sub-Fund and its master fund will be deemed a single entity;

(iii) the Sub-Fund's annual report must include the investment portfolio of the master fund as at the financial year end date; and

(iv) the aggregate amount of all the fees and charges of the Sub-Fund and its underlying master fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the Sub-Fund may result, if the master fund in which the Sub-Fund invests is managed by the Manager or by its Connected Person; and

(4) notwithstanding paragraph (k)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (k); and

(m) if the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the SFC under the Code is usually restricted under Chapter 7.1 of the Code from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single entity exceeding 10% of the collective investment scheme's net asset value. For a Sub-Fund authorised under Chapter 8.6 of the Code as an index tracking exchange traded fund, given the investment objective of the Sub-Fund and nature of the relevant Index, the Sub-Fund is allowed under Chapter 8.6(h) of the Code to, notwithstanding Chapter 7.1 of the Code, hold investments in constituent Securities of any single entity exceeding 10% of the relevant Sub-Fund's Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Sub-Fund's holding of any such constituent Securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature.

However, the restrictions in 8.6(h)(i) and (ii) (as described above) do not apply if:

(1) a Sub-Fund adopts a representative sampling strategy which does not involve full replication of the constituent Securities of the underlying Index in the exact weightings of such Index;

(2) the strategy is clearly disclosed in the Prospectus;

(3) the excess of the weightings of the constituent Securities held by the Sub-Fund over the weightings in the Index is caused by the implementation of the representative sampling strategy;

(4) any excess weightings of the Sub-Fund's holdings over the weightings in the Index must be subject to a maximum limit reasonably determined by the Sub-Fund after consultation with the SFC. In determining this limit, the Sub-Fund must consider the characteristics of the underlying constituent Securities, their weightings and the investment objectives of the index and any other suitable factors;

(5) limits laid down by the Sub-Fund pursuant to the point above must be disclosed in the Prospectus;

(6) disclosure must be made in the Sub-Fund's interim and annual reports as to whether the limits imposed by the Sub-Fund itself pursuant to the above point have been complied with in full. If there is non-compliance with the said limits during the relevant reporting period, this must be reported to the SFC on a timely basis and an account for such non-compliance should be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to investors.

Investment prohibitions

A Sub-Fund shall not (unless otherwise stated in the relevant Appendix):

(a) invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or the directors and officers of the Manager collectively own more than 5% of those securities;

(b) invest in any type of real estate (including buildings) or interests in real estate, including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs) and in the case of investments in such shares and REITs, they shall comply with the investment restrictions and limitations set out in sub-paragraphs (a), (b), (d), (e) and (k) under the sub-section headed "Investment Restrictions" above where applicable. For the avoidance of doubt, where investments are made in listed REITs, which are either companies or collective investment schemes, then paragraphs (e) and (k) of the sub-section headed "Investment Restrictions" apply respectively;

(c) make short sales if as a result a Sub-Fund would be required to deliver Securities exceeding 10% of the Net Asset Value of the Sub-Fund (for this purpose Securities sold short must be actively traded on a market where short selling is permitted, and for the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations);

(d) subject to Chapter 7.3 of the Code, lend or make a loan out of the assets of a Sub-Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(e) subject to Chapter 7.3 of the Code, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;

(f) enter into any obligation in respect of a Sub-Fund or acquire any asset or engage in any transaction for the account of a Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Unitholders is limited to their investment in the relevant Sub-Fund; or

(g) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of a Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs).

Securities financing transactions

Where indicated in the relevant Appendix, a Sub-Fund may enter into securities lending transactions, sale and repurchase transactions and reverse repurchase transactions ("securities financing transactions"), provided that they are in the best interests of the Unitholders, the associated risks have been properly mitigated and addressed, and the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

A Sub-Fund which engages in securities financing transactions is subject to the following requirements:

- it shall have at least 100% collateralisation in respect of the securities financing transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;

- all the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions to the extent permitted by applicable legal and regulatory requirements, shall be returned to the Sub-Fund;

- it shall ensure that it is able to at any time to recall the securities or the full amount of cash / collateral (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered.

Borrowing policy

Borrowing against the assets of a Sub-Fund is allowed up to a maximum of 10% of its latest available Net Asset Value. Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage or more restricted as set out in the relevant Appendix. Subject to the relevant Appendix, the Trustee may on instruction of the Manager borrow for the account of a Sub-Fund any currency, and charge or pledge assets of the Sub-Fund, for the following purposes:

(a) facilitating the creation or redemption of Units or defraying operating expenses;

(b) enabling the Manager to acquire Securities for the account of the Sub-Fund; or

(c) for any other proper purpose as may be agreed by the Manager and the Trustee.

For the avoidance of doubt, securities lending transactions and sale and repurchase transactions (if any) in compliance with the requirements as set out in Chapter 7 of the Code are not subject to such borrowing limitations.

Financial derivative instruments

Subject always to the provisions of the Trust Deed and the Code, the Manager may on behalf of a Sub-Fund enter into any transactions in relation to swaps or other FDIs, for hedging or non-hedging (investment) purposes.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for hedging purposes. FDIs are considered as being acquired for hedging purpose if they meet all of the following criteria:

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

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

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

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

Hedging arrangement should be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable a Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the Sub-Fund's net exposure relating to these FDIs ("net derivative exposure") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for a Sub-Fund pursuant to Chapter 8.8 or Chapter 8.9 of the Code). For the avoidance of doubt:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a Sub-Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position;

(b) the net derivative exposure should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time; and

(c) FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

Subject to Chapters 7.26 and 7.28 of the Code, a Sub-Fund may also invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the correponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the Code.

The FDIs invested by a Sub-Fund should be either listed or quoted on a stock exchange, or dealt in over-the-counter market and comply with the following provisions:

(A) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objectives and policies;

(B) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;

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

(D) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

A Sub-Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis. A transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund should also be covered as follows:

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

- in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. Where it is holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embed financial derivatives as well.

Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut – collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. For the avoidance of doubt the price volatility of the asset used as collateral should be taken into account when devising the haircut policy;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group and a Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapter 7 of the Code;

- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or any of their related entities should not be used as collateral;

- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;

- Independent custody – collateral must be held by the Trustee of the Sub-Fund;

- Enforceability – collateral must be readily accessible/enforceable by the Trustee without further recourse to the issuer of the FDIs;

- Re-investment of collateral – any re-investment of cash collateral received for the account of the Sub-Fund shall be subject to the following requirements:

  (i) cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. For this purpose, "money market instruments" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

  (ii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and (n) of the Code;

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

  (iv) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any securities financing transactions;

  Non-cash collateral received may not be sold, re-invested or pledged;

- Encumbrances – collateral should be free of prior encumbrances; and

- Collateral should generally not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

Subject to the requirements above, below is a summary of the collateral policy and criteria adopted by the Manager:

- eligible collateral include cash, cash equivalents, government bonds, supranational bonds and money market instruments;

- long term maturity instruments will not be considered as collateral;

- collateral must be investment grade (i.e. BBB- or higher by Moody's or Standard & Poor's or equivalent);

- regular stress tests are carried out under normal and exceptional liquidity conditions to enable adequate assessment of the liquidity risks of the collateral received;

- the issuer of collateral must be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's, or any other equivalent ratings by recognised credit rating agencies) or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority when entering into such transactions;

- the Manager's haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the Manager's intention that any collateral received shall have a value (adjusted in light of the haircut policy) which equals or exceeds the relevant counterparty exposure where appropriate;

- the collateral should be sufficiently diversified in terms of country, markets and issuers with a limit to the maximum exposure to each given issuer. Where a Sub-Fund has exposure to different counterparties, different baskets of collateral (provided by different counterparties) will be aggregated to determine the Sub-Fund's exposure to a single issuer;

- the issuer of collateral will be independent from the counterparty of the relevant transaction and is expected not to display a high correlation with the performance of the relevant counterparty;

- collateral must be readily enforceable by the Trustee and may be subject to netting or set-off; and

- the maximum amount available for cash collateral re-investment does not extend beyond the value of the instrument in which such investment is initially made.

A description of holdings of collateral (including but not limited to a description of the nature of collateral, identity of the counterparty providing the collateral, value of a Sub-Fund (by percentage) secured/covered by collateral with breakdown by asset class/nature and credit rating (if applicable)) will be disclosed in the Sub-Fund's annual and interim financial reports for the relevant period.

Structured funds

Where a Sub-Fund seeks to invest its investment objective primarily through investment in FDIs, is passively managed, tracks the performance an Index and its net derivative exposure exceeds 50% of its Net Asset Value, such Sub-Fund is known as a "structured fund" under the Code. The core requirements in Chapter 7 of the Code (as set out in the Trust Deed and summarised above under "Investment Restrictions") will apply with the modifications, exemptions or additional requirements as set out under 8.8 of the Code (as set out in the Trust Deed and summarised below):

(a) the Manager and the issuer of FDIs shall be independent of each other;

(b) the valuation of the FDIs shall meet the requirements set out in paragraph (D) under the sub-section headed "Financial derivative instruments" in this section;

(c) notwithstanding paragraph (C) under the sub-section headed "Financial derivative instruments" in this section, a Sub-Fund should maintain full collateralisation and there should be no net exposure to any single counterparty of the over-the-counter FDIs;

(d) the collateral shall meet the requirements and the disclosure requirements set out in the sub-section headed "Collateral" in this section; and

(e) the Manager shall put in place a detailed contingency plan regarding credit events such as significant downgrading of credit rating and the collapse of the issuer of FDIs.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be calculated by the Trustee (in its base currency as set out in the relevant Appendix) as at each Valuation Point applicable to the relevant Sub-Fund by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

Where a Sub-Fund has more than one class of Units, to ascertain the Net Asset Value of a class of Units, a separate class account will be established in the books of the Sub-Fund. An amount equal to the proceeds of issue of each Unit will be credited to the relevant class account. The Net Asset Value of each class of Units as at any Valuation Point shall be calculated by:

(a) allocating among each class the Net Asset Value of the Sub-Fund pro rata in accordance with the Net Asset Value of each class, then adding the creations or subscriptions (as the case may be) and deducting the redemptions in respect of each class, immediately prior to the relevant Valuation Point; and

(b) deducting from the Net Asset Value of the class in question the fees, costs, expenses or other liabilities attributable to that class not already deducted in ascertaining the Net Asset Value of the Sub-Fund and adding to the Net Asset Value, assets specifically attributable to that class in order to arrive at the Net Asset Value of that relevant class.

Set out below is a summary of how various properties held by the relevant Sub-Fund are valued:

(a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price or, if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the official closing prices or last traded prices as the case may be;

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;

(c) Futures Contracts will be valued at the official closing price of the Futures Contracts or if such price is not available (i) the latest available price or (ii) if bid and offer quotations are made, the latest available middle market quotation of such Futures Contract in each case at the Valuation Point or as otherwise valued as described in the Trust Deed;

(d) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that a revaluation shall be made on each Dealing Day by reference to the latest bid price, asked price or mean thereof, as the Trustee and the Manager consider appropriate, quoted by a professional person, firm or institution making a market in such investments or such professional person, firm or institution approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);

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

(f) notwithstanding the foregoing, the Manager in consultation with the Trustee may adjust the value of any investment if, having regard to relevant circumstances, the Manager determines that such adjustment is more appropriate to fairly reflect the value of the investment.

The Trustee will perform any currency conversion at rates as may be agreed between the Trustee and the Manager from time to time.

The above is a summary of the key provisions of the Trust Deed with regard to how the various assets of the relevant Sub-Fund are valued.

Suspension of determination of Net Asset Value

The Manager may, in consultation with the Trustee having regard to the best interests of the Unitholders, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund or Class for the whole or any part of any period during which:

(a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of the Securities and/or Futures Contracts held or contracted for the account of that Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of that Sub-Fund;

(c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, a substantial part of the Securities and/or Futures Contracts or other property of that Sub-Fund or the creation, issue, subscription or redemption of Units of the relevant Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or

(f) the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of the determination of the Net Asset Value of the Sub-Fund or Class are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund or Class and the Manager shall be under no obligation to rebalance the relevant Sub-Fund until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at https://www.globalxetfs.com.hk/ (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as the Manager decides.

No Units of a Sub-Fund or Class will be issued or redeemed during any period of suspension of the determination of the Net Asset Value of the relevant Sub-Fund or Class. The Manager will regularly review any prolonged suspension of dealings and take all necessary steps to resume normal operations as soon as practicable.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out below, current as at this date of this Prospectus. Where any levels of fees and expenses applicable to a particular Sub-Fund differs from the following, such fees and expenses will be set out in full in the relevant Appendix. Investors should note that certain fees and expenses are applicable only to Listed Class of Units, and certain other fees and expenses are applicable only to Unlisted Class of Units.

Fees and Expenses Payable in respect of a Listed Class of Units only

(a)	**Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Units (applicable both during the Initial Offer Period and After Listing)**	**Amount**
	Transaction Fee	As set out in the relevant Appendix[1]
	Service Agent's fee	HKD1,000[2] per book-entry deposit and withdrawal transaction
	Registrar fee	As set out in the relevant Appendix[3]
	Application cancellation fee	As set out in the relevant Appendix[4]
	Extension Fee	As set out in the relevant Appendix[5]
	Stamp duty	Nil
	All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable
(b)	**Fees and expenses payable by investors of Listed Class of Units**	**Amount**
	(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)	
	Fees and charges imposed by the Participating Dealer[6]	Such amounts as determined by the relevant Participating Dealer

[1] *A Transaction Fee is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. A Participating Dealer may pass on to the relevant investor such Transaction Fee.*

[2] *The Service Agent's fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

[3] *The Registrar will charge each Participating Dealer a fee for each Creation Application and Redemption Application. This is applicable to Global X S&P Crude Oil Futures Enhanced ER ETF only.*

[4] *An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).*

[5] *An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.*

[6] *The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.*

(ii) Fees payable by all investors in respect of dealings

in the Units on SEHK (applicable After Listing)

	Brokerage fees	Market rates
	Transaction levy	0.0027%[7]
	FRC transaction levy	0.00015%[8]
	SEHK trading fee	0.005%[9]
	Stamp duty	Nil
	Inter-counter transfers	HKD5[10]
(c)	**Fees and expenses payable by a Sub-Fund**	(See further disclosure below)

Fees and Expenses Payable in respect of an Unlisted Class of Units only

The following fees and charges are payable by investors of an Unlisted Class of Units:

Subscription fee

Under the Trust Deed, the Manager is entitled to impose a subscription fee on the issue of any Unlisted Class of Units of any Sub-Fund of up to a maximum of 5% of the subscription monies.

The subscription fee is payable in addition to the Subscription Price per Unit. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the subscription fee (either in relation to a Sub-Fund or a particular class) of a Sub-Fund.

Redemption fee

Under the Trust Deed, the Manager is entitled to impose a redemption fee on the redemption of any Unlisted Class of Units of any Sub-Fund of up to a maximum of 5% of the redemption proceeds payable in respect of such Units.

The redemption fee is deducted from the redemption proceeds payable to a Unitholder in respect of each Unit of an Unlisted Class of Unit redeemed. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the redemption fee (either in relation to a Sub-Fund or a particular class) of a Sub-Fund.

Switching fee

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of any Unlisted Class of Units of up to 5% of the redemption proceeds payable in respect of the Existing Class (as defined below) being switched.

The switching fee is deducted from the amount realised from redemption of the Existing Class and reinvested in the New Class (as defined below) and will be paid to the Manager. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the switching fee (either generally or in any particular case) of a Sub-Fund.

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7 *Transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

8 *FRC transaction levy of 0.00015% of the trading price of the Units, payable by the buyer and the seller.*

9 *Trading fee of 0.005% of the trading price of the Units, payable by the buyer and the seller.*

10 *This fee is only applicable to Sub-Funds which have adopted a Dual Counter. HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer of a Sub-Fund between one counter and the other counter. Investors should check with their brokers regarding any additional fees.*

Fiscal charges

Under exceptional circumstances, large dealings of Units of the Sub-Funds might result in potential impact on the interests of existing Unitholders. During such times, the prices at which an investor subscribes for or redeems Units of the Sub-Funds might not accurately reflect the costs that would be incurred by the Sub-Funds in order to buy or sell the underlying securities to accommodate such dealing requests. In order to protect the interests of Unitholders of Unlisted Class of Units, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Units of a Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may (in its absolute discretion and taking into account the best interests of the Unitholders) impose a fiscal charge to account for the impact of the related costs.

Such fiscal charges will not exceed 2.5% of the Net Asset Value per Unit of the Unlisted Class of Units of a Sub-Fund and will be retained by the relevant Sub-Fund. For a Sub-Fund with different Unlisted Classes of Units, such fiscal charges will not exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units and will be retained by the relevant Sub-Fund.

However, under extreme market conditions (such as including but not limited to high volatility and/or lack of liquidity in the underlying market), the maximum rate of fiscal charge applicable to an Unlisted Class of Units of a Sub-Fund may exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units, on a temporary basis and at the discretion of the Manager (taking into account the best interests of the Unitholders) and upon prior notice to Unitholders.

The Unlisted Class(es) of Units of the following Sub-Funds are subject to fiscal charges:

- Global X Bloomberg MSCI Asia ex Japan Green Bond ETF
- Global X FTSE China Policy Bank Bond ETF
- Global X Asia Pacific High Dividend Yield ETF

Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Units and Unlisted Class of Units)

Management fee

Unless otherwise specified in the relevant Appendix in respect of a Sub-Fund, the Manager is entitled to receive a management fee of up to 2% per year of the Net Asset Value of each Sub-Fund or class of Units. The current management fee percentage in respect of each Sub-Fund or class of Units is set out in the relevant Appendix and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

A Sub-Fund may employ a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Single Management Fee") and details will be set out in the relevant Appendix of the Sub-Fund. Fees and expenses taken into account in determining a Sub-Fund's Single Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Registrar's fee and the Service Agent's fee. For the avoidance of doubt, any such fees and expenses exceeding the relevant Single Management Fee will be borne by the Manager and will not be charged to the relevant Sub-Fund. Notwithstanding the above, the Single Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realisation of the investments of a Sub-Fund and extraordinary items such as litigation expenses. The Single Management Fee is accrued daily and payable monthly in arrears. The current Single Management Fee percentage in respect of each Sub-Fund or class of Units (if applicable) is set out in the relevant Appendix.

For a Sub-Fund which does not employ a single management fee structure, the following fees and expenses may be payable out of and borne by the Sub-Fund: the Trustee's fee, the Registrar's fees, the Service Agent's fees, fees and expenses of the auditors, ordinary out-of-pocket expenses incurred by the Manager or the Trustee and costs and expenses of licensing indices used in connection with the Sub-Fund.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Trust out of the management fees it receives from the Trust. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Trustee's and Registrar's fees

The Trustee is entitled to receive out of the assets of each Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day of up to 1% per year of the Net Asset Value of a Sub-Fund or a class of Units. For a Sub-Fund which does not employ a single management fee structure, the applicable trustee fee percentage is set out in the relevant Appendix of the Sub-Fund. The Trustee's fee will be included in the Management Fee if a Sub-Fund employs a single management fee structure.

The Trustee shall also be entitled to be reimbursed out of the assets of the relevant Sub-Fund various transaction, processing fees and safekeeping fees and all out-of-pocket expenses incurred.

The Registrar is entitled to a registrar fee. In respect of a Listed Class of Units, the Registrar is also entitled to a Transaction Fee for any creation and redemption of Units of the relevant Sub-Fund as set out in the relevant Appendix.

Service Agent's fee (applicable to Listed Class of Units only)

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager. The Manager shall pass on to the relevant Sub-Fund such reconciliation fee.

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Estimated ongoing charges

The estimated ongoing charges (where a Sub-Fund is newly established) or actual ongoing charges of a Sub-Fund where applicable, which are the sum of anticipated ongoing expenses of the relevant Sub-Fund expressed as a percentage of the estimated average Net Asset Value of the relevant Sub-Fund, are set out in the relevant product key facts statement. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund will also be included in the ongoing charges calculation. Ongoing expenses are generally payments deducted from the assets of a Sub-Fund where these are permitted by the Trust Deed, the Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. The estimated or actual ongoing charges of a Sub-Fund do not represent the estimated or actual tracking error of the Sub-Fund.

Other expenses

Each Sub-Fund will bear all operating costs relating to the administration of the Sub-Fund including but not limited to stamp and other duties, governmental charges, brokerage fees, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units of any Listed Class of Units on the SEHK or other exchange (including, if considered appropriate by the Manager, any additional costs of determining the stock code by drawing from special ballot pool, which are estimated to be HKD500,000) and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund by the Trustee, the Manager or the

Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, preparing, printing and distributing annual accounts and interim unaudited reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

In addition, in respect of a Sub-Fund or a class of Sub-Fund which adopts a single management fee structure, any ongoing expenses (including the amortised portion of the relevant cost of establishment) exceeding the applicable single management fee will be borne by the Manager and will not be charged to the Sub-Fund or the class of the Sub-Fund, as the case may be. Please also refer to the sub-section headed “Establishment costs” below for more details regarding the amortisation of the cost of establishment of the Trust and each Sub-Fund.

Establishment costs

The cost of establishing the Trust and Global X S&P Crude Oil Futures Enhanced ER ETF including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs was around HKD1.85 million and was borne by Global X S&P Crude Oil Futures Enhanced ER ETF (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and amortised over the first five financial years of Global X S&P Crude Oil Futures Enhanced ER ETF.

The cost of establishing the Unlisted Classes of Units of Global X Bloomberg MSCI Asia ex Japan Green Bond ETF including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the authorisation by the SFC and all initial legal and printing costs was around HKD300,000 and will be borne by the Unlisted Classes of Units of Global X Bloomberg MSCI Asia ex Japan Green Bond ETF and amortised over the first five financial years of the Unlisted Classes of Units of Global X Bloomberg MSCI Asia ex Japan Green Bond ETF.

The cost of establishing the Unlisted Classes of Units of Global X FTSE China Policy Bank Bond ETF including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the authorisation by the SFC and all initial legal and printing costs was around HKD300,000 and will be borne by the Unlisted Classes of Units of Global X FTSE China Policy Bank Bond ETF and amortised over the first five financial years of the Unlisted Classes of Units of Global X FTSE China Policy Bank Bond ETF.

The cost of establishing subsequent Sub-Funds will be borne by the relevant Sub-Fund to which such costs relate (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and will be amortised over the first five financial years of the relevant Sub-Fund.

The attention of investors is drawn to the risk factor entitled “Valuation and Accounting Risk”.

Promotional Expenses

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

Increase in fees

The current fees in respect of each Sub-Fund payable to the Manager and the Trustee as described in the relevant Appendix may be increased on one month’s notice to Unitholders, subject to the maximum rates set out in the Trust Deed. In the event that such fees are to be increased beyond the maximum rates set out in the Trust Deed, such increase will be subject to the Unitholders’ and the SFC’s approval.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of a Sub-Fund will be achieved. Investors should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to all Sub-Funds. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix. In particular, further risk factors applicable to the Sub-Funds which adopt a Dual Counter (in addition to these below) are set out in the relevant Appendix.

Risks associated with investment in any Sub-Fund

Investment Objective Risk

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that you as an investor may lose a substantial proportion or all of your investment in a Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

Market Risk

The Net Asset Value of each Sub-Fund will change with changes in the market value of the Securities and/or Futures Contracts it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Sub-Fund is based on the capital appreciation and income on the Securities and/or Futures Contracts 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 a manner that broadly corresponds with the relevant Index. Investors in a Sub-Fund are exposed to the same risks that investors who invest directly in the underlying Securities and/or Futures Contracts 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).

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of the Sub-Funds, the returns from the types of Securities and/or Futures Contracts in which a Sub-Fund invests may underperform or outperform returns from other Securities and/or Futures Contracts markets or from investment in other assets. Different types of Securities and/or Futures Contracts tend to go through cycles of out-performance and underperformance when compared with other general Securities and/or Futures Contracts markets.

Passive Investment Risk

The Sub-Funds are not actively managed. Accordingly, the Sub-Funds may be affected by a decline in the market segments relating to the relevant Index or Indices. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Sub-Fund invests in the Securities and/or Futures Contracts included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to select Securities or Futures Contracts individually or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Sub-Funds will mean that falls in the Index or Indices are expected to result in corresponding falls in the value of the Sub-Funds, and investors may lose substantially all of their investment.

Possible Business Failure Risk

Global markets may experience very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of the Index may have an adverse effect on the Index's and therefore the relevant Sub-Fund's performance. You may lose money by investing in the Sub-Funds.

No Right to Control a Sub-Fund's Operation Risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of any Sub-Fund.

Reliance on the Manager Risk

Unitholders must rely on the Manager in formulating the investment strategies and the performance of each Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Trustee may not find successor managers with the requisite skills, qualifications and the new appointment may not be on equivalent terms or of similar quality.

Management Risk

Because there can be no guarantee that each Sub-Fund will fully replicate the relevant Index, it is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Securities and/or Futures Contracts comprising the Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of any Sub-Funds being achieved.

Securities Risk

The investments of a Sub-Fund are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets may experience very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Equity Risk

Investing in equity Securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity Securities may also be higher, because the investment performance of equity Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Representative Sampling Risk

With a representative sampling strategy, a Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by a Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that the Sub-Fund may be subject to larger tracking error.

Tracking Error Risk

The Net Asset Value of a Sub-Fund may not correlate exactly with its Index. Factors such as the fees and expenses of a Sub-Fund, imperfect correlation between a Sub-Fund's assets and the Securities or Futures Contracts constituting its Index, inability to rebalance a Sub-Fund's holdings of Securities or Futures Contracts in response to changes in the constituents of the Index, rounding of Security or Futures Contracts prices, changes to the Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the relevant Index. Further, if the relevant Index is a gross total return index the relevant Sub-Fund may receive income (such as interest and dividends) from its assets, which is subject to withholding tax. The Manager may, where specified in the relevant Appendix and subject to the approval of the SFC if necessary, switch between full replication and representative sampling strategies in order to minimise tracking error, however notwithstanding this, because the Manager will not have other strategies to minimise tracking error, these factors may cause a Sub-Fund's returns to deviate from its Index.

Single Country / Concentration Risk

A Sub-Fund may be subject to concentration risk as a result of tracking the performance of a single geographical region or country or industry sector. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant geographical region, country or industry sector.

Loss of Capital Risk

There is no guarantee that a Sub-Fund's investments will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

Currency Risk

An investment in the Units of a Sub-Fund may directly or indirectly involve exchange rate risk. The constituents of the Index may be denominated in currencies other than the base currency of the Sub-Fund. Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the Sub-Fund.

FDI Risk

The Manager may invest a Sub-Fund in constituents of the relevant Index through FDIs. A FDI is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security and/or Futures Contract or an index and so have a high degree of price variability and are subject to occasional rapid and substantial changes. Compared to conventional Securities, FDIs can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the relevant Sub-Fund. The relevant Sub-Fund's losses may be greater if it invests in FDIs than if it invests only in conventional Securities.

There is also no active market in FDIs and therefore investment in FDIs can be illiquid. In order to meet redemption requests, the relevant Sub-Fund relies upon the issuer of the derivative instruments to quote a price to unwind any part of the FDIs that will reflect the market liquidity conditions and the size of the transaction.

In addition, many FDIs are not traded on exchanges. As a result, if the relevant Sub-Fund engages in transactions involving FDIs, it will be subject to the risk of the inability or refusal to perform such contracts by the counterparties with which the relevant Sub-Fund trades, and as such the relevant Sub-Fund may suffer a total loss of the relevant Sub-Fund's interest in the FDI. This risk is also aggregated by the fact that over-the-counter derivatives markets are generally not regulated by government authorities and participants in these markets are not required to make continuous markets in the contracts they trade.

An investment in the FDIs does not entitle the FDIs holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the FDIs will equal the underlying value of the company or securities market that it may seek to replicate.

Where the Manager invests the relevant Sub-Fund's assets in FDIs that are not listed, quoted or dealt in on a market, those FDIs should comprise no more than 15% of the relevant Sub-Fund's Net Asset Value. The exposure of a Sub-Fund to FDIs is also subject to the other applicable investment restrictions set out in this Prospectus and the relevant Appendix.

Collateral Risk

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of FDI transactions (if any) may be affected by market events. In the case of collateral assets which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may take longer to realise the relevant collateral assets. In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Sub-Fund's exposure to such counterparty to be under-collateralised. If a Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

Indemnity Risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except as a result of their own negligence, fraud, default, breach of duty or trust of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the relevant Sub-Fund and the value of the Units.

Dividends May Not be Paid Risk

Whether a Sub-Fund or a class of Units will pay distributions on Units is subject to the Manager's distribution policy (as described in the relevant Appendix). If a Sub-Fund or a class of Units intends to pay dividends, its ability to do so mainly depends on dividends declared and paid in respect of Securities held by the Sub-Fund, where the Sub-Fund holds Securities as part of its investment strategy. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend payment rates in respect of such Securities will depend on factors beyond the control of the Manager or the Trustee including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Distributions Out of Capital or Effectively Out of Capital Risk

Subject to the distribution policy as specified in the Appendix of the relevant Sub-Fund, the Manager may at its discretion pay dividends out of the capital of a Sub-Fund. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the relevant Sub-Fund are charged to/paid out of the capital of such Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the relevant Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of a Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit.

Possible Early Termination of a Sub-Fund or Class Risk

A Sub-Fund or a class of Units may be terminated early under certain circumstances, including but not limited to (i) (in the case of a Sub-Fund) the aggregate Net Asset Value of all the Units is less than HKD500 million or such amount specified in the relevant Appendix or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the relevant Sub-Fund or Class or (iii) the relevant Index is no longer available for benchmarking or (iv) (in the case of a Sub-Fund with only Listed Class of Units or a Listed Class of Units) the Listed Class of Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) (in the case of a Sub-Fund with only Listed Class of Units or a Listed Class of Units) at any time, the Listed Class of Units ceases to have any Participating Dealer. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder.

Effect of Redemptions Risk

If significant redemptions of Units are requested by the Participating Dealers in respect of Listed Class of Units or by Unitholders in respect of Unlisted Class of Units, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Units are requested by the Participating Dealers in respect of Listed Class of Units or by Unitholders in respect of Unlisted Class of Units, the right of Participating Dealers or Unitholders (as the case may be) to require redemptions in excess of 10% of the total number of Units in the relevant Sub-Fund then in issue (or such higher or lower percentage as the Manager may determine as permitted by the SFC) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period. Please see the section headed "Determination of Net Asset Value" for further details.

Borrowing Risk

The Trustee, on the written instructions of the Manager, may borrow for the account of a Sub-Fund (up to 10% of the Net Asset Value of each Sub-Fund unless otherwise specified in the Appendix) for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Sub-Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of a Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

Risk associated with differences in dealing, fee and cost arrangements between Listed Class of Units and Unlisted Class of Units

Different Dealing Arrangements

Each Sub-Fund is an exchange traded fund, which may offer both Listed Class of Units and Unlisted Class of Units. Dealing arrangements in respect of Listed Class of Units and Unlisted Class of Units are different, and depending on market conditions, investors of the Listed Class of Units may be at an advantage compared to investors of the Unlisted Class of Units, or vice versa. The Net Asset Value per Unit of each of the Listed Class of Units and Unlisted Class of Units may also be different due to the different fees (such as the management fee) and costs applicable to each such class of Units.

Different Cost Mechanisms

Investors should note that different cost mechanisms apply to Listed Class of Units and Unlisted Class of Units.

For Listed Class of Units, the Transaction Fee and the Duties and Charges in respect of Creation

Applications and Redemption Applications are paid by the Participating Dealer applying for or redeeming such Units and/or the Manager. Investors of Listed Class of Units in the secondary market will not bear such Transaction Fees and Duties and Charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees, as described under the section headed "Fees and Expenses").

On the other hand, the subscription and redemption of Unlisted Class of Units may be subject to a subscription fee and redemption fee respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, in order to protect the interests of Unitholders of Unlisted Class of Units, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Units of a Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may, in its absolute discretion and taking into account the best interests of the Unitholders, impose a fiscal charge which it considers represents an appropriate provision for transactional fees or expenses which are customarily incurred by the relevant Sub-Fund to account for the impact of the related costs. Such fiscal charges will be retained by the relevant Sub-Fund. Please refer to the paragraph headed "Fiscal charges" under the sub-section headed "Fees and Expenses Payable in respect of an Unlisted Class of Units only" under the section headed "Fees and Expenses" in this Prospectus for further information.

Any or all of these factors may lead to a difference in the Net Asset Value of the Listed Class of Units and Unlisted Class of Units.

Dealing Arrangements in respect of Unlisted Class of Units

Unlike investors of Listed Class of Units who may buy and sell Units in the secondary market during SEHK trading hours, investors of Unlisted Class of Units are only able to subscribe and redeem at the relevant Subscription Price and Redemption Price (as the case may be) based on the latest available Net Asset Value as at the end of each Dealing Day. As such, holders of Listed Class of Units would have intra-day trading opportunities which will not be available to holders of Unlisted Class of Units. In a stressed market scenario, holders of Listed Class of Units can sell their Units on the secondary market during SEHK trading hours if the market continues to deteriorate, while holders of Unlisted Class of Units will not be able to do.

Trading Arrangements in respect of Listed Class of Units

Conversely, secondary market investors generally do not have access to the redemption facilities which are available to investors of Unlisted Class of Units. During stressed market conditions, Participating Dealers may, on their own account or on behalf of any primary market investors, redeem Listed Class of Units on the primary market at the Net Asset Value of the relevant Sub-Fund, but the secondary market trading prices may have diverged from the corresponding Net Asset Value. In such circumstances, holders of the Listed Class of Units in the secondary market will be at an apparent disadvantage to holders of the Unlisted Class of Units as the latter will be able to redeem from the relevant Sub-Fund at Net Asset Value whilst the former will not.

Please also refer to "Risks associated with market trading (applicable to Listed Class of Units only)" below for additional risks relating to Listed Class of Units.

Risks associated with market trading (applicable to Listed Class of Units only)

Absence of Active Market and Liquidity Risks

Although the Listed Class of Units of each Sub-Fund are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the underlying Securities or Futures Contracts which comprise the relevant Index have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Listed Class of Units and the ability of an investor to dispose of its Units at the desired price. If an investor needs to sell his, her or its Listed Class of Units at a time when no active market for them exists, the price received for the Units — assuming an investor is able to sell them — is likely to be lower than the price received if an active market did exist.

No Trading Market in the Listed Class of Units Risk

Although the Listed Class of Units are listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Listed Class of Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices other than the Index.

Suspension of Trading Risk

Investors and potential investors will not be able to buy nor sell Listed Class of Units on the SEHK during any period in which trading of the Listed Class of Units is suspended. The SEHK may suspend the trading of Listed Class of Units whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Listed Class of Units may also be suspended if the trading of Listed Class of Units is suspended.

Listed Class of Units May Trade at Prices Other than Net Asset Value Risk

Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Listed Class of Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Listed Class of Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Volatility on the SEHK as well as supply and demand for Listed Class of Units traded on the SEHK may lead to the Listed Class of Units of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Listed Class of Units can be created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term.

While the creation/redemption feature is designed to make it likely that the Listed Class of Units will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Listed Class of Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

The secondary market prices of Listed Class of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Units are listed. In addition, when buying or selling Units on the SEHK additional charges (such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Unit when buying Units on the SEHK and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Listed Class of Units and the Net Asset Value.

Cost of Trading Listed Class of Units Risk

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class of Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Listed Class of Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Listed Class of Units on the SEHK. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Listed Class of Units (bid price) and the price at which they are willing to sell Listed Class of Units (ask price). Frequent trading may detract significantly from investment results and an investment in Listed Class of Units may not be advisable particularly for investors who anticipate making small investments regularly.

Restrictions on Creation and Redemption of Listed Class of Units Risk

Investors should note that a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units or shares can generally be purchased and redeemed directly from the manager). Listed Class of Units of a Sub-Fund may only be created and redeemed in Application Unit sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer). Other investors of Listed Class of Units may only make a request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Listed Class of Units in Application Unit sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Listed Class of Units under certain circumstances. Alternatively, investors may realise the value of their Listed Class of Units by selling their Units through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer to the section headed “Creations and Redemptions (Primary Market)” for details in relation to the circumstances under which Creation Applications and Redemption Applications can be rejected.*Secondary Market Trading Risk*

Listed Class of Units in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund does not accept orders to subscribe or redeem Listed Class of Units. On such days, Listed Class of Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the relevant Sub-Fund accepts subscription and redemption orders.

Reliance on Market Makers Risk

Although the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker to maintain a market for the Listed Class of Units traded in each counter, it should be noted that liquidity in the market for the Listed Class of Units may be adversely affected if there is no Market Maker for Listed Class of Units traded in one or more counters. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that at least one Market Maker for each counter (which may be the same Market Maker) gives not less than 3 months’ notice prior to terminating market making arrangement under the relevant market making agreements. There may be less interest by potential market makers in making a market in Units denominated or traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for RMB traded Units. It is possible that there is only one SEHK Market Maker to a Sub-Fund or to a counter of a Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers Risk

The creation and redemption of Listed Class of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Listed Class of Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Listed Class of Units if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant Sub-Fund's Securities or Futures Contracts cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Listed Class of Units freely. Where a Participating Dealer appoints an agent or delegate (who is a CCASS participant) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent or delegate, or if the agent or delegate ceases to be a CCASS participant, the creation or redemption of Listed Class of Units by such Participating Dealer may also be affected.

Trading Time Differences Risk

As a stock exchange or futures exchange may be open when the Listed Class of Units are not priced, the value of any Security or Futures Contract which comprises the Index may change when investors may not be able to buy or sell Listed Class of Units. Further the price of Securities or Futures Contracts may not be available during part of the SEHK trading day due to trading hour differences which may result in the trading price of Units deviating from the Net Asset Value per Unit.

Listed Class of Units May be Delisted From the SEHK Risk

The SEHK imposes certain requirements for the continued listing of securities, including the Listed Class of Units, on the SEHK. Investors cannot be assured that a Sub-Fund will continue to meet the requirements necessary to maintain the Listed Class of listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Listed Class of Units of a Sub-Fund are delisted from the SEHK, Unitholders will have the option to redeem their Listed Class of Units by reference to the Net Asset Value of the Sub-Fund. Where a Sub-Fund remains authorised by the SFC, such procedures required by the Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of a Sub-Fund for any reason it is likely that Listed Class of Units may also have to be delisted.

Risks associated with the Indices

Fluctuations Risk

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

Licence to Use Index May be Terminated Risk

The Manager is granted a licence by the Index Provider to use each Index to create the relevant Sub-Fund based on the Index and to use certain trade marks and any copyright in the Index. A Sub-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. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index Licence Agreement" in the relevant Appendix. Although the Manager will seek to find a replacement Index, a Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index Risk

The Securities and/or Futures Contracts of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Sub-Fund. Each Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Providers. Each Index Provider makes no representation or warranty, express or implied, to investors in any Sub-Fund or other persons regarding the advisability of investing in Securities and/or Futures Contracts generally or in a Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in any Sub-Fund into consideration in determining, composing or calculating the Index or Indices. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. 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 an Index Provider will not prejudice the interests of the relevant Sub-Fund, the Manager or investors.

Composition of an Index May Change Risk

The Securities and/or Futures Contracts constituting an Index will change as the Securities and/or Futures Contracts of the Index are delisted, or as the Securities and/or Futures Contracts mature or are redeemed or as new Securities and/or Futures Contracts are included in the Index. When this happens the weightings or composition of the Securities and/or Futures Contracts owned by the Sub-Funds will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that the Sub-Funds will, at any given time accurately reflect the composition of the Index (refer to the sub-section headed “Tracking Error Risk”).

Risks associated with regulation

Withdrawal of SFC Authorisation Risk

The Trust and each Sub-Fund have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Trust or any Sub-Fund if the Index is no longer considered acceptable or impose such conditions as it considers appropriate or to withdraw any waiver from the Code or revise the same. If the Manager does not wish the Trust or any Sub-Fund to continue to be authorised by the SFC, the Manager will give Unitholders at least three months’ notice of the intention to seek SFC’s withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions or waivers from the Code which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions or waivers from the Code, it becomes illegal, impractical or inadvisable to continue the Trust or any Sub-Fund, the Trust or the relevant Sub-Fund (as applicable) will be terminated.

General Legal and Regulatory Risk

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

Taxation Risk

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

FATCA Related Risks

The US Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on certain US source withholdable payments to foreign financial institution(s) (the "FFI" or "FFIs") (such as the Sub-Funds) that are not FATCA compliant. The US Internal Revenue Service (the "IRS") has released regulations and other guidance that provide for the phased implementation of FATCA, whereby an FFI that is not otherwise exempt or treated as deemed-compliant should register with the IRS, perform due diligence, withholding and reporting obligations with respect to financial accounts maintained by the FFI. The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement based on the "Model 2" format ("Model 2 IGA") effective from 30 June 2014. In order to comply with FATCA and to avoid the above-mentioned withholding tax, the Trust and each Sub-Fund have completed their FATCA registration with the IRS. Under the Model 2 IGA, the Sub-Funds will, with the consent from the Unitholders, provide the IRS with information on the identity, account balance and income received by Unitholders that are specified US persons (within the meaning of the Internal Revenue Code) ("Specified US Persons") or, in case of a Non-US Entity that is classified as passive nonfinancial foreign entity ("Passive NFFE"), on information of any controlling persons that are Specified US Persons. Please note that Unitholders that are found reportable but do not provide consent to the Sub-Funds would still be reported to the IRS. Although the Manager, the Trust and the Sub-Funds will endeavor to satisfy any obligations imposed on the Trust or Sub-Funds to avoid the imposition of FATCA withholding tax, no assurance can be given that the Trust and each Sub-Fund will be able to fully satisfy these obligations. If any of the Sub-Funds becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The Trust's and each Sub-Fund's ability to comply with FATCA will depend on each Unitholder providing the Manager with information that the Manager requests concerning the Unitholder or its direct and indirect owners, if applicable. As at the date of this Prospectus, all Units in the Sub-Funds are registered in the name of HKSCC Nominees Limited. It is the Manager's understanding that HKSCC Nominees Limited has registered as a participating foreign financial institution under the Model 2 IGA.

Please also refer to the sub-section headed "FATCA and compliance with US withholding requirements" under the section headed "Hong Kong Taxation and FATCA" in this Prospectus for further details on FATCA and related risks.

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

Valuation and Accounting Risk

The Manager intends to adopt IFRS in drawing up the financial reports of each Sub-Fund. However, the calculation of the Net Asset Value in the manner described under the section headed "Determination of Net Asset Value" will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Investors should note that under IFRS, establishment costs should be expensed as incurred and that amortisation of the expenses of establishing sub-funds is not in accordance with IFRS; however, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of Sub-Funds. To the extent that the basis adopted by a Sub-Fund for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial reports for the financial reports to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation.

Contagion Across Sub-Funds Risk

The Trust Deed allows the Trustee and the Manager to issue Units in separate Sub-Funds as separate trusts. The Trust Deed provides for the manner in which the liabilities are to be attributed across the various Sub-Fund(s) under the Trust (liabilities are to be attributed to the specific Sub-

Fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant Sub-Fund (in the absence of the Trustee granting that person a security interest). However, each of the Trustee and the Manager will have a right of reimbursement and indemnity out of the assets of the Trust as a whole or any part thereof, against any action, costs, claims, damages, expenses or demands relating to the Trust as a whole, which may result in Unitholders of one Sub-Fund being compelled to bear the liabilities incurred in respect of another Sub-Fund in which such Unitholders do not themselves own Units, if there are insufficient assets in that other Sub-Fund to satisfy the amount due to the Trustee or the Manager (as the case may be). Accordingly, there is a risk that liabilities of one Sub-Fund may not be limited to that particular Sub-Fund and may be required to be paid out of one or more other Sub-Fund.

Non-Recognition of Sub-Fund Segregation Risk

The assets and liabilities of each of the Sub-Funds under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Trust Deed provides that the assets of each of the Sub-Funds should be segregated as separate trusts from each other. There is no guarantee that the courts of any jurisdiction outside Hong Kong 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.

MANAGEMENT OF THE TRUST

The Manager

The Manager of the Trust and each Sub-Fund is Mirae Asset Global Investments (Hong Kong) Limited 未來資產環球投資(香港)有限公司, a company incorporated in 2003 under the laws of Hong Kong and licensed by the SFC to carry on Types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities in Hong Kong under the SFO.

The Manager is part of the Mirae Asset Global Investments Group (the "Mirae Asset Group"), which was the first to open up the mutual fund market in Korea in 1998. Currently, Mirae Asset Group has a presence in Hong Kong (as its global headquarter), Australia, Brazil, Canada, China, India, Taiwan, United Kingdom, USA and Vietnam in addition to its home office in Korea. The Mirae Asset Group has one of the largest teams of investment professionals globally dedicated to asset management in Asia and other emerging markets.

The Manager is a wholly-owned subsidiary of Mirae Asset Global Investments Co., Ltd. ("Mirae Asset"), which is a company incorporated in Korea.

The Manager will manage each Sub-Fund and continuously supervise the portfolio of each Sub-Fund. In addition the Manager will be primarily responsible for portfolio composition file generation, cash management, trade execution and instructing money transfers.

The Manager has in place the necessary operating systems for creation, redemption and operation of each Sub-Fund.

The Manager has put in place a proper risk management policy which enables it to effectively monitor and measure at any time the risk of the FDIs used by any Sub-Fund for investment purposes. Each Sub-Fund is subject to daily risk management and control procedures such as, but not limited to:

(A) daily calculation of tracking difference and tracking error;

(B) calculation and monitoring of net derivative exposure;

(C) liquidity guidelines on each open futures or option contract such as maximum holding compared to daily average volume for the contract; and

(D) historical and hypothetical stress tests which aim to simulate adverse market scenarios.

The directors of the Manager are as follows:

Rhee, Jung Ho

Mr. Jung Ho Rhee is the President and Chief Executive Officer (the "CEO") of the Manager. He is also the responsible office for the Manager the SFO for Type 1, Type 4, and Type 9 regulated activities. As the CEO, Mr. Rhee is responsible for overseeing the investment and business development strategies of the Manager and is a member of its Investment Committee.

Prior to his current role as the CEO, Mr. Rhee headed the Global Asset Allocation Division of the Manager from May 2011 to May 2012. He was instrumental in formulating macro and country/sector allocation strategies and played a vital role in overseeing the Mirae Asset Group's investment process.

He oversaw a global team of investment professionals across the Mirae Asset Group network, focusing on multi-asset and global equities allocation and quantitative analysis for emerging market investment products.

Previously, Mr. Rhee worked at Mirae Asset Securities (HK) Limited as Managing Director of Global Research where he was responsible for developing and overseeing Mirae Asset Global Research. He then became Chief Financial Officer (the "CFO") of the Manager and also headed the investment team managing its proprietary assets.

Before relocating to Hong Kong in 2008, Mr. Rhee worked at Mirae Asset Securities Co. Ltd. in Seoul for eight years as Head of Investment Strategy and subsequently as Head of Asia Pacific Research. Prior to that, he spent five years as a Korea Market Strategist for Daewoo Securities Co. Ltd. and served as an Officer for the Republic of Korea Air Force for three years.

Mr. Rhee holds a Master's degree in Economics from the University of Hong Kong and a Bachelor's degree in Economics from Yonsei University, Korea. He is also a CFA charterholder.

Kim, Byung Ha

Mr. Byung Ha Kim is the CEO of MAPS Capital Management Limited. Prior to his current role, he was the Chief Operating Officer of the Manager. He directed and oversaw the Manager's operational policies and initiatives. He was Co-Chief Investment Officer from 2013 to 2017 and was responsible for co-managing the Manager's investment activities.

Mr. Kim started his career at Mirae Asset Global Investments Co., Ltd. in 1999 as a research analyst covering Korean equities. Later he was promoted to portfolio manager and managed various retail funds and institutional mandates. From 2004 to 2005 he served as portfolio manager and strategist at the Mirae Asset Economic Research Institute, where in addition to managing segregated portfolios for institutional clients, he led and managed a team of research analysts to produce market analysis and research reports for external distribution on behalf of the Mirae Asset Global Investments Group. He transferred to the Manager in 2005 to take up the role of Senior Portfolio Manager.

Mr. Kim holds a bachelor's degree in Business Administration from Seoul National University in Korea.

Kapala, Srinivasa Rao

Dr. Srinivasa Rao Kapala is the Chief Risk Officer of the Manager overseeing various business segments, such as active management business, alternative investments, ETFs and other strategic initiatives. He is responsible for the measurement, monitoring, and reporting of return and risk parameters for the funds and investment solutions of the Manager and oversees the firm's investment and risk management processes, policies and controls.

Dr. Kapala began his financial career in 2004 with ICRA Limited, an Indian Associate of Moody's Investors Service, working as a Senior Analyst. He also worked at Infosys Consulting as a Consultant in Financial Securities for ABN AMRO Asset Management, Amsterdam, and later joined the India office of ABN AMRO Asset Management in 2006 as Assistant Vice President, responsible for product development and management, including marketing and promotion.

Dr. Kapala's service with the Mirae Asset Global Investment Group dates back to 2007, when he joined Mirae Asset Global Investments (India) as Senior Vice President and Head of the Product Structuring/Development Division and he oversaw the development and management, including marketing and business development of retail and wealth management products across various asset classes, including equity, fixed income, commodities and structured products.

Dr. Kapala holds a PhD in Management (Specialisation in derivatives) from the Indian Institute of Management, Bangalore.

The Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited. The Trustee also acts as the Registrar of each Sub-Fund, and provides services in respect of the establishment and maintenance of the register of the Unitholders.

The Trustee was incorporated with limited liability in Hong Kong in 1974 and is registered as a trust company under the Trustee Ordinance (Cap. 29) of Hong Kong and approved by the Mandatory

Provident Funds Scheme Authority as trustee of registered MPF Schemes under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) of Hong Kong. HSBC Institutional Trust Services (Asia) Limited is an indirectly wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Funds, subject to the provisions of the Trust Deed.

The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, nominee or agent, all or any of the investments, cash, assets or other property comprised in the Trust Fund or any of the Sub-Funds and may empower any such custodian, nominee or agent to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, co-custodian and sub-custodian a "Correspondent"). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and monitoring of Correspondents and (b) be satisfied that Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds. The Trustee shall be responsible for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised depositary or clearing system which may from time to time be approved by the Trustee and the Manager.

Subject as provided in the Trust Deed, the Trustee shall not be liable for losses caused by the performance of investments made by the Trust and/or the Sub-Funds.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or each Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those imposed under Hong Kong law or resulting from breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or a Sub-Fund. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of fraud, negligence or wilful default by it or any agent, sub-custodian or delegate appointed by the Trustee, be liable for any losses, costs or damage to the Trust, the Sub-Funds or any Unitholder.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or the Sub-Funds, which is the sole responsibility of the Manager.

The Trustee will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control (the "OFAC") of the US Department of the Treasury. The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions", which are described by OFAC as trade or financial transactions and other dealings in which US persons may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general licence for certain categories of transactions, or by specific licences issued on a case-by-case basis. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Trustee may request for additional information if deemed necessary.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set under the sub-section headed “Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Units and Unlisted Class of Units)” under the section headed “Fees and Expenses” and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or the Sub-Funds and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Except as provided in the Trust Deed or expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or the Sub-Funds, and they are not responsible for the preparation or issue of this Prospectus other than the description under the sub-section headed “The Trustee and Registrar”.

The Service Agent (applicable in respect of Listed Class of Units only)

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealers, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Listed Class of Units in a Sub-Fund by Participating Dealers.

The Auditor

The Manager has appointed PricewaterhouseCoopers to act as the auditor of the Trust and the Sub-Funds (the “Auditor”). The Auditor is independent of the Manager and the Trustee.

The Participating Dealer (applicable in respect of Listed Class of Units only)

A Participating Dealer may act for its own account or for your account as its clients in making cash Creation Applications and cash Redemption Applications. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at https://www.globalxetfs.com.hk/ (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Market Maker (applicable in respect of Listed Class of Units only)

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Listed Class of Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Listed Class of Units on the SEHK. Market Makers facilitate the efficient trading of Listed Class of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Listed Class of Units in each available counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager use its best endeavours to put in place arrangements so that there is at least one other Market Maker for each available counter of each Sub-Fund to facilitate the efficient trading of Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of each Sub-Fund will give not less than 3 months’ notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers for each Sub-Fund is available at http://www.hkex.com.hk and https://www.globalxetfs.com.hk/ (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the sub-section headed “Website Information” for the warning and the disclaimer regarding information contained in such website.

The Listing Agent (applicable in respect of Listed Class of Units only)

Unless otherwise specified in the relevant Appendix, Altus Capital Limited has been appointed by the Manager as the Listing Agent for the each Sub-Fund (other than Mirae Asset Horizons

S&P Crude Oil Futures Enhanced ER ETF) in accordance with The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in respect of the relevant Sub-Fund's listing on the SEHK. The Listing Agent is a licensed corporation which holds, amongst others, a Type 6 (advising on corporate finance) regulated activity licence under the SFO with CE Number AGH102.

Conflicts of interest and soft dollars

The Manager and the Trustee may, from time to time, act as manager, sub-investment manager, investment delegate, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and each Sub-Fund and retain any profit or benefit made in connection therewith.

In addition:

(a) The Manager or any of its Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Fund.

(b) The Trustee, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.

(c) The Trustee or the Manager or any of their Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.

(d) The Trustee, the Manager and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the relevant Sub-Fund.

(e) Any arrangements for the borrowing or deposit of any monies for the account of a Sub-Fund may be made with any of the Trustee, the Manager, any investment delegate or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar type, size and term, in the same currency and with institutions of similar standing, negotiated at arm's length in accordance with ordinary and normal course of business. Any such deposits shall be maintained in a manner that is in the best interests of Unitholders.

(f) Neither the Trustee nor the Manager nor any of their Connected Persons shall be liable to account to each other or to any Sub-Fund or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Trustee, the Manager or any of their Connected Persons may, in the course of business, have potential conflicts of interest with a Sub-Fund. Each will, at all times, have regard in such event to its obligations to the relevant Sub-Fund and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegate or any of its Connected Persons may enter into portfolio transactions for or with a Sub-Fund as agent in accordance with normal market practice, provided that commissions charged to the Sub-Fund in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates. Where the Manager invests a Sub-Fund in shares or units of a collective investment scheme managed by the Manager, its delegates or any of its Connected Persons, the manager of the scheme in which the investment is being made by the Sub-Fund must waive any preliminary or initial charge which it is entitled to charge for its own account in relation to the acquisition of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the relevant Sub-Fund.

None of the Manager, its delegates (including investment delegates, if any) or their Connected Persons shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for any Sub-Fund, and any such rebates or payments or benefits which are received shall be credited to the account of the relevant Sub-Fund.

The Manager, its delegates (including investment delegates, if any) or their Connected Persons may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to a Sub-Fund (as may be permitted under the Code, applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards, brokerage rates are not in excess of customary institutional full-service brokerage rates and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. For the avoidance of doubt, such goods and services do not include travel accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft dollar benefit arrangements will be disclosed in the relevant Sub-Fund's annual report.

The services of the Trustee provided to the Trust and the Sub-Funds are not deemed to be exclusive and the Trustee shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other monies payable thereby and the Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Sub-Funds any fact or thing which comes to the notice of the Trustee in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Sub-Funds will be on arm's length terms, in the best interests of the Unitholders, and executed on the best available terms. For so long as any Sub-Fund is authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager, any investment delegate, the Trustee or its Connected Persons, must ensure it complies with the following obligations:

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

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

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

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

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

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

STATUTORY AND GENERAL INFORMATION

Financial Reports

The financial year-end of the Trust (and each Sub-Fund) is 31 March every year. Audited annual reports are to be prepared (in accordance with IFRS) and published on the Manager's website at https://www.globalxetfs.com.hk/ within 4 months of each financial year-end. Half-yearly unaudited financial reports are also to be prepared up to 30 September of each year and published on the Manager's website within 2 months of such date. Once these financial reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

Only an English version of the audited annual financial reports and the half-yearly unaudited financial reports of the Trust and the Sub-Funds will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The financial reports provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review (including a list of any constituent Securities or Futures Contracts of the relevant Index, if any, that each accounts for more than 10% of the weighting of the relevant Index as at the end of the relevant period and their respective weighting showing any limits adopted by the relevant Sub-Fund have been complied with). The financial reports shall also provide a comparison of each Sub-Fund's performance and the actual relevant Index performance over the relevant period and such other information as is required under the Code. Unitholders will be given at least one month's prior notice of any change to the mode of delivery of the Trust's audited annual financial reports and half-yearly unaudited financial reports.

Trust Deed

The Trust and each Sub-Fund were established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust Fund and their relief from liability in certain circumstances (summarised below in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of the Sub-Funds. Nothing in any of the provisions of the Trust Deed may provide that the Trustee or the Manager (as the case may be) can be exempted from any liability to Unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may they be indemnified either against such liability by Unitholders or at Unitholders' expense.

Liability of Unitholders

No Unitholder shall incur or assume any liability or be required to make any payment to the Trustee or the Manager in respect of its Units. The liability of Unitholders is limited to their investment in Units.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such modification, alteration or addition (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of any Sub-Fund or (ii) is necessary in order to make possible compliance with any fiscal, statutory regulatory or official requirement (whether or not having the force of law) or (iii) is necessary to correct a manifest error. In all other cases involving any material changes, modifications, alterations and additions require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must (where such approval is required) also give its prior approval to all amendments to the Trust Deed.

The Manager will notify affected Unitholders of the amendments as soon as practicable after they are made if such notification is required under the Code.

Meetings of Unitholders

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

Deferred redemption

In the event that redemption requests are received for the redemption of Units (in respect of both Listed Class of Units and Unlisted Class of Units) representing in aggregate more than 10% (or such higher or lower percentage as the Manager may determine in respect of a Sub-Fund as permitted by the SFC) of the total number of Units in the relevant Sub-Fund then in issue, the Manager may direct the Trustee to reduce such requests rateably and pro rata amongst all Unitholders (of both Listed Class of Units and Unlisted Class of Units) seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher or lower percentage as the Manager may determine in respect of a Sub-Fund as permitted by the SFC) of the total number of Units in the relevant Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher or lower percentage as the Manager may determine in respect of that Sub-Fund as permitted by the SFC) of the total number of Units in the relevant Sub-Fund then in issue) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at (in the case of a Listed Class of Units) the Redemption Value or (in the case of an Unlisted Class of Units) the Redemption Price prevailing on the Dealing Day on which they are redeemed.

Voting rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the Units in issue, on not less than 21 calendar days' notice.

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating a Sub-Fund at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by a 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Unitholders of at least 10% of the Units in issue and passed by a simple majority of more than 50% of the votes cast.

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

Restrictions on Unitholders

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

(a) a breach of the law or requirements of any country or governmental authority or (in respect of a Listed Class of Units only) any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the relevant Sub-Fund suffering any adverse effect which the Trust or the relevant Sub-Fund might not otherwise have suffered; or

(b) in the circumstances which, in the Manager’s opinion, may result in the Trust or the relevant Sub-Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the relevant Sub-Fund might not otherwise have incurred or suffered.

Upon notice that any Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Termination

The Trustee may, by notice in writing to the Manager, terminate the Trust if: (i) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or a receiver is appointed over any of its assets and not discharged within 60 days or (ii) the Trustee forms the opinion that the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal or in the opinion of the Trustee and the Manager, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by extraordinary resolution or (vi) the Trustee notifies the Manager in writing of its intention to retire and no suitable person willing to act as trustee has been identified by the Manager within 60 days of the Trustee’s notice.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding is less than HKD500 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund or class of Units if: (i) (in the case of a Sub-Fund) after one year from the date of establishment of the Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund outstanding is less than HKD500 million or such other amount specified in the relevant Supplemental Deed; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund or class or Units and which renders the relevant Sub-Fund or class or Units illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund or class or Units; (iii) its Index is no longer available for benchmarking; (vi) (in the case of a Sub-Fund with only Listed Class of Units or a Listed Class of Units) the Listed Class of Units are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (v) (in the case of a Sub-Fund with only Listed Class of Units or a Listed Class of Units) at any time, the Listed Class of

Units ceases to have any Participating Dealer; or (vi) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Fund or class or Units by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Sub-Fund or class or Units if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the relevant Sub-Fund or class or Units; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the relevant Sub-Fund or class or Units or has done something calculated to bring the relevant Sub-Fund or class or Units into disrepute or that is harmful to the interests of Unitholders of the relevant Sub-Fund or class or Units; or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund or class or Units and which renders the relevant Sub-Fund or class or Units illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Sub-Fund or class or Units.

Notice of the termination of the Trust or a Sub-Fund or class or Units will be given to the Unitholders of the Trust or the relevant Sub-Fund or class or Units (as the case may be) after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the relevant Sub-Fund or class or Units and the alternatives available to them, and any other information required by the Code. Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may at the expiration of 12 calendar months from the date upon which the same became payable be paid into court, subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

Investors should note that, due to the nature of the listing of the Listed Class of Units on the SEHK, the termination procedures applicable to Listed Class of Units and Unlisted Class of Units of the same Sub-Fund may differ. In the event of termination of the Trust, a Sub-Fund or a particular class of Units, Unitholders will be notified of the relevant termination procedures applicable to its holding of the relevant class of Units.

Distribution policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on dividend payments on Securities held by the relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and distribution policies of the relevant underlying entities.

Where specified in the relevant Appendix, the Manager may at its discretion make distributions (i) out of capital or (ii) out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of a Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the relevant Sub-Fund and therefore, the relevant Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the capital of the Sub-Fund may result in an immediate reduction of the Net Asset Value per Unit.

There can be no assurance that such entities will declare or pay dividends or distributions.

Inspection of documents

Copies of the following documents in respect of each Sub-Fund are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager (at a cost of HKD150 per set of copy documents (other than (d) which may be obtained free of charge):

(a) Trust Deed;

(b) Service Agreement(s);

(c) Participation Agreement(s); and

(d) the most recent annual financial statements of the Trust and the Sub-Funds (if any); and

(e) the most recent interim financial statements of the Trust and the Sub-Funds (if any).

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders of Listed Class of Units are not obliged to disclose their interest in the Sub-Fund.

Anti-money laundering regulations

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

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

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

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

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FIs") in Hong Kong to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report such information to the Hong Kong Inland Revenue Department ("IRD") for the purpose of AEOI exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in an AEOI partner jurisdiction(s) with which Hong Kong has a Competent Authority Agreement ("CAA") in force; however, a Sub-Fund and/or its agents may further collect information relating to residents of other jurisdictions.

A Sub-Fund is required to comply with the requirements of the Ordinance, which means that a Sub-Fund and/or its agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors.

The Ordinance as implemented by Hong Kong requires a Sub-Fund to, amongst other things: (i) register the Sub-Fund as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the required information reported to it to the government authorities of the jurisdictions with which Hong Kong has a CAA in force. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a jurisdiction with which Hong Kong has a CAA in force; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Unitholders, including but not limited to their name, place of birth, address, tax residence, tax identification number (if any), account number, account balance/value, and income or sale or realisation proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Unitholders acknowledge that they may be required to provide additional information to the Sub-Fund, the Manager and/or the Sub-Fund's agents in order for the Sub-Fund to comply with the Ordinance. The Unitholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are passive non-financial entities), may be transmitted by the IRD to authorities in other jurisdictions.

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

Certification for compliance with FATCA or other applicable laws

Each investor (i) shall be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for a Sub-Fund (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Sub-Fund receives payments and/or (b) to satisfy reporting or other obligations under the IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction, (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including any law, rule and requirement relating to AEOI) and reporting obligations that may be imposed by future legislation.

Power to disclose information to authorities

Subject to applicable laws and regulations in Hong Kong, the Manager, the Trustee or any of their authorised person (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS and the IRD), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, jurisdiction of birth, tax residence, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, account balance/value, and income or sale or realisation proceeds, to enable a Sub-Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to AEOI), regulation or agreement under FATCA).

Liquidity risk management

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

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

The liquidity management policy involves monitoring the profile of investments held by a Sub-Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy, and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Sub-Funds under normal and exceptional market conditions.

The Manager has also established an independent committee comprising members from relevant departments where meetings will be organised regularly and on an ad hoc basis to resolve any liquidity issues and to monitor the liquidity management policy. The risk management committee of the Manager oversees the liquidity management function of the Trust. The risk management committee includes members independent from the day-to-day portfolio investment function of the Manager. Any risk management control weakness and the corresponding actions plans will be reported to the committee for monitoring and tracking purpose and the committee will further escalate any significant findings to the senior management of the Manager and copy the same to the internal control committee of the Manager for noting purpose.

The following tool(s) may be employed by the Manager or the Trust to manage liquidity risks:

- *Deferred redemption (applicable to both Listed Class of Units and Unlisted Class of Units):* the Manager may limit the number of Units of a Sub-Fund (both Listed Class of Units and Unlisted Class to Units) redeemed on any Dealing Day to Units representing 10% (or such higher or lower percentage as the Manager may determine in respect of the Sub-Fund as permitted by the SFC) of the total number of Units in such a Sub-Fund then in issue (subject to the conditions under the sub-section headed "Deferred redemption");

- *Suspension of creation and redemption (applicable to Listed Class of Units only):* the Manager may suspend the creation or issue and/or redemption of Listed Class of Units of any Sub-Fund(s) and/or delay the payment of any monies in respect of any Creation Application and/or Redemption Application in the circumstances as set out in the sub-section headed "Suspension of Creations and Redemptions" under the section headed "Creations and Redemptions (Primary Market)" in Schedule 1 to this Prospectus;

- *Suspension of subscription and redemption (applicable to Unlisted Class of Units only):* the Manager may suspend the issue and/or switching and/or redemption of Unlisted Class of Units of any Sub-Fund and/or delay the payment of any monies and/or transfer of any Securities to persons who have redeemed Unlisted Class of Units of any Sub-Fund in the circumstances as set out in the section headed "Suspension of the Issue, Subscription and Redemption of Unlisted Class of Units" in Schedule 2 to this Prospectus; and

- *Fiscal charges (applicable to Unlisted Class of Units only):* in order to protect the interests of Unitholders of Unlisted Class of Units, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Units of a Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may, in its absolute discretion and taking into account the best interests of the Unitholders, impose a fiscal charge which it considers represents an appropriate provision for transactional fees or expenses which are customarily incurred by the relevant Sub-Fund to account for the impact of the related costs, as further detailed in the paragraph headed "Fiscal charges" under the sub-section headed "Fees and Expenses Payable in respect of an Unlisted Class of Units only" under the section headed "Fees and Expenses" in this Prospectus.

Index licence agreements

Please refer to the relevant Appendix for details in respect of each Index.

Material changes to an Index

The SFC should be consulted on any events that may affect the acceptability of an Index. Significant events relating to an Index will be notified to the Unitholders of the relevant Sub-Fund as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Index, or a change in the objective or characteristics of the Index.

Replacement of an Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders of the relevant Sub-Fund would not be adversely affected, to replace an Index with another index in accordance with the provision of the Code and the Trust Deed. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the relevant Index ceasing to exist;

(b) the licence to use the Index being terminated;

(c) a new index becoming available that supersedes the existing Index;

(d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Unitholders than the existing Index;

(e) investing in the Securities and/or Futures Contracts comprised within the Index becomes difficult;

(f) the Index Provider increasing its licence fees to a level considered too high by the Manager;

(g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and

(i) the instruments and techniques used for portfolio management not being available.

The Manager may change the name of a Sub-Fund if the relevant Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the relevant Sub-Fund of the Index and/or (ii) the name of the relevant Sub-Fund will be notified to investors.

Information available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the Manager's website at https://www.globalxetfs.com.hk/ (which has not been reviewed or approved by the SFC) including:

(a) this Prospectus and the product key facts statement(s) in respect of each Sub-Fund(as revised from time to time). Investors should note that where a Sub-Fund offers both Listed Class of Units and Unlisted Class of Units to Hong Kong investors, a separate set of product key facts statement will be available for each of the Listed Class of Units and Unlisted Class of Units of the same Sub-Fund;

(b) the latest annual audited financial reports and interim unaudited financial reports (in English only);

(c) any notices for material alterations or additions to this Prospectus or the Sub-Fund's constitutive documents;

(d) any public announcements made by the Manager in respect of any Sub-Fund, including information with regard to any Sub-Fund and its Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and (in respect of Listed Class of Units only) the suspension and resumption of trading;

(e) (in respect of Listed Class of Units only) the near real time indicative Net Asset Value per Unit updated every 15 seconds throughout each Dealing Day in the relevant trading currency (or if there is a Dual Counter, in both trading currencies) of the Sub-Fund;

(f) the last Net Asset Value of each Sub-Fund in the base currency of the Sub-Fund only, as well as the last Net Asset Value per Unit of the Sub-Fund in (in respect of Listed Class of Units only) the relevant trading currency (or if there is a Dual Counter, in both trading currencies) of the Sub-Fund or (in respect of Unlisted Class of Units) the relevant Class Currency(ies) of the Unlisted Class of Units (updated on a daily basis), in each case unless otherwise specified in the relevant Appendix;

(g) the full portfolio information of each Sub-Fund (updated on a daily basis unless otherwise specified in the relevant Appendix);

(h) the composition of dividends for each relevant Sub-Fund (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital (if any)), for a rolling 12-month period;

(i) (in respect of Listed Class of Units only) the latest list of the Participating Dealers and Market Makers for each Sub-Fund; and

(j) in respect of a passively managed Sub-Fund which has a net derivative exposure exceeding 50% of its Net Asset Value, information on FDIs acquired by the Sub-Fund (such as counterparty exposure and collateral information).

In respect of the Global X Bloomberg MSCI Asia ex Japan Green Bond ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit in HKD and the near real time indicative Net Asset Value per Unit in RMB are indicative and for reference only. Each of them is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services using the near real time indicative Net Asset Value per Unit in USD multiplied respectively by a real time foreign exchange rate of HKD:USD and RMB:USD provided by ICE Data Services Real-Time FX Rate. Since the indicative Net Asset Value per Unit in USD will not be updated when the underlying bond market(s) are closed, the change to the indicative Net Asset Value per Unit in HKD and/or the indicative Net Asset Value per Unit in RMB (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of both the Listed Class of Units and the Unlisted Classes of Units) the last Net Asset Value per Unit in HKD and the last Net Asset Value per Unit in RMB are indicative and for reference only. Each of them is calculated using the last Net Asset Value per Unit in USD multiplied respectively by the HKD:USD and RMB:USD closing spot exchange rate calculated by WM/Reuters at 4:00pm (London Time) as of the same Dealing Day provided by the Trustee. The official last Net Asset Value per Unit in USD, the indicative last Net Asset Value per Unit in HKD and the indicative last Net Asset Value per Unit in RMB will not be updated when the underlying bond market(s) are closed.

In respect of the Global X FTSE China Policy Bank Bond ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit in HKD is indicative and for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services using the near real time indicative Net Asset Value per Unit in RMB multiplied by a real time HKD:RMB foreign exchange rate provided by ICE Data Services Real-Time FX Rate. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying bond market is closed, the change to the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

(ii) (in respect of both the Listed Class of Units and the Unlisted Classes of Units) the last Net Asset Value per Unit in HKD is indicative and for reference only. This is calculated using the last Net Asset Value per Unit in RMB multiplied by the HKD:RMB closing spot exchange rate calculated by WM/Reuters at 4:00pm (London Time) as of the same Dealing Day provided by the Trustee. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per Unit in HKD will not be updated when the underlying bond market is closed.

In respect of the Global X Asia Pacific High Dividend Yield ETF:

(i) (in respect of the Listed Class of Units only) the near real time indicative Net Asset Value per Unit in HKD is indicative and for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services using the near real time indicative Net Asset Value per Unit in USD multiplied by a real time HKD:USD foreign exchange rate provided by ICE Data Services Real-Time FX Rate. Since the indicative Net Asset Value per Unit in USD will not be updated when the underlying share market(s) are closed, the change to the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate;

(ii) (in respect of both the Listed Class of Units and the Unlisted Classes of Units) the last Net Asset Value per Unit in HKD is indicative and for reference only. This is calculated using the last Net Asset Value per Unit in USD multiplied by the HKD:USD closing spot exchange rate calculated by WM/Reuters at 4:00pm (London Time) as of the same Dealing Day provided by the Trustee. The official last Net Asset Value per Unit in USD and the indicative last Net Asset Value per Unit in HKD will not be updated when the underlying share market(s) are closed; and

(iii) (in respect of the Unlisted Classes of Units only) the last Net Asset Value per Unit in RMB is indicative and for reference only. This is calculated using the last Net Asset Value per Unit in USD multiplied by the RMB:USD closing spot exchange rate calculated by WM/Reuters at 4:00pm (London Time) as of the same Dealing Day provided by the Trustee. The official last Net Asset Value per Unit in USD and the indicative last Net Asset Value per Unit in RMB will not be updated when the underlying share market(s) are closed.

Real-time updates about the Index can be obtained through other financial data vendors. It is your own responsibility to obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the Manager's website and the Index Provider's website (neither of which, nor any other website referred to in this Prospectus, has been reviewed by the SFC). Please refer to the sub-section headed "Website Information" for the warning and the disclaimer regarding information contained in such website.

Notices

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

Manager

Mirae Asset Global Investments (Hong Kong) Limited
未來資產環球投資(香港)有限公司
Room 1101, 11/F, Lee
Garden Three
1 Sunning Road, Causeway Bay
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road
Central
Hong Kong

Website information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Listing Agent, the Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Listing Agent, the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, its website https://www.globalxetfs.com.hk/ (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC). The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

TAXATION AND FATCA

Hong Kong

The following summary of Hong Kong taxation 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 Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong 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. You should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Taxation of the Trust and Sub-Funds

<u>Profits Tax</u>

As the Trust and each Sub-Fund have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and each Sub-Fund are exempt from Hong Kong profits tax.

<u>Stamp Duty</u>

Pursuant to section 19(1DA) and Part 2 of Schedule 10 of the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and according to the Stamping Circular No.02/2019, each Sub-Fund is an “authorized open-ended collective investment scheme” as defined under the Stamp Duty Ordinance, and, provided that the value of the Hong Kong stock is proportionate to the value of the Unit, any Hong Kong stamp duty (i.e. fixed and ad valorem) on the delivery of Hong Kong stocks as consideration for the allotment of Units will be exempted. Similarly, provided that the value of the Hong Kong stock is proportionate to the value of the Unit, Hong Kong stamp duty on the delivery of Hong Kong stocks as consideration for redemption of Units will also be exempted. The allotment or redemption is considered to be proportionate if the value of the Hong Kong stock sold or purchased is equivalent to the asset value of the relevant Sub-Fund which the allotted or redeemed Unit represents as at the date of allotment or redemption (as the case may be).

Taxation of the Unitholders

<u>Profits Tax</u>

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

<u>Stamp Duty</u>

Pursuant to section 19(1DA) and Part 2 of Schedule 10 of the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and according to the Stamping Circular No.02/2019, each Sub-Fund is an “authorized open-ended collective investment scheme” as defined under the Stamp Duty Ordinance, and, provided that the value of the Hong Kong stock is proportionate to the value of the Unit, any Hong Kong stamp duty (i.e. fixed and ad valorem) on the delivery of Hong Kong stocks as consideration for the allotment of Units will be exempted. Similarly, provided that the value of the Hong Kong stock is proportionate to the value of the Unit, Hong Kong stamp duty on the delivery of Hong Kong stocks as consideration for redemption of Units will also be exempted. The allotment or redemption is considered to be proportionate if the value of the Hong Kong stock sold or purchased is equivalent to the asset value of the relevant Sub-Fund which the allotted or redeemed Unit represents as at the date of allotment or redemption (as the case may be).

No Hong Kong stamp duty is payable by an investor in relation to an issue of Units to him or her or the redemption of Units by him or her or on the sale and purchase of Listed Class of Units by him or her in the secondary market.

PRC

The following summary of PRC taxation 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 the PRC and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in the PRC 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.

Corporate income tax ("CIT")

Under current PRC Corporate Income Tax Law (the "PRC CIT Law") and regulations, if a Sub-Fund is considered to be a tax resident enterprise of the PRC, it would be subject to CIT at the rate of 25% on its worldwide taxable income. If a Sub-Fund is considered to be a non-PRC tax resident enterprise but with a "permanent establishment ("PE") in the PRC, the profits attributable to the PE would be subject to CIT at 25%.

The Manager intends to operate the affairs of the Trust and each Sub-Fund in such a manner that it should not be treated as tax resident enterprise of the PRC or non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

If a Sub-Fund is a non-PRC tax resident enterprise without a PE in the PRC, the PRC sourced income derived by it from the investment in PRC securities would be subject to 10% PRC withholding income tax ("WIT") in the PRC, unless exempt or reduced under the PRC tax law and regulations or relevant tax treaty.

<u>Interests</u>

Under the current PRC CIT Law, interest derived by non-PRC investors which do not have a PE in the PRC from non-government bonds (including policy bank bonds) issued by PRC enterprises should be subject to WIT at 10%, which may be reduced by the applicable tax treaty or domestic regulation. Generally, the enterprise distributing the interest should withhold the WIT.

Under the PRC CIT Law and regulations, interests derived from government bonds issued by the MOF and/or local government bonds approved by the State Council shall be exempt from CIT. The term "local government bonds" refers to bonds which are approved by the State Council to be issued by governments of provinces, autonomous regions, municipalities directly under the PRC government or municipalities separately listed on the state plan.

On 7 November 2018, the MOF and the STA issued Caishui [2018] No. 108 ("Circular 108"), which stipulated that foreign institutional investors (including the Sub-Funds) are temporarily exempted from WIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the PRC bond market. Further on 22 November 2021, the MOF STA issued Public Notice [2021] No. 34 ("Public Notice 34") to extend the temporary exemption to 31 December 2025. It is uncertain whether such exemption policy would be extended after 31 December 2025.

Capital gains

Under current PRC tax law, there are no specific rules or regulations governing the WIT of the disposal of debt securities issued by PRC tax resident enterprises. Thus, the tax treatment for investment in debt securities issued by PRC tax residents is governed by the general taxing provisions of the PRC CIT Law. Under such general taxing provision, each Sub-Fund would be potentially subject to 10% WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties.

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

In addition to the verbal comments, Article 13.7 of the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" (the "China-HK Arrangement") provides that any gains derived by a Hong Kong tax resident from the disposal of PRC properties that are not referred to in Articles 13.1 to 13.6 of the China-HK Arrangement shall be taxable only in Hong Kong. As the debt instruments issued by the PRC tax resident enterprises are not referred to in Articles 13.1 to 13.6 of the China-HK Arrangement, capital gains derived by the Hong Kong tax resident from the disposal of debt instruments issued by the PRC tax resident enterprises should be eligible for treaty relief (i.e. not subject to WIT) provided all the other relevant treaty conditions are satisfied.

In practice, the PRC authorities have not actively enforced the collection of WIT in respect of gains realised by non-PRC tax resident enterprise from the trading of PRC debt securities in public market.

Value-added tax ("VAT") and other surtaxes

On 23 March 2016, the MOF and the STA jointly issued the "Notice on the Comprehensive Rollout of the B2V Transformation Pilot Program" (the "B2V Pilot Program") Caishui [2016] No.36 ("Circular 36") announcing that the B2V Pilot Program would be rolled out to cover all remaining industries, including financial services. Circular 36 has taken effect from 1 May 2016.

Interest income

Pursuant to Circular 36, interest income derived from bonds issued by PRC tax resident enterprises should technically be subject to 6% VAT plus local surtaxes, unless specifically exempted. Interest income received from PRC government bonds issued by the MOF and/or local government bonds approved by the State Council are exempted from VAT. According to Circular 108, foreign institutional investors (including the Sub-Funds) are temporarily exempted from VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the PRC bond market. The temporary exemption is extended to 31 December 2025 pursuant to Public Notice 34. It is uncertain whether such exemption policy would be extended after 31 December 2025.

Capital gains

Pursuant to Circular 36, gains realised from the trading of PRC marketable securities would generally be subject to VAT at 6%. Based on Article 4 of the "Supplementary Notice Regarding the VAT Policies on Inter-bank Financial Transactions by Financial Institutions" (Caishui [2016] No. 70), income derived by approved foreign investors from the trading of RMB denominated debt securities in the PRC inter-bank bond market should be exempt from VAT. There are no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through “Northbound Trading” should also be exempt from VAT. In practice, the PRC tax authorities have not enforced VAT on capital gains derived by foreign investors from the Bond Connect.

If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would also be charged at an amount as high as 12% of the VAT payable.

General

It should also be noted that the actual applicable tax imposed by the PRC tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. As such, any provision for tax made by the Manager for the account of each Sub-Fund may be excessive or inadequate to meet final PRC tax liabilities. Consequently, Unitholders of a Sub-Fund may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units in/from the Sub-Fund.

If the actual applicable tax levied by the PRC tax authorities is higher than that provided for by the Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of a Sub-Fund may suffer more than the tax provision amount as that Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Unitholders will be disadvantaged.

On the other hand, if the actual applicable tax rate levied by the PRC tax authorities is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Unitholders who have redeemed Units in the relevant Sub-Fund before the PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Manager's over-provision. In this case, the then existing and new Unitholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax amount can be returned to the account of the relevant Sub-Fund as assets thereof.

The Manager will closely monitor any further guidance by the relevant PRC tax authorities and adjust the tax provisioning policy of each Sub-Fund accordingly. Upon any future resolution of the above-mentioned uncertainty or further changes to the tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision (if any) as they consider necessary. The amount of any such tax provision will be disclosed in the accounts of each Sub-Fund.

Any provision for WIT or VAT, where applicable, on gains or income derived from the investment in debt securities via the PRC inter-bank bond market may reduce the income from, and/or adversely affect the performance of, a Sub-Fund. The amount withheld will be retained by the Manager for the account of the relevant Sub-Fund until the position with regard to PRC taxation of the Sub-Fund in respect of its gains and income from the investment in PRC debt securities via the PRC interbank bond market has been clarified. In the event that such position is clarified to the advantage of the Sub-Fund, the Manager may rebate all or part of the withheld amount to the Sub-Fund. The withheld amount so rebated shall be retained by the Sub-Fund and reflected in the value of its Units. Notwithstanding the foregoing, no Unitholder who redeemed his Units before the rebate of any withheld amounts shall be entitled to claim any part of such rebate.

Various tax reform policies have been implemented by the PRC government in the recent years, and the existing tax laws and regulations may be revised or amended in the future. Moreover, there is no assurance that the tax incentives currently offered to the foreign investors, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in the tax policies may reduce the incomes of a Sub-Fund, thereby reducing the income from, and/or value of the Units. Unitholders should seek their own tax advice on their own tax position with regard to their investment in a Sub-Fund.

FATCA and compliance with US withholding requirements

The US Hiring Incentives to Restore Employment Act (the “HIRE Act”) was signed into US law in

March 2010 and includes provisions commonly referred to as the “Foreign Account Tax Compliance Act” or “FATCA”. Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the Internal Revenue Code, which impose a new reporting regime with respect to financial accounts held by specified US persons (within the meaning of the Internal Revenue Code) (“Specified US Persons”) with foreign financial institutions (“FFIs”), such as the Trust and each Sub-Fund. US source withholdable payments, including US source interests and dividends paid from securities of US issuers and gross proceeds from the sale of such securities, made to a financial account may be subject to withholding at a rate of 30%, unless the account holders provide sufficient information to the financial institutions to enable the financial institutions to identify such account holder’s FATCA classification. To avoid such withholding on payments received, FFIs (including banks, brokers, custodians and investment funds), such as the Trust and each Sub-Fund, located in jurisdictions that have not signed intergovernmental agreements for implementation of FATCA (each an “IGA”), will be required to register and enter into an agreement (an “FFI Agreement”) with the IRS to be treated as a participating FFI (but see paragraph below regarding IGA status of Hong Kong). Participating FFIs are required to identify all investors that are Specified US Persons and report information concerning such Specified US Persons to the IRS. The FFI Agreement will also generally require that a participating FFI deduct and withhold 30% from US source withholdable payments made by the participating FFI to investors who fail to cooperate with certain information requests made by the participating FFI (“FATCA Withholding”).

FATCA Withholding applies to (i) payments of US source FDAP (fixed, determinable, annual or periodical) income, including US source dividends and interest, made after 30 June 2014; and (ii) payments of gross proceeds of sale or other disposal of property that can produce US source FDAP income after 31 December 2018. The 30% withholding could also apply to payments otherwise attributable to US source income (also known as “foreign passthru payments”). Withholding agents (which includes participating FFIs) have generally been required to begin withholding on US source withholdable payments made after 30 June 2014. The first reporting deadline for information on relevant financial accounts (e.g. account held by Specified US Persons) for FFIs that have entered into the FFI Agreement was 31 March 2015 with respect to information relating to the 2014 calendar year.

The United States Department of the Treasury and Hong Kong entered into a Model 2 IGA (the “Model 2 IGA”) effective from 30 June 2014. The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Further, withholding may continue to apply to US source withholdable payments if the Trust and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant.

The Trust has been registered with the IRS as a Single Foreign Financial Institution with Global Intermediary Identification Number of U507UG.99999.SL.344. Each Sub-Fund, namely, Global X S&P Crude Oil Futures Enhanced ER ETF, Global X Bloomberg MSCI Asia ex Japan Green Bond ETF, Global X FTSE China Policy Bank Bond ETF and Global X Asia Pacific High Dividend Yield ETF, has been registered with the IRS as Single Foreign Financial Institutions with Global Intermediary Identification Number of VC4L62.99999.SL.344, 3H5XIJ.99999.SL.344, 4UIVS1.99999.SL.344 and 1UHAAR.99999.SL.344, respectively. In order to protect Unitholders’ interests in the Trust and avoid being subject to FATCA Withholding, it is the Manager’s and the Trustee’s intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Trust (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of Unitholders that are identified as Specified US Persons to the IRS or the local authorities pursuant to the terms of an applicable IGA (as the case may be) including certain Unitholders who fail to provide relevant information and documents required to identify their FATCA status, or fail to provide consent to the Trust to report, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions. Reporting and FATCA Withholding may also be required on Unitholders that are identified as non-FATCA compliant financial institutions (i.e. non-participating FFIs). As at the date of this Prospectus, all Listed Class of Units in the Sub-Funds are registered in the name of HKSCC Nominees Limited. It is the Manager’s understanding that HKSCC Nominees Limited is registered as a reporting foreign financial institution under the Model 2 IGA.

Although the Manager, the Trust and the Sub-Funds will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Manager, the Trust and the Sub-Funds will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The FATCA provisions are complex and certain implications may be uncertain at this time. The above description is provided based in part on regulations, official guidance and model IGAs currently available, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Unitholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Unitholders should therefore consult their own tax and professional advisers regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.

SCHEDULE 1 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS

THE OFFERING PHASES

This Schedule 1 contains disclosure relating to the Listed Class of Units only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to a Listed Class of Units of a Sub-Fund or an Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class Units (to be available for trading on the Listing Date) by means of cash Creation Applications on each Dealing Day for themselves and/or their clients by transferring cash in accordance with the Operating Guidelines.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Manager (with a copy to the Trustee and the Registrar) on a Business Day no later than 4 Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Trustee after 4 Business Days prior to the Listing Date or such deadline as specified in the relevant Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the first Dealing Day commencing the Listing Date, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Unit size, which is the number of Units specified in the relevant Appendix. Participating Dealers (acting for themselves or for their clients) can apply for Units on each Dealing Day at the Issue Price.

Please refer to the section headed "Creations and Redemptions (Primary Market)" for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the relevant Listed Class of Units terminated.

You can acquire or dispose the Listed Class of Units in either of the following two ways:

(a) buy and sell Units on the SEHK; or

(b) apply for creation and redemption of Units through Participating Dealers.

Buying and selling of Listed Class of Units on the SEHK

After Listing, all investors can buy and sell Listed Class of Units in Trading Board Lot Size (as described in the section headed "Key Information" in the relevant Appendix) or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units in the secondary market may be higher or lower than the Net Asset Value per Unit.

Please refer to the section headed “Exchange Listing and Trading (Secondary Market)” for further information in respect of buying and selling of Listed Class of Units on the SEHK.

Creations and redemptions through Participating Dealers

Listed Class of Units will continue to be created and redeemed in the primary market at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. The Application Unit size and the currency for settlement are set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Creation Applications or Redemption Applications to the Manager (with a copy to the Trustee and the Registrar) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application or Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application or Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application or Redemption Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

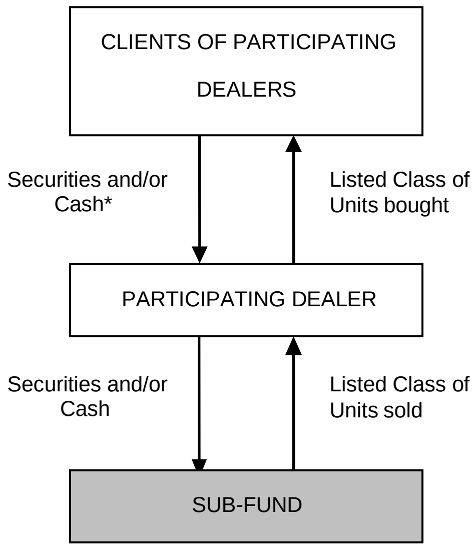
Settlement in cash for subscribing Listed Class of Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Listed Class of Units is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, in each case, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case. Notwithstanding any Dual Counter (if applicable) for Listed Class of Units, all settlement is in the base currency of the relevant Sub-Fund only.

After Listing, all Listed Class of Units will be registered in the name of HKSCC Nominees Limited on the register of the Trust. The register of the Trust is the evidence of ownership of Units. The beneficial interests in Listed Class of Units of any client of the Participating Dealers shall be established through such client’s account with the relevant Participating Dealer or with any other CCASS participants if the client is buying from the secondary market.

Diagrammatic illustration of investment in a Sub-Fund

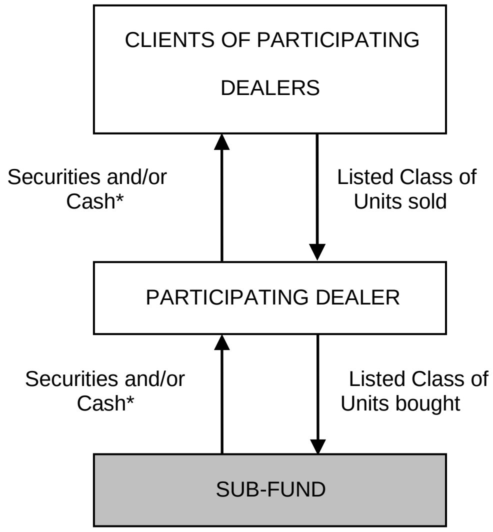
The diagrams below illustrate the creation or redemption and the buying or selling of Listed Class of Units:

(a) Creation and buying of Listed Class of Units in the primary market – Initial Offer Period and After Listing



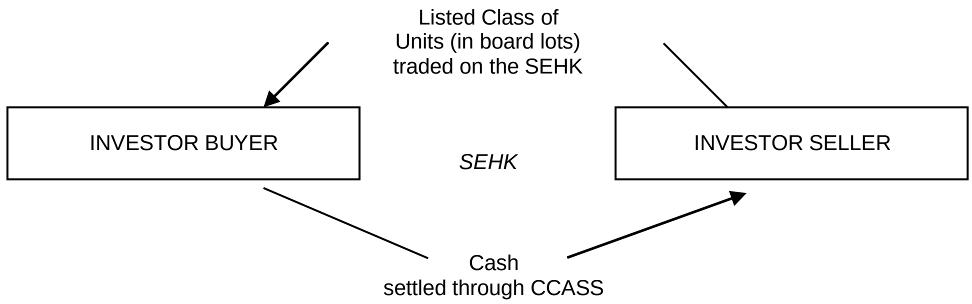
* *Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency to the creation currency.*

(b) Redemption and sale of Listed Class of Units in the primary market – After Listing



** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency to the redemption currency.*

(c) Buying or selling of Listed Class Units in the secondary market on the SEHK – After Listing



Summary of offering methods and related fees

Initial Offer Period

Method of Offering*	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Cash creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

In-kind creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

After Listing

Method of Acquisition or Disposal of Units*	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges****
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK Brokerage fees and Duties and Charges
Cash creation and cash redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation and redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

* *The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind or in cash, are specified in the relevant Appendix.*

** *Please refer to the section headed "Fees and Expenses" for further details. The currency for payment of subscription monies is specified in the relevant Appendix.*

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in the Listed Class of Units a Sub-Fund

There are 2 methods of making an investment in the Listed Class of Units of a Sub-Fund and of disposing of the Listed Class of Units to realise an investment in a Sub-Fund.

The first method is to create or to redeem Listed Class of Units at Net Asset Value directly with a Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Where a Sub-Fund has a Dual Counter, although a Participating Dealer may, subject to arrangement with the Manager, elect to CCASS to have Units which it creates deposited in any available counter, all creation and redemption for all Units must be in the Class Currency of the relevant Listed Class of Units as specified in the relevant Appendix. Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Listed Class of Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Listed Class of Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Listed Class of Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Listed Class of Units may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Operating Guidelines and the Trust Deed. The section headed "Exchange Listing and Trading (Secondary Market)" relates to the second method of investment.

Creation of Listed Class of Units through Participating Dealers

Any application for the creation of Listed Class of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size as set out in the section headed "Key Information" in the relevant Appendix. Investors cannot acquire Listed Class of Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Manager (with a copy to the Trustee and the Registrar).

Listed Class of Units in each Sub-Fund are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day for its own account or for the account of their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Manager (with a copy to the Trustee and the Registrar).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such requests; (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Units for the relevant initial Participating Dealer on behalf of such clients (please refer to the sub-section headed "Creation process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such creation requests.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of the relevant Sub-Fund, (ii) the redemption of Listed Class of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts in the relevant Index;

(c) where acceptance of the creation request in connection with such creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or

(d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request.

Requirements relating to creation requests by potential investors

The methods and currency of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the creation of Units in exchange for a transfer of Securities) or in cash or (if permitted by the Manager) both in-kind and in cash, are specified in the relevant Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method. Specifically, the Manager has the right to (a) accept cash equal to or in excess of the market value at the Valuation Point for the relevant Dealing Day of such Security in lieu of accepting such Security as constituting part of the Creation Application; or (b) accept cash collateral on such terms as it determines if (i) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee in connection with the Creation Application; or (ii) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

Notwithstanding a Dual Counter being adopted for a Sub-Fund, cash payable to a Participating Dealer in a cash Creation Application for Listed Class of Units of the Sub-Fund must be in the Class Currency of the relevant Listed Class of Units. Units which are created must be deposited in CCASS as Units in the trading counter of its base currency (i.e. tradeable in its base currency only) initially to the extent that such trading counter is available, unless otherwise specified in the relevant Appendix.

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

A Participating Dealer may impose fees and charges in handling any creation request from investors which would increase the cost of investment. Investors are advised to check with the Participating Dealer as to the relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such creation requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by the Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of a Sub-Fund can be submitted by it to the Manager (with a copy to the Trustee and the Registrar). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for a Sub-Fund is the number of Listed Class of Units specified in the relevant Appendix. Creation Applications submitted in respect of Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for each Sub-Fund is one Application Unit.

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of Listed Class of Units of a Sub-Fund to the Manager (with a copy to the Trustee and the Registrar), following receipt of creation requests from its clients or where it wishes to create Listed Class of Units of the relevant Sub-Fund for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline after Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK, the Recognised Stock Exchange or the Recognised Futures Exchange are reduced.

To be effective, a Creation Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Listed Class of Units and the class of Units (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Listed Class of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the creation of Listed Class of Units which are the subject of the Creation Application.

The Manager shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of the relevant Sub-Fund or Listed Class of Units, (ii) the redemption of the relevant Sub-Fund or Listed Class of Units, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or Listed Class of Units is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund or Listed Class of Units;

(c) where in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market on which a Security and/or Futures Contracts, as the case may be (that is a component of the Index for the relevant Sub-Fund) has its primary listing;

(d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts, as the case may be (that is a component of the Index for the relevant Sub-Fund);

(e) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;

(f) circumstances outside the control of the Manager which make it for all practicable purposes impossible to process the Creation Application;

(g) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of a Creation Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Listed Class of Units which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

The Manager's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective Creation Application, the Manager may exercise its ultimate rights to reject such Creation Application in the circumstances described herein.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the relevant Sub-Fund, the creation of Listed Class of Units in Application Unit size in exchange for a transfer of cash; and (ii) the issue of Listed Class of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer Listed Class of Units to the relevant client if the Creation Application was submitted by the Participating Dealer for the account of its client.

Issue of Listed Class of Units

Listed Class of Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Trustee may add to such Issue Price a sum (if any) which represents an appropriate provision for Duties and Charges. Please refer to the section headed "Issue Price and Redemption Value" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Listed Class of Units in a Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Listed Class of Units in that Sub-Fund on the relevant Initial Issue Date.

Units are denominated in the in the Class Currency of the relevant Listed Class of Units (unless otherwise determined by the Manager) as set out in the relevant Appendix and no fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Listed Class of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but, for valuation purposes only, Listed Class of Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section headed "Fees and Expenses" for further details.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the register if at any time the Trustee is of the opinion that the provisions as set out in the Trust Deed, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Units, are being infringed.

Fees relating to Creation Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Listed Class of Units. See the section headed "Fees and Expenses" for further details.

In relation to cash creation of Listed Class of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing a Sub-Fund for the difference between:

(a) the prices used when valuing the Securities and/or Futures Contracts, as applicable, of the relevant Sub-Fund for the purpose of such issue of Units; and

(b) the prices which would be used when acquiring the same Securities and/or Futures Contracts, as applicable, if they were acquired by the relevant Sub-Fund with the amount of cash received by the relevant Sub-Fund upon such issue of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Listed Class of Units shall not be added to the Issue Price of such Unit and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once submitted cannot be revoked or withdrawn without the consent of the Manager.

The Trustee, after consultation with the Manager may cancel a creation order in respect of any Listed Class of Units deemed created pursuant to a Creation Application if it has not received the full amount of the cash (including Transaction Fee, Duties and Charges) relating to the Creation Application by the Dealing Day, provided that the Manager may at its discretion extend the settlement period and such extension to be on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may determine and in accordance with the provisions of the Operating Guidelines.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Listed Class of Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Listed Class of Units deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Manager's consent a Creation Application (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of creations of Units), any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Listed Class of Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section headed "Fees and Expenses" for further details);

(b) the Manager may at its discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Listed Class of Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Listed Class of Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section headed "Fees and Expenses" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Listed Class of Units.

Redemption of Listed Class of Units through Participating Dealers

Any application for the redemption of Listed Class of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size. Investors cannot redeem Listed Class of Units directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Manager (with a copy to the Trustee and the Registrar).

A Participating Dealer may redeem Listed Class of Units on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Manager (with a copy to the Trustee and the Registrar).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Listed Class of Units for the relevant initial Participating Dealer on behalf of its clients (please refer to the sub-section headed "Redemption process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such redemption request.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of the relevant Sub-Fund or Listed Class of Units, (ii) the redemption of the relevant Sub-Fund or Listed Class of Units, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or Listed Class of Units is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts in the Index;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or

(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request.

Requirements relating to redemption requests by potential investors

The methods and currency of redemption available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the redemption of Units in exchange for a transfer of Securities plus any cash amount) or in cash only, are as set out in the relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method. Specifically, the Manager has the right to instruct the Trustee to deliver cash equivalent of any Security in connection with the Redemption Application to the Participating Dealer if (a) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery in connection with the Redemption Application; or (b) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

Unless otherwise specified in the relevant Appendix, any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid in the base currency of the relevant Sub-Fund only. Units traded in the relevant trading currency (or if there is a Dual Counter, in both trading currencies) may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem Units traded in a trading currency of a Sub-Fund which is not its base currency, the redemption process is the same as for Units traded in the base currency of the relevant Sub-Fund.

A Participating Dealer may impose fees and charges in handling any redemption request from the investors which would increase the cost of investment and/or reduce the redemption proceeds. Investors are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of the Listed Class of Units of a Sub-Fund can be submitted by it to the Manager (with a copy to the Trustee and the Registrar). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of the Listed Class of Units of a Sub-Fund to the Manager (with a copy to the Trustee and the Registrar), following receipt of redemption requests from clients or where it wishes to redeem Listed Class of Units of the relevant Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK, the Recognised Stock Exchange or the Recognised Futures Exchange are reduced.

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Listed Class of Units and the class of Units (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Operating Guidelines (if any) in respect of redemptions of Listed Class of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Listed Class of Units which are the subject of the Redemption Application.

The Manager shall have the right to reject, acting in good faith, any Redemption Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of the relevant Sub-Fund or Listed Class of Units, (ii) the redemption of the relevant Sub-Fund or Listed Class of Units, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or Listed Class of Units is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund or Listed Class of Units;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts in the relevant Index;

(d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or

(f) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of a Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Units; and (ii) require the Trustee to transfer to the Participating Dealer cash in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the Securities and/or cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Listed Class of Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a

Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Listed Class of Units to be cancelled (or an indemnity in terms acceptable to the Trustee) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Listed Class of Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those Units redeemed and cancelled on the relevant Settlement Day.

Unless otherwise specified in the relevant Appendix, the Redemption Value of Listed Class of Units tendered for redemption and cancellation shall be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the relevant Listed Class of Units as at the relevant Valuation Point divided by the total number of the relevant Listed Class of Units then in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). The benefit of any rounding adjustments will be retained by the relevant Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Listed Class of Units is not suspended.

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the Sub-Funds). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent. See the section headed “Fees and Expenses” for further details.

In relation to cash redemption of Listed Class of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the relevant Sub-Fund for the difference between:

(a) the prices used when valuing the Securities and/or Futures Contracts as applicable of the relevant Sub-Fund for the purpose of such redemption of Units; and

(b) the prices which would be used when selling the same Securities and/or Futures Contracts as applicable if they were sold by the relevant Sub-Fund in order to realize the amount of cash required to be paid out of the relevant Sub-Fund upon such redemption of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Cancellation of Redemption Applications

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

No cash amount shall be paid in respect of any Redemption Application unless the Listed Class of Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other deadline set forth in the Trust Deed and/or Operating Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that any Listed Class of Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of redemptions of Listed Class of Units):

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section headed “Fees and Expenses” for further details);

(b) the Manager may at its discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Listed Class of Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities and Futures Contracts made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section headed “Fees and Expenses” for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Suspension of creations and redemptions

The Manager may, at its discretion, in consultation with the Trustee (and where practicable, after consultation with Participating Dealers), having regard to the best interests of Unitholders, suspend the creation or issue of Listed Class of Units of any Sub-Fund(s), suspend the redemption of Listed Class of Units of any Sub-Fund(s) and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies in respect of any Creation Application and/or Redemption Application in the following circumstances:

(a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(b) during any period when a market on which a Security and/or Futures Contract, as the case may be (that is a component of the Index) has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which a Security and/or Futures Contract, as the case may be (that is a component of the Index) has its primary listing is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or Futures Contracts (as the case may be) in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or Futures Contracts, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;

(f) during any period when the Index for the relevant Sub-Fund is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or Listed Class of Units or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund or Listed Class of Units is suspended or if any circumstance specified in the sub-section headed "Suspension of Determination of Net Asset Value" arises; or

(i) during any period when the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee, in respect of any Creation Application and/or Redemption Application in the relevant Sub-Fund or Listed Class of Units is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager may, in consultation with the Trustee, having regard to the best interests of Unitholders, suspend the right to subscribe for Listed Class of Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single entity and the SFC has not agreed to waive this prohibition under the Code. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single entity and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall immediately notify the SFC and immediately publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at https://www.globalxetfs.com.hk/ (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any cash received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

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

Evidence of unitholding

Listed Class of Units will be deposited, cleared and settled by CCASS. Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Listed Class of Units deposited with CCASS and is holding such Units for the participants in accordance with the General Rules of CCASS. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of CCASS neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Listed Class of Units. Investors owning Listed Class of Units in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be) who are participants of CCASS.

Transfer of Listed Class of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager.

As all Listed Class of Units will be held in CCASS, the Manager's consent is deemed given where an investor is transferring his interest in Listed Class of Units within CCASS. A Unitholder is entitled to transfer Listed Class of Units held by him by using the standard transfer form issued by SEHK or by an instrument in writing in such other form (and if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution) as the Trustee may from time to time approve. The transferor will be deemed to remain the Unitholder of the Listed Class of Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Listed Class of Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only.

If and to the extent that all Listed Class of Units are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a participant of CCASS and to whose account any Units are for the time being allocated in accordance with the General Rules of CCASS.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

The purpose of the listing of the Listed Class of Units on the SEHK is to enable investors to buy and sell Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Listed Class of Units in the primary market.

The market price of a Unit in the Listed Class of Units listed or traded on the SEHK may differ from the Net Asset Value per Unit. Any transactions in the Listed Class of Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Listed Class of Units are listed on the SEHK they will remain listed.

The Manager use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class of Units of each Sub-Fund. Where a Dual Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each available counter although these Market Makers may be the same entity. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager may make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

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

If you wish to buy or sell Listed Class of Units on the secondary market, you should contact your brokers.

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

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of any Sub-Fund on one or more other stock exchanges.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Please also refer to the relevant Appendix of each Sub-Fund for additional disclosures on secondary market trading.

ISSUE PRICE AND REDEMPTION VALUE

Unless otherwise specified in the relevant Appendix, the Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Listed Class of Units of a Sub-Fund will be a fixed amount per Unit, or a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), or such other amount from time to time determined by the Manager and the Trustee. The Issue Price during the Initial Offer Period of each Listed Class of Units of a Sub-Fund will be set out in the relevant Appendix.

Unless otherwise specified in the relevant Appendix, after the expiry of the Initial Offer Period, the Issue Price of Listed Class of Units created and issued pursuant to a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the relevant Listed Class of Units as at the relevant Valuation Point divided by the total number of the relevant Listed Class of Units then in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

Unless otherwise specified in the relevant Appendix, the Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the relevant Listed Class of Units as at the relevant Valuation Point divided by the total number of the relevant Listed Class of Units then in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.globalxetfs.com.hk/ (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or published in such other publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by a Participating Dealer.

SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS OF UNITS

This Schedule 2 contains disclosure relating to the Unlisted Class of Units only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to an Unlisted Class of Units of a Sub-Fund or an Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

SUBSCRIPTION OF UNLISTED CLASS OF UNITS

Initial issue of Unlisted Class of Units

During an Initial Offer Period, Unlisted Class of Units in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Unit determined by the Manager in its absolute discretion as specified in the relevant Appendix.

If specified in the relevant Appendix, in the event that the total amount received by the Trustee from the subscription of the Unlisted Class of Units reaches a maximum amount for aggregate subscriptions (as specified in the relevant Appendix) at any time during an Initial Offer Period, the Manager is entitled (but not obliged) to close the relevant Class of Units to further subscriptions before the end of the relevant Initial Offer Period.

If specified in the relevant Appendix, the Manager may decide not to issue any Unlisted Class of Units in the event that less than a minimum amount for aggregate subscriptions (as specified in the relevant Appendix) is raised during the relevant Initial Offer Period or if the Manager is of the opinion that it is not commercially viable to proceed. In such event subscription monies paid by an applicant will be returned by cheque by post or by telegraphic transfer or such other means as the Manager and the Trustee consider appropriate at the applicant's risk (without interest and net of expenses) promptly after the expiry of the Initial Offer Period.

Unlisted Class of Units will be issued immediately following the close of the Initial Offer Period or such other Business Day as the Manager may determine. Dealing of the Unlisted Class of Units will commence on the Dealing Day immediately following the closure of the relevant Initial Offer Period.

Subsequent issue of Unlisted Class of Units

Following the close of the relevant Initial Offer Period, Unlisted Class of Units will be available for issue on each Dealing Day at the relevant Subscription Price.

Unless otherwise specified in the relevant Appendix, the Subscription Price on any Dealing Day will be the price per Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant Sub-Fund attributable to the relevant Unlisted Class of Units as at the Valuation Point in respect of the relevant Dealing Day by the total number of the relevant Unlisted Class of Units then in issue and rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. The benefit of any rounding adjustment will be retained by the relevant Sub-Fund. The Subscription Price will be calculated and quoted in the relevant Class Currency of the relevant Unlisted Class of Units.

The Manager is entitled to impose a subscription fee on the subscription monies for the application for the issue of Unlisted Class of Units. The Manager may, either generally or in any particular case, differentiate as to the amount of the subscription fee to be levied in respect of different Sub-Funds or classes of Units, differentiate between applicants as to the amount of the subscription fee to be levied and/or allow to persons a discount to the subscription fee on such basis or on such scale as the Manager may think fit. For the avoidance of doubt, the Manager will charge the same rate of subscription fee for all applicants in the same Unlisted Class of Units. The Manager may retain the benefit of such subscription fee or may pay all or part of the subscription fee (and any other fees received) to recognised intermediaries or such other persons as the Manager may at its absolute discretion determine. Details of the subscription fee are set out in the section headed "Fees and Expenses" in the Prospectus.

The Manager may, in its absolute discretion and taking into account the best interest of the Unitholders, require an applicant to pay by way of a fiscal charge, in addition to the Subscription Price of the subscription proceeds and any subscription fee, a further amount which it reasonably considers to represent an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, or (c) other charges which are customarily incurred in investing a sum equal to the application monies and issuing the relevant Units or of delivery or issue of certificates in respect thereof or the remittance of money to the Trustee. Such fiscal charges will be retained by the relevant Sub-Fund. Please refer to the paragraph headed “Fiscal charges” under the sub-section headed “Fees and Expenses Payable in respect of an Unlisted Class of Units only” under the section headed “Fees and Expenses” in this Prospectus for further information.

Application procedure

To subscribe for Unlisted Class of Units, an applicant should complete a subscription application form (a “Subscription Form”) and return the original Subscription Form, together with the required supporting documents, to the Trustee/Registrar by post, facsimile or other electronic means from time to time determined by the Manager or the Trustee. The original Subscription Form is not required to be submitted unless otherwise required by the Manger or the Trustee. Applicants who choose to send a Subscription Form by fax or other electronic means bear the risk of the form not being received by the Trustee. Applicants should therefore, for their own benefit, confirm with the Trustee safe receipt of a Subscription Form. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to an applicant for any loss resulting from non-receipt or illegibility of any Subscription Form sent by fax or other electronic means or for any loss caused in respect of any action taken as a consequence of such application believed in good faith to have originated from properly authorised persons.

Applications for Unlisted Class of Units during the relevant Initial Offer Period must be received by the Registrar no later than the relevant time specified in the relevant Appendix on the last day of the relevant Initial Offer Period. After the Initial Offer Period, applications must be received by the Trustee/Registrar by the relevant Dealing Deadline. Application requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

Each applicant whose application is accepted will be sent a contract note confirming details of the purchase of Unlisted Class of Units but no certificates will be issued.

Applicants may apply for Unlisted Class of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Where an applicant applies for Unlisted Class of Units through a distributor, the Manager and the Trustee will treat the distributor (or its nominee) as the applicant. The distributor (or its nominee) will be registered as Unitholder of the relevant Unlisted Class of Units. The Manager and the Trustee will treat the distributor (or its nominee) as the Unitholder and shall not be responsible for any arrangements between the relevant applicant and the distributor regarding the subscription, holding and redemption of Unlisted Class of Units and any related matters, as well as any costs or losses that may arise therefrom. The Manager will, however, take all reasonable care in the selection and appointment of distributors.

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

The Manager may, at its discretion, reject in whole or in part any application for Unlisted Class of Units. In the event that an application is rejected, application monies will be returned without interest and net of expenses by cheque through the post or by telegraphic transfer or by such other means as the Trustee considers appropriate at the risk of the applicant.

No applications for Unlisted Class of Units will be dealt with during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details see "Suspension of Determination of Net Asset Value" in the main Prospectus).

Payment procedure

Subscription monies should be paid in the Class Currency of the relevant Unlisted Class of Units. Subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Class of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager. Payment details are set out in the Subscription Form.

Subscription monies paid by any person other than the applicant will not be accepted.

The Manager may exercise its discretion to accept late payment of subscription monies, provisionally allot Unlisted Class of Units by reference to the Net Asset Value of the relevant class of Units in the relevant Sub-Fund and charge interest on such overdue monies until payment is received in full, at such rate as the Manager thinks appropriate. However, if payment of subscription monies in cleared funds are not made within such period as determined by the Manager, the application may, at the discretion of the Manager, be considered void and cancelled. Upon such cancellation, the relevant Unlisted Class of Units shall be deemed never to have been issued and the applicant shall have no right to claim against the Manager, the Trustee or the Registrar and any loss will be borne by the applicant, provided that: (i) no previous valuations of the relevant Sub-Fund shall be re-opened or invalidated as a result of the cancellation of such Units; (ii) the Trustee shall be entitled to charge the applicant a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation; and (iii) the Manager may require the applicant to pay, for the account of the relevant Sub-Fund, in respect of each such Unit cancelled, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of cancellation.

Payment in other freely convertible currencies may be accepted. Where amounts are received in a currency other than the relevant Class Currency, they will be converted into the relevant Class Currency and the proceeds of conversion (after deducting the costs of such conversions) will be applied in the subscription of Unlisted Class of Units in the relevant class of the relevant Sub-Fund. Conversion of currencies may involve delay. Bank charges (if any) incurred in converting the subscription monies shall be borne by the relevant applicant and accordingly will be deducted from the subscription proceeds.

General

All holdings of Unlisted Class of Units will be in registered form and certificates will not be issued. Evidence of title of Unlisted Class of Units will be the entry on the register of Unitholders in respect of each Sub-Fund. Unitholders should therefore be aware of the importance of ensuring that the Registrar is informed of any change to the registered details. Fractions of a Unit may be issued rounded down to the nearest four decimal places. Subscription monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund. A maximum of four persons may be registered as joint Unitholders.

REDEMPTION OF UNLISTED CLASS OF UNITS

Redemption procedure

Unitholders of Unlisted Class of Units who wish to redeem their Units in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Trustee/Registrar.

Any redemption request must be received by the Trustee/Registrar before the Dealing Deadline. Investors redeeming Unlisted Class of Units through a distributor (or its nominee) should submit their redemption requests to the distributor (or its nominee) in such manner as directed by the distributor (or its nominee). Distributors (or their nominees) may have different dealing procedures, including earlier cut-off times for receipt of redemption requests. Where an investor holds its investment in Unlisted Class of Units through a distributor (or its nominee), the investor wishing to redeem such Units must ensure that the distributor (or its nominee), as the registered Unitholder, submits the relevant redemption request by the Dealing Deadline. Redemption requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

A redemption request may be sent by post, facsimile or other electronic means from time to time determined by the Manager or the Trustee. The redemption request must specify: (i) the name of the relevant Sub-Fund, (ii) the relevant Class and the value or number of Unlisted Class of Units to be redeemed, (iii) the name(s) of the registered Unitholder(s) and (iv) payment instructions for the redemption proceeds.

Unless otherwise requested by the Manager or the Trustee, the original of any redemption request is not required to be submitted. A Unitholder who chooses to send an application form by fax or other electronic means bears the risk of the form not being received by the Trustee. Unitholders should therefore, for their own benefit, confirm with the Trustee safe receipt of a redemption request. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to a Unitholder for any loss resulting from non-receipt or illegibility of any redemption request sent by fax or other electronic means or for any loss caused in respect of any action taken as a consequence of such request believed in good faith to have originated from properly authorised persons.

Partial redemption of a holding of Unlisted Class of Units in a Sub-Fund by a Unitholder may be effected, provided that such redemption will not result in the Unitholder holding Unlisted Class of Units in a class less than the minimum holding for that Class specified in the relevant Appendix. In the event that, for whatever reason, a Unitholder's holding of Unlisted Class of Units in a class is less than such minimum holding for that class, the Manager may give notice requiring such Unitholder to submit a redemption request in respect of all the Unlisted Class of Units of that class held by that Unitholder or deem such request to have been made in respect of all Units of the relevant Class held by the Unitholder. A request for a partial redemption of Unlisted Class of Units with an aggregate value of less than the minimum amount for each class of Units specified in the relevant Appendix (if any) will not be accepted.

All redemption requests must be signed by the Unitholder or, in the case of joint Unitholders, such one or more joint Unitholders who have been authorised to sign such requests on behalf of the other joint Unitholders (where such authorisation has been notified in writing to the Registrar) or, in the absence of such notification, by all joint Unitholders.

Payment of redemption proceeds

Unless otherwise specified in the relevant Appendix, the Redemption Price on any Dealing Day will be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the relevant Unlisted Class of Units as at the Valuation Point divided by the total number of the relevant Unlisted Class of Units then in issue and rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. The benefit of any rounding adjustment will be retained by the relevant Sub-Fund. The Redemption Price will be calculated and quoted in the relevant Class Currency of the relevant Unlisted Class of Units.

In determining the Redemption Price, the Manager may, in its absolute discretion and taking into account the best interest of the Unitholders, deduct by way of a fiscal charge an amount which it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, or (c) other charges which are customarily incurred in selling the Securities constituting the Trust Fund of the relevant Sub-Fund or the remittance of money to the Trustee. Such fiscal charges will be retained by the relevant Sub-Fund. Please refer to the paragraph headed "Fiscal charges" under the sub-section headed "Fees and Expenses Payable in respect of an Unlisted Class of Units only" under the section headed "Fees and Expenses" in this Prospectus for further information.

The Manager may at its option impose a redemption fee in respect of the Unlisted Class of Units to be redeemed as described in the section headed "Fees and Expenses" in the main Prospectus. The Manager may on any day in its sole and absolute discretion differentiate between Unitholders as to the amount of the redemption fee to be imposed (within the permitted limit provided in the Trust Deed) on each Unitholder.

The amount due to a Unitholder on the redemption of an Unlisted Class of Units will be the Redemption Price, less any redemption fee. The redemption fee will be retained by the Manager.

Unitholders should note that redemption proceeds will not be paid to any Unitholder until (a) the duly signed original written redemption request (if such original is required by the Trustee/Registrar) and all other supporting documents, if any are required, have been received by the Trustee/Registrar; (b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee/Registrar; and (c) any such other procedures as the Trustee/Registrar may reasonably require have been completed.

Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder in the Class Currency of the relevant Unlisted Class of Units by telegraphic transfer to the Unitholder's pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the relevant Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the details of such legal or regulatory requirements will be set out in the relevant Appendix and the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets. Any bank and other administrative charges associated with the payment of such redemption proceeds as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Unitholder and deducted from the redemption proceeds. With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the Class Currency of the relevant Unlisted Class of Units of the relevant Sub-Fund being redeemed. Payment will only be made to a bank account in the name of the Unitholder. No third party payments will be made.

The Trust Deed provides that redemptions may be, in whole or in part, made *in specie* at the discretion of the Manager. However, the Manager does not intend to exercise this discretion in respect of any Sub-Fund unless otherwise specified in the relevant Appendix. In any event, redemptions may only be made *in specie*, in whole or in part, with the consent of the Unitholder requesting the redemption.

Suspension of redemptions

The Manager may suspend the redemption of Unlisted Class of Units of any Sub-Fund, or delay the payment of redemption proceeds in respect of any redemption request received, during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details please see the sub-section headed "Suspension of determination of Net Asset Value" in the main Prospectus).

Please also refer to the section headed "Suspension of the issue, subscription and redemption of Unlisted Class of Units" below.

The Manager shall also have the right to reject, acting in good faith, any redemption application under exceptional circumstances, including without limitation the following circumstances:

(a) during any period which (i) the subscription or issue of the relevant Sub-Fund or Unlisted Class of Units, (ii) the redemption of the relevant Sub-Fund or Unlisted Class of Units, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or Unlisted Class of Units is suspended;

(b) where in the opinion of the Manager, acceptance of the redemption application would have an adverse effect on the relevant Sub-Fund or Unlisted Class of Units;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts (as the case may be) in the relevant Index;

(d) where acceptance of the redemption application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the redemption application; or

(f) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee in respect of a redemption application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Unitholder and the Trustee of its decision to reject such redemption application.

Transfer of Unlisted Class of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager subject to the provisions of the Trust Deed.

An investor is entitled to transfer Unlisted Class of Units held by him by an instrument in writing in such form as the Trustee may from time to time approve. A transferor will be deemed to remain the Unitholder of the Unlisted Class of Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Unlisted Class of Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only.

General

Fractions of a Unit may be redeemed rounded up to the nearest 4 decimal places. Redemption monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund.

SWITCHING OF UNLISTED CLASS OF UNITS

Unless otherwise specified in the relevant Appendix, the Manager may from time to time permit Unitholders to switch some or all of their Units of an Unlisted Class of Units of any Sub-Fund (the "Existing Class") into Units, shares or interests (as the case may be) of an Unlisted Class of Units of the same Sub-Fund or any other Sub-Fund or an unlisted class of units, shares or interests in other collective investment schemes managed by the Manager or its Connected Persons and which have been authorised by the SFC (the "New Class"). Any switching will be effected by way of redeeming the Units in the Existing Class held by the relevant Unitholders in accordance with the redemption procedures set out in the section headed "Redemption of Unlisted Class of Units" above and by re-investing the redemption proceeds thereof in the New Class in accordance with the subscription procedures set out in the section headed "Subscription of Unlisted Class of Units" above or the provisions of the relevant offering documents for such other collective investment schemes (as the case may be).

A request for the switching of part of a holding of Unlisted Class of Units will not be effected if, as a result, the Unitholder would hold less than the minimum holding specified for the New Class (if any) and/or the Existing Class.

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of Units of up to 5% of the redemption proceeds payable in respect of the Existing Class being switched. The switching fee will be deducted from amount realised from redemption of the Existing Class and reinvested in the New Class and will be paid to the Manager.

Where a request for switching is received by the Trustee prior to the Dealing Deadline in respect of a Dealing Day, switching will be effected as follows:

(a) redemption of the Units of the Existing Class will be dealt with by reference to the Redemption Price on that Dealing Day (the "Switching Redemption Day") subject to paragraph (c) below;

(b) where the Existing Class and the New Class have different currencies of denomination, the redemption proceeds of Existing Class, after deduction of any switching fee, shall be converted into the currency of denomination of the New Class; and

(c) the resulting amount will be used to subscribe for units, shares or interests (as the case may be) of the New Class at the relevant subscription price on the relevant dealing day in respect of the New Class (the "Switching Subscription Day"). The Switching Subscription Day shall be the same day as the Switching Redemption Day (in the case where the relevant Dealing Day of the Existing Class is not a dealing day in respect of the New Class, the Switching Redemption Day will be the immediately following Dealing Day that is a dealing day for the New Class), provided that the Trustee shall receive cleared funds in the relevant currency of the New Class within such period as determined by the Manager. In the event that cleared funds are not received within the applicable period, the Switching Subscription Day shall be the day on which the Trustee receives cleared funds in the relevant currency by the dealing deadline of the New Class, unless otherwise determined by the Manager.

The Manager may suspend the switching of Unlisted Class of Units during any period in which the determination of the Net Asset Value of any relevant Sub-Fund is suspended (for details see "Suspension of Determination of Net Asset Value" in the main Prospectus).

Investors should note that switching between Listed Class of Units and Unlisted Class of Units is not available.

SUSPENSION OF THE ISSUE, SUBSCRIPTION AND REDEMPTION OF UNLISTED CLASS OF UNITS

The Manager may at its discretion (in consultation with the Trustee), suspend the issue and/or switching and/or redemption of Unlisted Class of Units of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and/or transfer of any Securities to persons who have redeemed Unlisted Class of Units of any Sub-Fund in the following circumstances:

(a) during any period when a market on which a Security and/or Futures Contract (as the case may be) that is a constituent of the Index of the relevant Sub-Fund has its primary listing has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(b) during any period when dealing on a market on which a Security and/or Futures Contract (as the case may be) that is a constituent of the Index of the relevant Sub-Fund has its primary listing is restricted or suspended;

(c) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or Futures Contracts (as the case may be) in the official clearing and settlement depositary (if any) of such market is disrupted;

(d) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or Futures Contracts, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;

(e) during any period when the relevant Index is not compiled or published;

(f) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or Unlisted Class of Units or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(g) during any period when the determination of the Net Asset Value of the relevant Sub-Fund or Unlisted Class of Units is suspended or if any circumstance specified in the sub-section headed "Suspension of Determination of Net Asset Value" in the main Prospectus arises; or

(h) during any period when the business operations of the Manager, the Trustee, the Registrar, or any agent of the Trustee or the Manager in respect of the issue or redemption of Unlisted Class of Units in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from epidemic, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

The Manager will, in consultation with the Trustee, having regard to the best interests of Unitholders, suspend the right to subscribe for Unlisted Class of Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall immediately notify the SFC and immediately publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Trust's website at https://www.globalxetfs.com.hk/ (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any subscription, switching or redemption application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to each of Sub-Fund established under the Trust and listed on the SEHK (in respect of its Listed Class of Units). It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails, however, is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to “Sub-Fund” refer to the relevant Sub-Fund which is the subject of that Appendix. References in each Appendix to “Index” refer to the relevant Index details of which are set out in that Appendix.

APPENDIX 1: GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Index	S&P GSCI Crude Oil Enhanced Index Excess Return ("Excess Return" does not mean any additional return on the ETF's performance)
Index Provider	S&P Dow Jones Indices (S&P)
Listing Date (SEHK)	16 June 2016
Exchange Listing	SEHK – Main Board
Dual Counter	No
Stock Code	3097
Short Stock Name	F MR OIL ETF
Trading Board Lot Size	500 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	Annually (usually in March of each year) (if any) in HKD subject to the Manager's discretion. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investments. There is no current intention to make distribution out of capital or effectively out of capital.
Creation / Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 250,000 Units (or multiples thereof)
Dealing Deadline	4:00 p.m. on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine

Listing Agent	KGI Capital Asia Limited
Management Fee	Currently 0.75% per year of the Net Asset Value
Trustee Fee	Currently 0.12% per year of the Net Asset Value, subject to a monthly minimum of HKD78,000 (waived for the 12 calendar months from the Listing Date)

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the S&P GSCI Crude Oil Enhanced Index Excess Return ("Excess Return" does not mean any additional return on the ETF's performance) (the "Index"). There can be no assurance that the Sub-Fund will achieve its investment objective. The Index tracks the price of the West Texas Intermediate crude oil (also known as Texas light sweet crude oil) Futures Contracts with different expiration dates traded on NYMEX (the "WTI Futures Contracts"), which is an exchange of the Chicago Mercantile Exchange Group Inc. ("CME Group").

What is the investment strategy?

In seeking to achieve the Sub-Fund's investment objective, the Manager will adopt a full replication strategy through investing directly in WTI Futures Contracts so as to give the Sub-Fund the performance of the Index. In entering into the WTI Futures Contracts, the Manager anticipates that not more than 20% of the Net Asset Value of the Sub-Fund from time to time will be used as margin to acquire the WTI Futures Contracts. Under exceptional circumstances (e.g. increased margin requirement by the exchange and/or brokers in extreme market turbulence), the margin exposure may increase substantially beyond 20% of the Net Asset Value of the Sub-Fund.

Under exceptional circumstances, the Manager may, in its absolute discretion and without prior notice to the Unitholders, deviate from the full replication strategy and implement alternative investment strategies, which may include investing in WTI Futures Contracts other than those constituting the Index, underweighting or overweighting certain WTI Futures Contracts in the Index, deviating from the rolling strategy and/or rolling schedule, and/or using FDIs (other than WTI Futures Contracts) for hedging purposes, having regard to the best interests of the Sub-Fund and the Unitholders and for the protection of the Sub-Fund.

Not less than 80% of the Net Asset Value of the Sub-Fund (this percentage may be reduced proportionally under exceptional circumstances when there is a higher margin exposure, as described above) will be invested in cash (HKD), cash equivalents and HKD or USD denominated short term investment grade government bonds (rated by Standard & Poor's, Moody's or Fitch). It is anticipated that the investment in bonds will not exceed 50% of the Net Asset Value of the Sub-Fund.

Any yield from these investments will be used to meet the Sub-Fund's fees and expenses and after deduction of such fees and expenses the remainder may be distributed by the Manager to Unitholders in HKD at the discretion of the Manager.

Other than WTI Futures Contracts, the Manager has no intention to invest the Sub-Fund in any FDIs (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, unless under exceptional circumstances as described above. The Manager will seek the prior approval of the SFC and provide at least one month's prior notice to Unitholders before the Manager engages in any such investments.

The Sub-Fund will not itself use leverage and the Sub-Fund's global exposure to FDIs (based on the settlement price of the WTI Futures Contracts) will not exceed 100% of its Net Asset Value.

The rolling strategy of the Sub-Fund will mimic that of the Index methodology so as to closely track the Index (see “WTI Futures Contracts Roll Period” under “What is the Index” section below). For the Sub-Fund, the roll will take place over a 5 day period per month as stated in the Index methodology.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus save as varied under the “Investment restriction waiver” and “Borrowing restriction” sections below.

Use of derivatives

The Sub-Fund’s net derivative exposure may be more than 50% but up to 100% of the Sub-Fund’s Net Asset Value.

Overview of the crude oil market

Overview of the Crude Oil Market

What is crude oil?

Crude oil is a naturally occurring, unrefined petroleum product composed of hydrocarbon deposits and other organic materials. Crude oil can be refined to produce usable products such as gasoline, diesel and various forms of petrochemicals. It is a non-renewable resource, also known as a fossil fuel, which means that it cannot be replaced naturally at the rate people consume it and is therefore a limited resource.

Crude oil supply

Crude oil production by the Organization of the Petroleum Exporting Countries (“OPEC”) is an important factor that affects oil prices. This organisation seeks to actively manage oil production in its member countries by setting production targets. Historically, crude oil prices have seen increases in times when OPEC production targets are reduced.

OPEC member countries produce about 30% of the world’s crude oil. Equally important to global prices, OPEC’s oil exports represent about 60% of the total petroleum traded internationally. Because of this market share, OPEC’s actions can, and do, influence international oil prices. In particular, indications of changes in crude oil production from Saudi Arabia, OPEC's largest producer, frequently affect oil prices.

The extent to which OPEC member countries utilise their available production capacity is often used as an indicator of the tightness of global oil markets, as well as an indicator of the extent to which OPEC is exerting upward influence on prices. OPEC spare capacity provides an indicator of the world oil market's ability to respond to potential crises that reduce oil supplies. As a result, oil prices tend to incorporate a rising risk premium when OPEC spare capacity reaches low levels. Markets are influenced by geopolitical events within and between OPEC countries because they have, historically, resulted in reductions in oil production. Given OPEC's market significance, events that entail an actual or future potential loss of oil supplies can produce strong reactions in oil prices.

Oil production from countries outside the OPEC currently represents about 70% of world oil production. Key centers of non-OPEC production include North America, regions of the former Soviet Union and the North Sea.

In contrast to OPEC oil production, which is subject to central coordination, non-OPEC producers make independent decisions about oil production. Also, in contrast to OPEC, where oil production is mostly in the hands of national oil companies (“NOCs”), international or investor-owned oil companies (“IOCs”) perform most of the production activities in non-OPEC countries. IOCs seek primarily to increase shareholder value and make investment decisions based on economic factors. While some NOCs operate in a similar manner as IOCs, many have additional objectives such as providing employment, infrastructure or revenue that impact their country in a broader sense. As a result, non-OPEC investment and thus future supply capability, tends to respond more readily to changes strictly in market conditions.

Producers in non-OPEC countries are generally regarded as price takers, that is, they respond to market prices rather than attempt to influence prices by managing production. As a result, non-OPEC producers tend to produce at or near full capacity and so have little spare capacity.

Crude oil demand

Global oil demand rose by 1.3% in 2018, led by strong growth in the United States. The start-up of large petrochemical projects drove product demand, which partially offset a slowdown in growth in gasoline demand. The United States and China showed the largest overall growth, while demand fell in Japan and Korea and was stagnant in Europe.

Global oil demand growth slowed down in 2018 as higher oil prices partially offset robust economic activity around the world. Demand grew by 1.3 mb/d (total liquid demand, including biofuels) in 2018, less than the increase of 1.5 mb/d in 2017.

Oil demand in advanced economies remained relatively robust, but, in emerging markets, oil demand slowed markedly in 2018. Average Brent oil prices were 30% higher in 2018 than in 2017.

The United States showed the largest overall growth at 540 kb/d, followed by China. The strong expansion of petrochemical demand in the United States boosted consumption, which also benefited from a rise in industrial production and very strong demand for trucking services.

Oil demand in China was up by 445 kb/d, or 3.5%, with the rate of growth slowing down as the country moved toward a less oil-intensive model of development and curbed vehicle use to improve urban air quality. In particular, environmental policies have reduced diesel demand growth, as provincial governments are keen to develop cleaner transport fuels or electric buses. Total passenger car sales in China, the world's largest auto market, fell 4.1% in 2018 from the previous year's record sales. Electric passenger car sales, meanwhile, more than doubled, from around 600 000 in 2017 to over 1.2 million in 2018.

Indian oil demand grew 5% in 2018 compared to 2017, a year when demand was lower due to the impact of the implementation of the Goods and Service Tax and demonetisation. However, the sharp increase in oil prices in 2018, amplified by currency deterioration, contributed to slowing growth in the second half of the year. Rapid industrialisation and the fast pace of growth in vehicle fleets have caused severe air quality problems, and policies are being put in place to try to tackle the problem.

Oil demand in Japan continued to contract, assisted by energy efficiency efforts in industry and transport and the reduced use of oil-based electricity generators as four nuclear reactors came back online for the first time since the Fukushima Daiichi accident in 2011. Demand also contracted in Korea, especially in the power sector where there was a significant shift in generation from oil to gas.

European oil demand remained stagnant on slowing economic activity and rising prices. Germany saw an important decline in oil demand, falling by 135 kb/d or 5.4% in 2018.

Oil demand in Eurasia rose strongly on a rebound in Russian oil demand, comprising more than 80% of the Eurasia total in 2018. Helped by strong car sales, Russian gasoline demand rose slightly in 2018 after three years of decline. Kerosene demand grew as a result of increased air traffic.

In Africa, low economic growth in South Africa and a switch to natural gas in Egypt put a cap on demand growth in 2018. Egypt started production at Eni’s supergiant Zohr gas field in December 2017, displacing oil used in the power sector.

Oil demand in Latin America continues to suffer from economic difficulties in Argentina, Venezuela and Brazil. After two years of steady decline, Brazil’s oil demand returned to modest growth in 2017 as the economy emerged from a deep recession. Argentina’s oil demand collapsed in 2018 as GDP fell by 2.6%. According to IMF data, Venezuela's GDP fell by 18% in 2018. Oil demand has also declined, although accurate data are difficult to verify.

The Middle East saw a large decline in oil demand in 2018 mainly due to the sharp drop in Saudi Arabia's demand, which resulted from less construction activity, a price reform, a switch to natural gas in the power sector, and high emigration. In January 2018, the government more than doubled the price of gasoline with a knock-on impact on demand.

On the product front, 2018 was the year of booming liquefied petroleum gas (LPG)/ethane demand. Supported by petrochemical developments, the strongest growth among products was posted in 2018. LPG/ethane accounted for 44% of total oil demand growth. In the United States, that share was 60%, with ethane-based steam crackers making a large contribution.

Air traffic volumes have increased significantly in recent years, particularly in China and India. Jet fuel has become a major contributor to higher oil consumption. Last year, it accounted for 20% of total global oil demand growth.

Crude oil prices

Crude oil prices measure the spot price of various barrels of crude oil, most commonly either the West Texas Intermediate ("WTI") or the Brent Blend. The OPEC basket price and the NYMEX futures price are also sometimes quoted.

WTI crude oil is of very high quality because it is light-weight and has low sulphur content. For these reasons, it is often referred to as "light, sweet" crude oil. These properties make it excellent for making gasoline. That is why it is the major benchmark of crude oil in the Americas. Please refer to "What is WTI crude oil" below for more information on WTI crude oil.

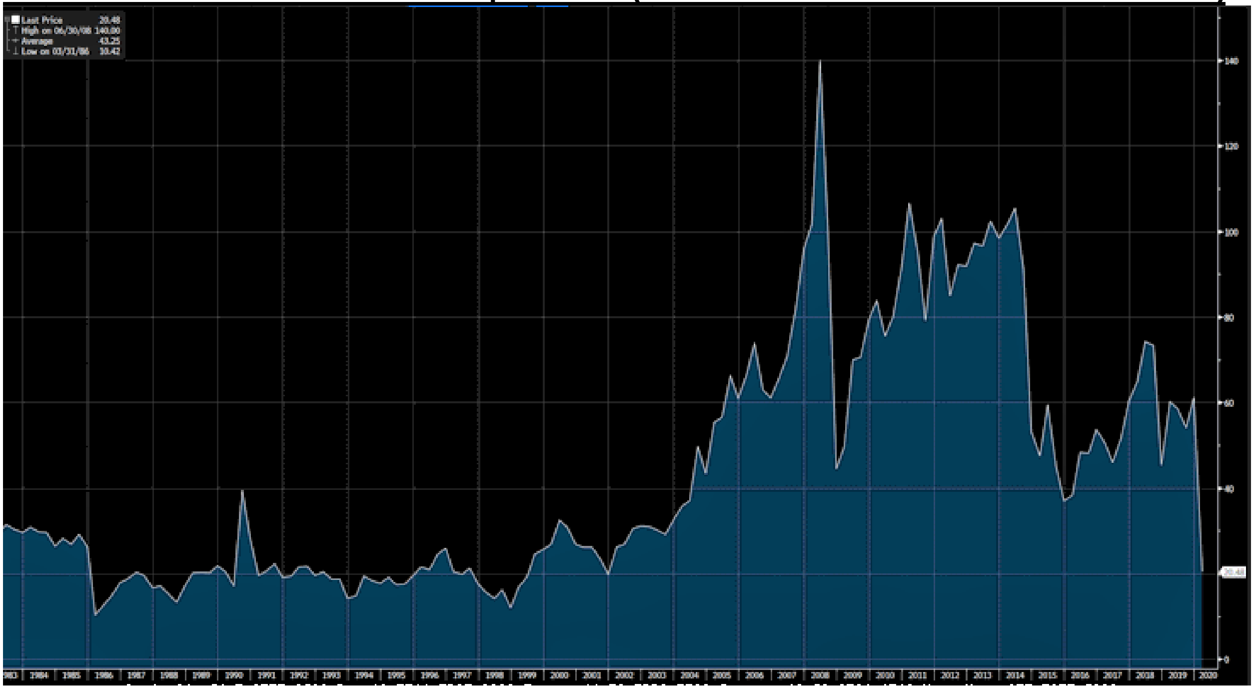
Brent Blend is a combination of crude oil from 15 different oil fields in the North Sea. It is less "light" and "sweet" than WTI, but still excellent for making gasoline. It is refined in Northwest Europe and is the primary benchmark for other crude oil in Europe or Africa.

As crude oil is traded in a global market, prices of the many crude oil streams produced globally tend to move closely together, although there are persistent differentials between light-weight, low-sulphur (light-sweet) grades and heavier, higher-sulphur (heavy-sour) crudes that are lower in quality.

Both crude oil and petroleum product prices can be affected by events that have the potential to disrupt the flow of oil and products to market, including geopolitical and weather-related developments. These types of events may lead to actual disruptions or create uncertainty about future supply or demand, which can lead to higher volatility in prices. The volatility of oil prices is inherently tied to the low responsiveness or "inelasticity" of both supply and demand to price changes in the short run. Both oil production capacity and the equipment that use petroleum products as their main source of energy are relatively fixed in the near term. It takes years to develop new supply sources or vary production, and it is very hard for consumers to switch to other fuels or increase fuel efficiency in the near term when prices rise. Under such conditions, a large price change can be necessary to re-balance physical supply and demand following a shock to the system.

Much of the world's crude oil is located in regions that have been prone historically to political upheaval, or have had their oil production disrupted due to political events. Several major oil price shocks have occurred at the same time as supply disruptions triggered by political events, most notably the Arab Oil Embargo in 1973-74, the Iranian revolution and Iran-Iraq war in the late 1970s and early 1980s, and Persian Gulf War in 1990. More recently, disruptions to supply (or curbs on potential development of resources) from political events have been seen in North Korea, Nigeria, Venezuela, Iraq, Iran and Libya.

WTI Crude Oil Future Price in USD per barrel (from 31 December 1982 to 31 March 2020)



Source: Bloomberg as of 23 April 2020

Given the past history of oil supply disruptions emanating from political events, market participants are always assessing the possibility of future disruptions and their potential impacts. In addition to the size and duration of a potential disruption, they also consider the availability of crude stocks and the ability of other producers to offset a potential supply loss. For example, if the market has ample spare production capacity to offset a possible disruption, its likely impact on prices would be smaller than if spare production capacity was much lower. When there are significant concerns about the potential for a disruption at a time when spare capacity and inventories are not seen as sufficient to substantially offset the associated loss in supply, prices may be above the level that might be expected if only current demand and supply were considered, as forward-looking behaviour adds a “risk premium”.

Weather can also play a significant role in oil supply. Hurricanes in 2005, for example, shut down oil and natural gas production as well as refineries. As a result, petroleum product prices increased sharply as supplies to the market dropped. Severely cold weather can strain product markets as producers attempt to supply enough of the product, such as heating oil, to consumers in a short amount of time, resulting in higher prices. Other events such as refinery outages or pipeline problems can restrict the flow of oil and products, driving up prices.

However, the influence of these types of factors on oil prices tends to be relatively short lived. Once the problem subsides and oil and product flows return to normal, prices usually return to previous levels.

Oil price and financial market

Market participants not only buy and sell physical quantities of oil, but also trade contracts for the future delivery of oil and other energy derivatives. One of the roles of futures markets is price discovery, and as such, these markets play a role in influencing oil prices.

Oil market trading activity involves a range of participants with varying motivations, even within individual participants. Some, such as oil producers and airlines, have a significant commercial exposure to changes in the price of oil and petroleum-based fuels, and may seek to hedge their risk by buying and selling energy derivatives. For example, an airline may want to buy futures or options in order to avoid the possibility that its future fuel costs will rise above a certain level, while an oil producer may want to sell futures in order to lock in a price for its future output.

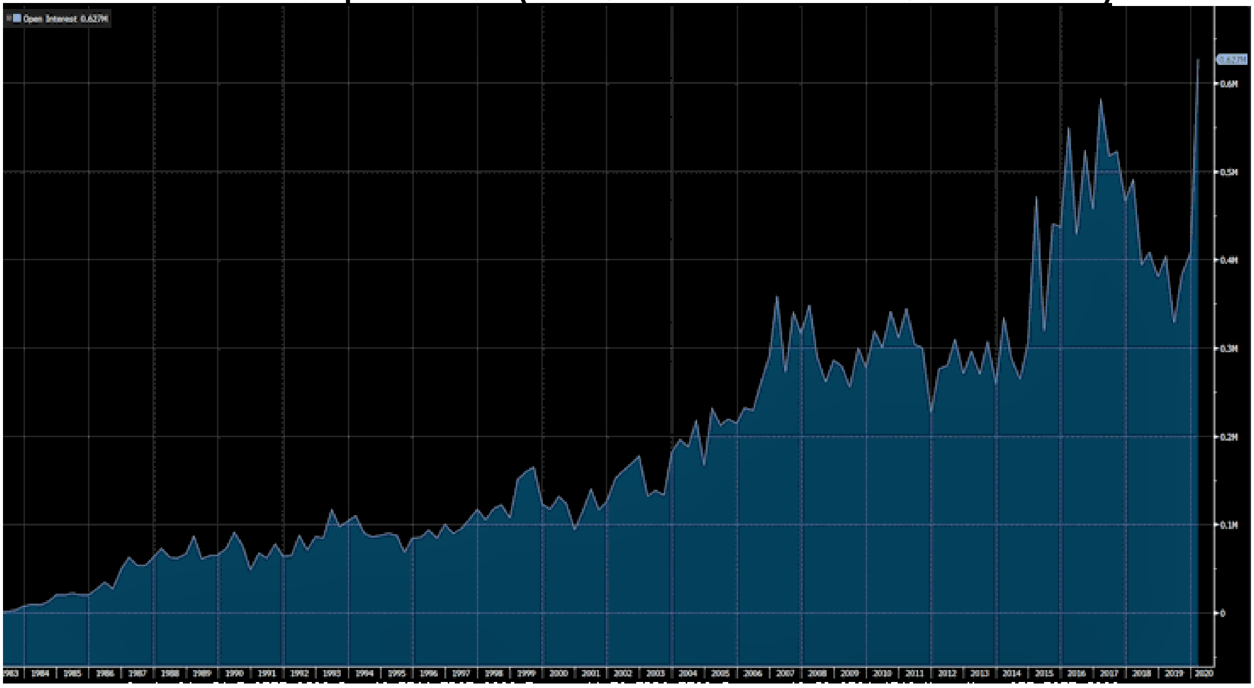
Banks, hedge funds, commodity trading advisors, and other money managers who often do not have interests in trading physical oil are also active in the market for energy derivatives to try to profit from changes in prices. In recent years, investors have also shown interest in adding energy and other commodities as alternatives to equity and bond investments to diversify their portfolios or to hedge inflation risks.

Activity in commodity exchange contracts has risen in recent years. One measure of activity in futures markets is open interest on exchanges, which indicates the number of contracts in a trading session that have not been settled or closed.

Banks, hedge funds and other “non-commercial” investors can add liquidity to futures and derivative markets by taking the other side of transactions with commercial participants. On the other hand, concerns have been raised that non-commercial commodity trading and investment may amplify price movements, particularly at times when momentum is running strongly in a particular direction.

Activity in commodity exchange contracts has risen in recent years. One measure of activity in futures markets is open interest on exchanges, which indicates the number of contracts in a trading session that have not been settled or closed.

WTI Crude Oil Futures Open Interest (from 31 December 1982 to 31 March 2020)



Source: Bloomberg as of 23 April 2020

Open interest on exchange-traded crude oil futures contracts increased substantially over the past decade, as measured by the NYMEX, the main commodities exchange for energy products in the United States.

Both commercial participants with “real” demand for oil and non-commercial investors, such as money managers and funds that are interested in trading contracts for investment and diversification purposes, have shown increased trading activity.

In addition to Futures Contracts, another way for market participants to invest in crude oil is through the buying and selling of options contracts. Options allow for investment exposure with limited potential for losses and provide an insurance-like instrument against adverse commodity price movements.

What is WTI crude oil?

West Texas Intermediate (WTI) crude oil, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. WTI consists of a blend of several U.S. domestic streams of light sweet crude oil. As a pricing mechanism for physical delivery of crude oil in North America, WTI is firmly rooted in the physical market. Because of the unique immediacy, breadth, and depth of pricing and inventory data supplied by the U.S. government, and because onshore North American production has been a key driver of growing global crude oil supply over the past decade, WTI is widely regarded as the crude oil benchmark that reflects the supply and demand dynamics of the market.

This grade is described as light because of its relatively low density, and sweet because of its low sulphur content. Due to its high viscosity and low sulphur content, WTI crude oil can produce a high yield of gasoline during the refining process. WTI crude oil is the underlying commodity of the WTI Futures Contracts.

What are WTI Futures Contracts?

WTI Futures Contracts are standardised contracts where the parties agree to exchange WTI crude oil at a future date at a pre-determined price. They are traded on the NYMEX in USD. The parent company of NYMEX is CME Group Inc., which is an American futures company and one of the largest futures and options exchanges. It comprises four exchanges, namely Chicago Mercantile Exchange ("CME"), Chicago Board of Trade ("CBOT"), NYMEX and Commodity Exchange Inc. ("COMEX"). WTI Futures Contract is one of the deepest and most liquid global energy benchmarks, trading nearly 850,000 futures and options contracts daily. The open interest of WTI Futures Contracts exceeds 3 million lots, equivalent to more than 3 billion barrels.

WTI Futures Contracts have the following characteristics:

(a) WTI Futures Contracts provide a basic unit of account in increments of 1,000 barrels and minimum fluctuation as USD0.01 per barrel.

(b) WTI Futures Contracts are listed nine years forward using the following listing schedule: consecutive months are listed for the current year and the next five years. In addition, the June and December contract months are listed beyond the sixth year. Additional months will be added on an annual basis after the December contract expires, so that an additional June and December contract would be added nine years forward, and the consecutive months in the sixth calendar year will be filled in.

(c) Market participants can trade WTI Futures Contracts on CME Globex from Sunday to Friday 5:00 p.m. to 4:00 p.m. (Chicago Time) with a 60-minute break each day beginning at 4:00 p.m. (Chicago time).

(d) Trading in the current delivery month shall cease on the third CME Business Day (which is a day on which the CME is open for business) prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a non CME Business Day, trading shall cease on the third CME Business Day prior to the last CME Business Day preceding the twenty-fifth calendar day. For example, since 25 June 2016 is a non-CME Business Day, July 2016 contract's trading shall cease on 21 June 2016, which is the third CME Business Day prior to 24 June 2016 (Friday) (three CME Business Days prior to the last CME Business Day preceding the twenty-fifth calendar day).

(e) Upon a transaction's acceptance by CME Clearing, a central counterparty imposes itself as the legal counterparty to every trade, which effectively eliminates counterparty risks between market participants. This substitution of counterparties is accomplished through the legal process of contract novation, which discharges the contract between the original trading counterparties and creates two new, legally binding contracts – one between each of the original trading counterparties and CME Clearing.

(f) The margin requirement of WTI Futures Contracts is subject to change. Currently, margin requirement of WTI futures July 2016 contract is USD 3,740.

(g) CME Clearing accepts a wide range of collateral for deposit into trading accounts, including USD, select foreign currencies, U.S. Treasuries, select foreign sovereign debt, asset-backed securities and agency bonds.

(h) CME Clearing manages the collateral based on a future contract's daily settlement price which is based on CME Globex VWAP between 2:28 p.m. and 2:30 p.m. Eastern Time.

(i) The single month accountability level is 10,000 contracts and all month accountability level is 20,000 contracts. Position accountability levels are levels which a market participant may exceed and not be in violation of CME rule. A market participant who exceeds an accountability level and/or a reportable level may be asked by CME Group Inc. to provide information relating to the position. Failure to supply the requested information may result in an order to reduce such positions.

(j) The reportable level is 350 contracts. The reportable level is level at which clearing members, omnibus accounts and foreign brokers are required to submit to CME a daily report of all positions.

(k) If the lead contract month (as identified by NYMEX) is bid or offered at the upper or lower price fluctuation limit at the first special price fluctuation limit level (10 USD/barrel as at 8 April 2016), it will be considered a triggering event that will begin a two (2) minute monitoring period in the lead contract month. If, at the end of the two (2) minute monitoring period, the lead contract month of the Futures Contract is not bid or offered at the applicable special price fluctuation limit, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the Futures Contracts. If, however, at the end of the two (2) minute monitoring period, the lead contract month of the Futures Contract is bid or offered at the applicable special price fluctuation limit, a two (2) minute temporary trading halt will commence in all contract months of the futures contract. Following the end of a temporary trading halt, NYMEX shall re-open simultaneously in all contract months of the Futures Contract. When trading resumes, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the Futures Contract. In each instance in which a triggering event occurs, a two (2) minute monitoring period will commence. In each instance, the special price fluctuation limits shall be expanded by an additional increment above and below the previous day's settlement price for all contract months of the futures contract. Following the fourth triggering event on a trading day, there shall be no further special price fluctuation limits. For example if the settlement price of the WTI Futures Contract on T day is USD 45 per barrel, then if the price goes up to USD 55 on T+1 day, it will be considered a triggering event that will begin a 2 minute monitoring period. If at the end of the 2 minute monitoring period, the lead contract month of the Futures Contract is not bid or offered at the applicable special price fluctuation limit, i.e. USD65, the special price fluctuation limits will be further expanded by USD 10. The special price fluctuation limit can be expanded up to 4 times. There will be no price fluctuation limit after the 4th triggering event.

The above position accountability levels and reportable level are applicable to the Sub-Fund.

Futures exchanges (including CME) and clearing houses in the United States are subject to regulation by the CFTC. CME may adopt rules and take other actions that affect trading, including imposing speculative position limits, maximum price fluctuations and trading halts and suspensions and requiring liquidation of contracts in certain circumstances. Please refer to "Position limits risk" below.

For more information, please refer to "Crude Oil Futures" under "Energy products" on the CME group website.

What is the Index?

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

S&P GSCI Index Series

The S&P GSCI Index Series provides investors with publicly available benchmarks for investment performance in the commodity markets. The indices are designed to be tradable, readily accessible to market participants and cost efficient to implement.

The S&P GSCI, the main index of the S&P GSCI Index Series, is a futures based index and is recognised as a leading measure of general commodity price movements and inflation in the world economy.

The S&P GSCI is calculated primarily on a world production weighted basis, and is comprised of the principal physical commodities that are the subject of active and liquid futures markets.

To be included in the S&P GSCI for a given year, the Futures Contracts must be commodities based and must satisfy several sets of eligibility criteria:

(a) Non-Financial commodities: the Futures Contract must be on a physical commodity and may not be on a financial commodity (e.g. securities, currencies, interest rates, etc.). The Futures Contracts on a particular commodity need not require physical delivery by their terms in order for the commodity to be considered a physical commodity.

(b) Certain contract characteristics: (i) the Futures Contract must have a specified expiration or term or provide in some other manner for delivery or settlement at a specified time, or within a specified time period, in the future; (ii) the Futures Contract must, at any given point in time, be available for trading at least five months prior to its expiration or such other date or time period specified for delivery or settlement; and (iii) the trading facility on which the Futures Contract is traded must allow market participants to roll three sets of futures contracts with consecutive expiry dates through a single order entry at any time.

(c) Denomination and geographical requirements: the Futures Contract must be denominated in USD and traded on or through a trading facility that has its principal place of business or operations in a country that is a member of the Organization for Economic Cooperation and Development (the "OECD").

(d) Availability of daily contract reference price: the Futures Contract must have at least two years of available daily contract reference prices.

(e) Availability of volume data: the Futures Contract must have at least three months of available volume data.

(f) Contract volume: the Futures Contract must have an annualised total USD value traded of at least USD15 billion.

(g) Weight: the Futures Contract must have a reference percentage dollar weight of at least 1%.

(h) Other requirements with respect to trading facilities: The trading facility on or through which a Futures Contract is traded must: (a) make price quotations generally available to its members or participants (and to S&P Dow Jones Indices) in a manner and with a frequency that is sufficient to provide reasonably reliable indications of the level of the relevant market at any given point in time; (b) make reliable trading volume information available to S&P Dow Jones Indices with at least the frequency required by S&P Dow Jones Indices to make the monthly determinations; (c) accept bids and offers from multiple participants or price providers (i.e. it must not be a single-dealer platform); and (d) be accessible by a sufficiently broad range of participants.

The number of Futures Contracts is then determined. At that point, the list of designated Futures Contracts for the relevant S&P GSCI year is complete and production weights can be determined. There is no limit on the number of Futures Contracts that may be included in the S&P GSCI.

General Information

The S&P GSCI Crude Oil Enhanced Index Excess Return (the "Index") is part of a series of sub-indices of S&P GSCI calculated by S&P. The Index represents the crude oil sector of the S&P GSCI and is designed as a benchmark for investment in the crude oil market and as a measure of WTI Futures Contracts price over time. The Index is calculated on a basis similar to the S&P GSCI, but modified to apply certain additional rolling rules as described below.

The Index is denominated in USD. The Index was launched on 22 September 2009 and had a base value of 100 as at 16 January 1995.

The Index is composed of WTI Futures Contracts with different expiration dates.

Index methodology

Value of the Index

On any given day, the value of the Index is equal to the total dollar weight of the Index divided by a normalizing constant, which assures the continuity of the Index over time. The total dollar weight of the Index is the total dollar weight of the WTI Futures Contract, which on any given day is equal to the product of:

(a) the daily contract reference price;
(b) the appropriate contract production weight ("CPW"); and
(c) the appropriate "roll weights" needed during a roll period (as explained below).

Calculation of the Index

The value of the Index on any S&P GSCI Business Day is equal to the product of:

(a) the value of the Index on the immediately preceding S&P GSCI Business Day;

(b) one plus the sum of the WTI Futures Contract daily return and the treasury bill return on the hypothetical investment in the Index on the S&P GSCI Business Day on which the calculation is made; and

(c) one plus the treasury bill return on the hypothetical investment in the Index for each non S&P GSCI Business Day since the immediately preceding S&P GSCI Business Day.

Contract Daily Return

The following formula is used to calculate the WTI Futures Contract daily return:

$$(\text{daily contract reference price}_d \text{ x CPW x roll weight}_d \text{ / total value weight}_{d-1}) - 1$$

On any given day, the WTI Futures Contract daily return is equal to the applicable daily contract reference price on the WTI Futures Contract multiplied by the CPW and the appropriate "roll weight", divided by the total dollar weight of the Index on the preceding day, minus one.

Enhanced Index: Enhanced Monthly Rolling Rule

Every month, certain WTI Futures Contracts included in the Index are replaced by contracts that have different expiration dates. For example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November (unless the contango between the first and second contract month is more than 0.50%, as explained in "WTI Futures Contracts Roll Period" below). This is accomplished by selling the October contract and purchasing the November contract. This process is referred to as "rolling".

The new WTI Futures Contracts (with different expiration dates) to which existing WTI Futures Contracts will be rolled depend on the "contango" (i.e. the situation where futures contract prices of the distant delivery months are higher than those of the nearer delivery months) between the nearest contract month and the next nearest contract month on the assessment date.

Contango is calculated by the following formula:

$$\frac{\text{Daily settlement price of WTI Futures Contracts for the next nearest contract month}}{\text{Daily settlement price of WTI Futures Contracts for the nearest contract month}} - 1$$

Please see below a table setting out the nearest contract month and the next nearest contract month at the end of each month:

Roll Month	Nearest contract month	Next nearest contract month
Jan	Feb contract	Mar contract
Feb	Mar contract	Apr contract
Mar	Apr contract	May contract
Apr	May contract	Jun contract
May	Jun contract	Jul contract
Jun	Jul contract	Aug contract
Jul	Aug contract	Sep contract
Aug	Sep contract	Oct contract
Sep	Oct contract	Nov contract
Oct	Nov contract	Dec contract
Nov	Dec contract	Jan contract
Dec	Jan contract	Feb contract

Excluding other considerations, if the market for the contracts is in “contango”, where the prices are higher in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is lower than the price of the November contract. Accordingly sale proceeds when rolling (selling the October contracts and then buying the November contracts) will not be sufficient to purchase the same number of November contracts which have a higher price, thereby creating a negative “roll yield”.

WTI Futures Contracts Roll Period

During the rolling process, the Index gradually reduces the proportion (the “roll weight”) of certain existing contracts and increases the roll weight of the contracts with different expiry date over a five day period (commencing on the 1st S&P GSCI Business Day of the month) (the “roll period”).

The rolling strategy of the Sub-Fund will mimic that of the Index methodology so as to closely track the Index. Accordingly, three S&P GSCI Business Days before the first S&P GSCI Business Day of each month, the following rolling rules apply to determine into which new expiration a WTI Futures Contract which is held by the Sub-Fund is rolled:

(1) If the contract determination date falls between January to June:

(a) if the contango is greater than 0.50%:

(i) any current year’s December WTI Futures Contracts (i.e. WTI Futures Contracts with a delivery date of crude oil in December of the current year) held by the Sub-Fund will be kept; and

(ii) the remaining WTI Futures Contracts held by the Sub-Fund will be rolled to the current year's December WTI Futures Contracts;

(b) if the contango is 0.50% or less:

(i) any current year's December WTI Futures Contracts held by the Sub-Fund will be replaced by the next nearest contract month's WTI Futures Contracts; and

(ii) the remaining WTI Futures Contracts held by the Sub-Fund will be rolled to the next nearest contract month's WTI Futures Contracts;

(2) If the contract determination date falls within July:

(a) if the contango is greater than 0.50%, any WTI Futures Contracts held by the Sub-Fund will be rolled to the next year's December WTI Futures Contracts;

(b) if the contango is 0.50% or less:

(i) any current year's December WTI Futures Contracts held by the Sub-Fund will be replaced by the next nearest contract month's WTI Futures Contracts; and

(ii) the remaining WTI Futures Contracts held by the Sub-Fund will be rolled to the next nearest contract month's WTI Futures Contracts;

(3) If the contract determination date falls between August to December:

(a) if the contango is greater than 0.50%:

(i) any next year's December WTI Futures Contracts held by the Sub-Fund will be kept; and

(ii) the remaining WTI Futures Contracts held by the Sub-Fund will be rolled to the next year's December WTI Futures Contracts;

(b) if the contango is 0.50% or less, any next year's December WTI Futures Contracts and the remaining WTI Futures Contracts held by the Sub-Fund will be replaced by the next nearest contract month's WTI Futures Contracts.

The following table summarises the rolling strategy of the Sub-Fund:

Contract determination date	Roll Period	Contango	Roll Month	Contract Month After Roll
3 S&P GSCI Business Days before the 1st S&P GSCI Business Day of each month	1st to 5th S&P GSCI Business Days of each month	> 0.5%	Jan	Dec contract of the current year
			Feb	
			Mar	
			Apr	
			May	
			Jun	
			Jul	Dec contract of the next year
			Aug	
			Sep	
			Oct	
			Nov	
			Dec	
		<= 0.5%	Jan	Mar contract of the current year
			Feb	Apr contract of the current year
			Mar	May contract of the current year
			Apr	Jun contract of the current year
			May	July contract of the current year
			Jun	Aug contract of the current year
			Jul	Sep contract of the current year
			Aug	Oct contract of the current year
			Sep	Nov contract of the current year
			Oct	Dec contract of the current year
			Nov	Jan contract of the next year
			Dec	Feb contract of the next year

The table below sets out a few examples to illustrate the implementation of rolling strategy:

Roll Month	Contango	Holding before Rolling	Contract Month		Weights of Contract Holdings at the end of S&P GSCI Business Day in each month				
			Roll out (sell)	Roll in (buy)	1st	2nd	3rd	4th	5th
Apr 2016	-	-	-	Jun 2016 contract	-	-	-	-	-
May 2016	1.0%	Jun 2016 contract	Jun 2016 contract	Dec 2016 contract	80% Jun 2016 20% Dec 2016	60% Jun 2016 40% Dec 2016	40% Jun 2016 60% Dec 2016	20% Jun 2016 80% Dec 2016	100% Dec 2016

Jun 2016	1.0%	Dec 2016 contract	Dec 2016 contract	Dec 2016 contract	100% Dec 2016	100% Dec 2016	100% Dec 2016	100% Dec 2016	100% Dec 2016
July 2016	1.0%	Dec 2016 contract	Dec 2016 contract	Dec 2017 contract	80% Dec 2016 20% Dec 2017	60% Dec 2016 40% Dec 2017	40% Dec 2016 60% Dec 2017	20% Dec 2016 80% Dec 2017	100% Dec 2017
Aug 2016	0.2%	Dec 2017 contract	Dec 2017 contract	Oct 2016 contract	80% Dec 2017 20% Oct 2016	60% Dec 2017 40% Oct 2016	40% Dec 2017 60% Oct 2016	20% Dec 2017 80% Oct 2016	100% Oct 2016
Sep 2016	0.2%	Oct 2016 contract	Oct 2016 contract	Nov 2016 contract	80% Oct 2016 20% Nov 2016	60% Oct 2016 40% Nov 2016	40% Oct 2016 60% Nov 2016	20% Oct 2016 80% Nov 2016	100% Nov 2016
Oct 2016	1.0%	Nov 2016 contract	Nov 2016 contract	Dec 2017 contract	80% Nov 2016 20% Dec 2017	60% Nov 2016 40% Dec 2017	40% Nov 2016 60% Dec 2017	20% Nov 2016 80% Dec 2017	100% Dec 2017

Excess Return

The return of the Index is calculated based on the change in price levels of the WTI Futures Contracts as well as the gain or loss obtained by “rolling” hypothetical positions in such WTI Futures Contracts.

The Index is an excess return (and not a total return) index and therefore reflects the positive or negative return of the underlying WTI Futures Contracts price movements only (and not any notional interest earnings).

Index Provider

The Index Provider is S&P Dow Jones Indices (“S&P”).

The Manager (and each of its Connected Persons) is independent of the Index Provider.

S&P has established an Index Committee to oversee the daily management and operations of the S&P GSCI (and all related sub-indices), and is responsible for all analytical methods and calculation in the indices, as well as the index rules that govern the S&P GSCI and the annual rebalancing of the S&P GSCI.

Index codes and information

Bloomberg Code: SGESCLP
Thomson Reuters Code: .SGESCLP

The Index is calculated on a real-time basis (updated every 15 seconds) during the trading hours of the NYMEX.

You can obtain the list of the constituents of the Index and their respective weightings of the Index at https://www.globalxetfs.com.hk/ (this has not been reviewed or approved by the SFC). You can obtain additional information concerning the Index (including Index fact sheets, methodology, end of day Index levels and Index performance) from the website of the Index Provider at http://us.spindices.com/indices/commodities/sp-gsci-crude-oil-enhanced (this has not been reviewed or approved by the SFC) and https://supplemental.spindices.com/supplemental-data/hong-kong (this has not been reviewed or approved by the SFC).

Index licence agreement

The initial term of the licence of the Index commenced on 20 October 2015 and shall be valid for an initial term of 5 years. After the expiry of the initial term, the licence shall renew automatically for consecutive renewal terms of 3 years, unless either party to the licence agreement provides written notice of termination to the other party of its intent not to renew at least 90 days prior to the end of the initial term or the then current term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index disclaimer

S&P GSCI Crude Oil Enhanced Index Excess Return (the "Index") is a product of S&P Dow Jones Indices LLC ("SPDJI") and has been licensed for use by Mirae Asset Global Investments (Hong Kong) Limited. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); GSCI® is a registered trademark of The Goldman Sachs Group, Inc. ("Goldman"); and these trademarks have been licensed for use by SPDJI. The Index is not created, owned, endorsed, sponsored, sold or promoted by Goldman or its affiliates and Goldman bears no liability with respect to the Index or data related thereto.

Global X S&P Crude Oil Futures Enhanced ER ETF is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, Goldman, any of their respective affiliates or their third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices do not make any representation or warranty, express or implied, to the owners of Global X S&P Crude Oil Futures Enhanced ER ETF or any member of the public regarding the advisability of investing in securities generally or in Global X S&P Crude Oil Futures Enhanced ER ETF particularly or the ability of the Index to track general market performance. S&P Dow Jones Indices' only relationship to Mirae Asset Global Investments (Hong Kong) Limited with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to Mirae Asset Global Investments (Hong Kong) Limited or Global X S&P Crude Oil Futures Enhanced ER ETF. S&P Dow Jones Indices have no obligation to take the needs of Mirae Asset Global Investments (Hong Kong) Limited or the owners of Global X S&P Crude Oil Futures Enhanced ER ETF into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of Global X S&P Crude Oil Futures Enhanced ER ETF or the timing of the issuance or sale of Global X S&P Crude Oil Futures Enhanced ER ETF or in the determination or calculation of the equation by which Global X S&P Crude Oil Futures Enhanced ER ETF is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Global X S&P Crude Oil Futures Enhanced ER ETF. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment adviser. Inclusion of a futures contract within the Index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such contract, nor is it considered to be investment advice. Notwithstanding the foregoing, CME Group Inc. and its affiliates may independently issue and/or sponsor financial products unrelated to Global X S&P Crude Oil Futures Enhanced ER ETF currently being issued by Mirae Asset Global Investments (Hong Kong) Limited, but which may be similar to and competitive with Global X S&P Crude Oil Futures Enhanced ER ETF. In addition, CME Group Inc. and its affiliates may trade financial products which are linked to the performance of the Index. It is possible that this trading activity will affect the value of the Index and Global X S&P Crude Oil Futures Enhanced ER ETF.

S&P DOW JONES INDICES DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY MIRAE ASSET GLOBAL INVESTMENTS (HONG KONG) LIMITED, OWNERS OF GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBLITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND MIRAE ASSET GLOBAL INVESTMENTS (HONG KONG) LIMITED, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

Creations

The current Dealing Deadline After Listing is 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced.

All Creation Applications must be made in cash (in HKD only). There may be a difference between the day-end WTI crude oil spot price and the Sub-Fund's market opening price. Settlement in cash for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section entitled "The Offering Phases" in Part 1 of this Prospectus.

Exchange listing and trading (secondary market)

The Units are listed on the SEHK. They are traded in HKD and in board lots of 500 Units.

Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges. Investors attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

Redemptions

Units can be redeemed directly (through a Participating Dealer). Redemption proceeds shall be paid in HKD only.

Stamp duty

The Sub-Fund

Profit Tax: As the Sub-Fund has been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Sub-Fund arising from the sale or disposal of WTI Futures Contracts, net investment income received by or accruing to the Sub-Fund and other profits of the Sub-Fund are exempt from Hong Kong profits tax.

Stamp Duty: No Hong Kong stamp duty is payable by the Sub-Fund on an issue or redemption of Units.

The Unitholders

Profit Tax: Hong Kong profits tax is not payable by a Unitholder (other than Unitholders carrying on a trade, profession or business of investing in securities in Hong Kong) on any gains or profits made on the sale, redemption or other disposal of the Units.

Stamp Duty: Stamp duty payable in respect of any transfer in the shares or units of an exchange traded fund (as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance (Cap. 117) of Hong Kong) on the SEHK is not payable. Accordingly transfers of Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

Participating Dealers pay no Hong Kong ad valorem stamp duty when the Sub-Fund issues or redeems Units.

Distribution policy

Income may be distributed at the Manager's discretion to Unitholders annually (usually in March). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investments. There is no current intention to make distribution out of capital or effectively out of capital.

Borrowing restriction

Borrowing for the account of the Sub-Fund may only be effected on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Fees and expenses

Management Fee

The Manager is entitled to receive a management fee of up to 0.99% per year of the Net Asset Value of the Sub-Fund. The current management fee in respect of the Sub-Fund is 0.75% and is accrued daily and calculated as at each Dealing Day and payable monthly in HKD in arrears. This fee is payable out of the Trust Fund.

Trustee's and Registrar's Fees

The Trustee receives out of the assets of the Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day at 0.12% per year of the Net Asset Value of the Sub-Fund, subject to a monthly minimum of HKD78,000 and waived for the 12 calendar months from the Listing Date. The Trustee is also entitled to receive a transaction fee of HKD120 on each open and closed WTI Futures Contract of the Sub-Fund.

The Registrar is entitled to receive from the Sub-Fund a registrar fee of HKD160 per Participating Dealer per transaction for updating of the register record of the Sub-Fund and from the Participating Dealer a Transaction Fee of HKD4,000 per Participating Dealer per transaction for handling any cash creation and redemption of Units of the Sub-Fund (payable by the Participating Dealer).

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Sub institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately USD3.5 per WTI Futures Contract levied by the broker.

The above rates will amount to approximately 0.03% per annum of the Net Asset Value and may increase to approximately 0.21% per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Since commission is only charged once for each transaction in WTI Futures Contracts, transaction costs are considered low compared to purchasing or selling the physical asset.

Cap on Ongoing Charges Figure

The ongoing charges figure has been capped at a maximum of 3% of the average Net Asset Value of the Sub-Fund. Any ongoing expenses of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund if such expense would result in the ongoing charges figure exceeding 3%. An increase or removal of the cap is subject to one month's prior written notice to Unitholders.

Risks factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus (all of which are relevant to the Sub-Fund), the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Risk relating to commodities market investments

Commodity Markets Specific Risks

Several factors may affect the price of commodities such as WTI crude oil and, in turn, WTI Futures Contracts owned by the Sub-Fund, including, but not limited to:

(a) Significant increases or decreases in the available supply of a physical commodity due to natural or technological factors. Natural factors would include depletion of known cost-effective sources for a commodity or the impact of severe weather on the ability to produce or distribute the commodity. Technological factors, such as increases in availability created by new or improved extraction, refining and processing equipment and methods or decreases caused by failure or unavailability of major refining and processing equipment (for example, shutting down or constructing oil refineries), also materially influence the supply of such commodities;

(b) Significant increases or decreases in the demand for a physical commodity due to natural or technological factors. Natural factors would include such events as unusual climatological conditions impacting the demand for commodities. Technological factors may include such developments as substitutes for particular commodities;

(c) A significant change in the attitude of speculators and investors towards a physical commodity. Should the speculative community take a negative or positive view towards any given commodity, it could cause a change in world prices of any given commodity, the price of all securities based upon a benchmark related to that commodity will also be affected;

(d) Large purchases or sales of physical commodities by the official sector. Governments and large institutions have large commodities holdings or may establish major commodities positions. Nations with centralised or nationalised oil production and organizations such as the Organization of Petroleum Exporting Countries ("OPEC") control large physical quantities of crude oil. If one or more of these institutions decides or becomes able to buy or sell any such commodity in amounts large enough to cause a change in world prices, the price of Units based upon a benchmark related to that commodity will be affected;

(e) Other political factors. In addition to the organised political and institutional trading-related activities, peaceful political activity such as imposition of regulations or entry into trade treaties, as well as political disruptions caused by societal breakdown, insurrection and/or war may greatly influence commodities prices;

(f) A significant increase or decrease in commodity hedging activity by commodity producers. Should there be an increase or decrease in the level of hedge activity of commodity producing companies, countries and/or organizations, it could cause a change in world prices of the relevant commodity, causing the price of securities based upon a benchmark related to that commodity to be affected; and

(g) The recent proliferation of commodity-linked, exchange traded products and their unknown effect on the commodity markets.

Crude Oil Commodity Volatility Risk

An exchange traded fund such as the Sub-Fund which has exposure to the commodities markets such as WTI crude oil may be subject to greater volatility than traditional securities. The value of crude oil may be affected by changes in overall market movements, changes in interest rates, or sectors affecting a particular commodity, such as war, embargoes, tariffs and international economic, political and regulatory developments. Investors may suffer substantial / total loss by investing in the Sub-Fund.

Spot vs. Futures Risk

The Sub-Fund tracks the Index which is based upon the price movement of the WTI Futures Contracts (i.e. contracts for delivery of WTI crude oil at some point in the future as specified in the specific contract). The Sub-Fund does not invest in the physical crude oil.

The risk of investing in a WTI Futures Contract is that it can be speculative in nature. A WTI Futures Contract is a standardised financial contract where the parties agree to exchange WTI crude oil at a future date at a future price. As a result, a futures market for crude oil is not a spot market, does not involve primary activity and is speculative in nature as deals are struck at future prices where the holder of a WTI Futures Contract is purchasing an obligation to buy or sell the crude oil at a future specified date, which may not be the best price at the time the contract is completed, and may not accurately reflect or correspond to WTI crude oil spot price at the time of delivery, depending on what happens in the markets during the intervening period.

By contrast, in a spot market WTI crude oil are sold for cash at current prices and delivered immediately. A spot market is a real time market where the transaction becomes effective immediately and the purchaser accepts delivery of, or immediately, resells the asset, e.g. crude oil.

The Sub-Fund does not invest in the physical WTI crude oil market, and the Sub-Fund is exposed to the potential risks involved of using WTI Futures Contracts which are speculative in nature.

Concentration/single commodity risk

The Sub-Fund will primarily invest in WTI Futures Contracts. The number of commodities represented by such WTI Futures Contracts is only one (i.e. only crude oil). Concentration in a single underlying commodity may result in a greater degree of volatility in a WTI Futures Contract and as a result, the Index as well as the Net Asset Value of the Sub-Fund under specific market conditions and over time. As the exposure of the Sub-Fund is concentrated in the WTI crude oil market, it is more susceptible to the effects of oil price volatility than more diversified funds.

Regulatory Change Risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Sub-Fund is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Sub-Fund and what can be done, if anything, to try and limit such impact.

Position Limits Risk

In the United States the CFTC has approved its final rule on speculative position limits for Futures Contracts in certain commodities, including WTI Futures Contracts. Based on the anticipated size of the Sub-Fund and commodity markets, these speculative limits should not have a material impact on the Sub-Fund. If the Sub-Fund exceeds a speculative position limit, the Sub Fund's ability to seek additional exposure by acquiring further WTI Futures Contracts as a result of new creations of Units could be impaired, the Sub-Fund's ability to achieve its investment objective could be affected and, as a result, the Manager could be required to suspend new creations of Units. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit.

Accountability levels risk

The Sub-Fund may be asked by the CME Group Inc. to provide information relating to the position, including the nature and size of the position, the trading strategy employed with respect to the position, if it exceeds an accountability level. Failure to supply the requested information may result in an order to reduce such positions. Such reduction could potential increase the tracking error and tracking difference of the Sub-Fund.

Correlation to General Financial Markets Risk

Historically, returns of commodities Futures Contracts (including WTI Futures Contracts) have tended to exhibit low to negative correlation with the returns of other assets such as stocks and bonds. Although commodity Futures Contracts trading can provide a diversification benefit to investor portfolios because of its low to negative correlation with other financial assets, the fact that the Index is not 100% negatively correlated with financial assets such as stocks and bonds means that the Sub-Fund cannot be expected to be automatically profitable during unfavourable periods for the stock or bond market, or vice versa. If the Units perform in a manner that correlates with the general financial markets or do not perform successfully, there will be no diversification benefits for investors by investing in the Units and the Units may produce no gains to offset losses from other investments.

Non-correlation with Spot/Current Market Price Risk of the WTI Crude Oil Risk

The Sub-Fund seeks to track the Index but neither the Sub-Fund nor the Index is directly linked to the spot price of WTI crude oil. While prices of WTI Futures Contracts are, as a rule, related to the prices of an underlying physical commodity market (i.e. WTI crude oil), they are not perfectly correlated. It is possible that during certain time periods, WTI Futures Contract prices will cease to track spot price and may be substantially lower or higher than physical commodity market prices for the underlying crude oil due to differences in contract terms or as supply, demand or other economic or regulatory factors become more pronounced.

The price of a WTI Futures Contract reflects the expected value of the WTI crude oil upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the Futures Contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The price movements of a Futures Contract are typically correlated with the movements of the spot price of the referenced commodity, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the Sub-Fund may underperform a similar investment that is linked to the spot price of WTI crude oil. For example, during 2009, the Index underperformed the spot price of WTI crude oil by 71% (the level of the Index increased by 7%, while the spot price of crude oil increased by 78%).

Please refer to the related educational materials issued by the Manager as set out in https://www.globalxetfs.com.hk/ for more information in this regard.

Depending upon the direction and level of the Index changes, the Sub-Fund may underperform or outperform a portfolio directly holding physical WTI crude oil.

In addition, the Index may be less representative of the economy and commodity markets as a whole and might therefore not serve as a reliable benchmark for commodity market performance generally.

Risks relating to WTI crude oil

Crude Oil Price Risk

The prices of WTI crude oil are primarily affected by the global demand for and supply of crude oil, but are also influenced significantly from time to time by speculative actions and by currency exchange rates. Crude oil prices are generally more volatile and subject to dislocation than prices of other commodities.

Demand for refined petroleum products by consumers, as well as the agricultural, manufacturing and transportation industries, affects the price of crude oil. Crude oil's end-use as a refined product is often as transport fuel, industrial fuel and in-home heating fuel. Potential for substitution in most areas exists, although considerations including relative cost often limit substitution levels. Because the precursors of demand for petroleum products are linked to economic activity, demand will tend to reflect economic conditions. Demand is also influenced by government regulations, such as environmental or consumption policies. In addition to general economic activity and demand, prices for crude oil are affected by political events, labour activity and, in particular, direct government intervention (such as embargos) or supply disruptions in major oil producing regions of the world. Such events tend to affect oil prices worldwide, regardless of the location of the event, although regional factors may disproportionately impact either WTI Futures Contracts in comparison to crude oil futures generally or to one another.

Supply for crude oil may increase or decrease depending on many factors. These include production decisions by OPEC and other crude oil producers. Crude oil prices are determined with significant influence by OPEC. OPEC has the potential to influence oil prices worldwide because its members possess a significant although declining portion of the world's oil supply. In the event of sudden disruptions in the supplies of oil, such as those caused by war, natural events, accidents or acts of terrorism, prices of WTI Futures Contracts could become extremely volatile and unpredictable.

Also, sudden and dramatic changes in the futures market may occur, for example, upon a cessation of hostilities that may exist in countries producing oil, the introduction of new or previously withheld supplies into the market or the introduction of substitute products or commodities. Crude oil prices may also be affected by short-term changes in supply and demand because of trading activities in the oil market and seasonality (e.g., weather conditions such as hurricanes). It is not possible to predict the aggregate effect of all or any combination of these factors. Crude oil prices may rise or fall significantly over short periods.

Risks relating to WTI Futures Contracts

Rolling of Futures Contracts Risk

The Index is calculated with reference to WTI Futures Contracts exposing the Sub-Fund to a liquidity risk linked to WTI Futures Contracts which may affect the value of such WTI Futures Contracts. A "roll" occurs when an existing WTI Futures Contract in the Index is replaced by a WTI Futures Contract representing the same underlying but with a different expiration date. Where the Index is calculated with reference to these WTI Futures Contracts, the value of the Index (and so the Net Asset Value per Unit) may be adversely affected by the cost of rolling positions forward (due to the higher price of the WTI Futures Contract if the market is in contango). The change in price of a WTI Futures Contract may reflect many factors such as perceived economic changes or political circumstances as well as increased demand.

Contango and Backwardation Risk

The Index is composed of WTI Futures Contracts. Every month, certain WTI Futures Contracts included in the Index may be replaced by contracts with different expiration dates. The new expiration into which a WTI Futures Contract will be rolled will depend on the “contango” between the nearest contract month and the next nearest contract month as at the contract determination date, as further explained under the “*Enhanced Index: Enhanced Monthly Rolling Rule” sub-section*. Excluding other considerations, if the market for WTI Futures Contracts included in the Index is in “contango”, where the prices are higher in the distant delivery months than in the nearer delivery months, the sale of the WTI Futures Contracts included in the Index would take place at a price that is lower than the price of the contract which such WTI Futures Contracts will be rolled to. Accordingly sale proceeds from selling existing WTI Futures Contracts included in the Index when rolling will not be sufficient to purchase the same number of contracts with later expiration date which have a higher price, thereby creating a negative “roll yield”. By contrast, if the market for these contracts is in “backwardation”, where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the current contracts would take place at a price that is higher than the price of the contracts with later expiration date, thereby creating a positive “roll yield”. Contango or backwardation could last for an undetermined period of time. WTI crude oil has at times in the past traded in contango due to material storage costs of oil, as well as high demand of crude oil. Because roll yields are considered in the calculation of the Index, the presence of contango in the commodity markets could result in negative "roll yields," which could adversely affect the level of the Index, the Net Asset Value and reduce the value of the Unitholders’ investment.

Margin Risk

Generally, most leveraged transactions, such as WTI Futures Contracts, involve the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a WTI Futures Contract may result in a proportionally high impact and substantial losses to the Sub-Fund having a material adverse effect on the Net Asset Value of the Sub-Fund. Like other leveraged investments, a futures transaction by the Sub-Fund may result in losses in excess of the amount invested by the Sub-Fund. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of WTI Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Sub-Fund to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial losses to Unitholders.

Futures Contracts Market Risks

Futures Contracts markets for WTI crude oil may be uncorrelated to traditional markets (such as equities markets) and may be subject to greater risks than traditional markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile and may deviate substantially from the day-end WTI crude oil spot price. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms. There can be no assurance that future political changes will not adversely affect the economic conditions of major oil consuming economies. Political or economic instability may affect WTI Futures Contracts, which could adversely impact the value of the Index and, as a result, the Net Asset Value per Unit.

Risk of Exchange’s Clearing House’s Failure

In the event of the bankruptcy of the exchange’s clearing house, the Sub-Fund could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Sub-Fund would be afforded the protections granted to participants to transactions cleared through a clearing house, under the United States Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Sub-Fund to recover all, or even any, of the amounts it has deposited as margin.

Risks of investing in fixed income securities

Credit/counterparty Risk

Investment in fixed income securities is subject to the credit risk of the security or its issuers, who may be unable or unwilling to make timely payments of principal and/or interest. In the event of a default or credit rating downgrading of the securities or the issuers of the fixed income securities held by the Sub-Fund, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Manager may or may not be able to dispose of the securities that are being downgraded. There may also be difficulties or delays in enforcing rights against the issuers who will generally be incorporated overseas and therefore not subject to the laws of Hong Kong.

Interest Rate Risk

Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Sovereign Debt Risk

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

Credit Ratings Risks

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

Risks relating to the Sub-Fund and Index

New Product Risk

The Sub-Fund is a futures based exchange traded fund investing directly in WTI Futures Contracts. Although there have been commodities exchange traded funds, futures and options mutual funds and units trusts and futures-based exchange traded funds in Hong Kong, the Sub-Fund will be one of the first futures based exchange traded funds tracking a single commodity futures index such as the Index in Hong Kong. The novelty and untested nature of such an exchange traded fund makes the Sub-Fund riskier than traditional exchange traded funds investing in equity Securities.

Owning Units is Not the Same as Directly Owning the Futures Contracts

The return on Units will not reflect the return Unitholder would realise if Unitholder actually purchased the physical crude oil upon which the WTI Futures Contracts included in the Index are based, or exchange traded or over-the-counter instruments based on the applicable Index. A Unitholder will not have any rights that holders of such assets or instruments have.

Possible Early Termination of the Sub-Fund Risk

The Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than HKD40 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Sub-Fund or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) at any time, the Sub-Fund ceases to have any Participating Dealer. Upon the Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the Sub-Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be less than the capital invested by the Unitholder, resulting in a loss to the Unitholder.

Reliance on Market Makers Risk

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for the Units will give not less than 3 months' notice prior to terminating market making under the relevant market making agreements.

Excess Return Index Risk

The Index is an excess return index, which means the Index measures the returns accrued from investing in uncollateralised WTI Futures Contracts (i.e. the sum of the price return and the roll return associated with an investment in WTI Futures Contracts). By contrast, total return indices, in addition to reflecting those returns, also reflect interest that could be earned on funds committed to the trading of the Futures Contracts included in such indices (i.e. the collateral return associated with an investment in Futures Contracts). Investing in the Sub-Fund will therefore not generate the same return as would be generated from investing directly in the relevant WTI Futures Contracts or in total return indices related to such WTI Futures Contracts.

Risks related to unscheduled roll of the Sub-Fund

Under exceptional market conditions, the Manager may in its discretion and without prior notice to investors deviate from the rolling strategy and/or rolling schedule stated in the index methodology of the Index in the best interests of the Sub-Fund and the Unitholders and for the protection of the Sub-Fund. There is a risk that the tracking error and tracking difference of the Sub-Fund may increase.

No Rights in the Physical Commodities and Futures Contracts Risk

As an owner of Units, a Unitholder will not have rights that holders of WTI crude oil or WTI Futures Contracts included in the Index may have. A Unitholder will have no right to receive delivery of any WTI crude oil or WTI Futures Contracts. A Unitholder will have no right to receive any payment or delivery of amounts in respect of the WTI Futures Contracts included in the Index.

Distributions May Not be Paid Risk

The Index is an excess return index. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holding of investments. There is no current intention to make distribution out of capital or effectively out of capital.

Appendix dated 29 July 2022

APPENDIX 2: GLOBAL X BLOOMBERG MSCI ASIA EX JAPAN GREEN BOND ETF

Investors should note that this Sub-Fund has both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections relevant to your intended holding of Units.

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

Investment Type	Exchange Traded Fund ("ETF")
Index	Bloomberg MSCI Asia ex Japan USD Green Bond Index
Index Provider	Bloomberg Index Services Limited
Base Currency	United States dollars (USD)
Distribution Policy	Semi-annually (usually in March and September of each year) (if any) in HKD subject to the Manager's discretion. The amount or rate of distribution (if any) is not guaranteed. Distributions (if any) may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, distributions may not be paid if the cost of the Sub-Fund's operations is higher than the return from management of the Sub-Fund's cash and holdings of investment products.
Financial Year-End	Ending 31 March each year, and the first financial year-end of the Sub-Fund will be 31 March 2023.
Website	https://www.globalxetfs.com.hk/ (this website has not been reviewed by the SFC)

Key information applicable to Listed Class of Units only

Initial Offer Period	9:00 a.m. (Hong Kong time) on 12 August 2022 to 4:00 p.m. (Hong Kong time) on 16 August 2022, or such dates or times as the Manager may determine
Initial Issue Date	18 August 2022
Listing Date (SEHK)	19 August 2022 (but may be postponed by the Manager to a date no later than 20 August 2022)

Issue Price during the Initial Offer Period	USD7 per Unit
Exchange Listing	SEHK – Main Board
Stock Code	3059 – HKD counter 83059– RMB counter
Stock Short Name	GX AGREENBOND– HKD counter GX AGREENBOND-R – RMB counter
Trading Board Lot Size	50 Units
Trading Currency	Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Application Unit Size for Creation / Redemption (only by or through Participating Dealers)	Minimum 15,000 Units (or multiples thereof)
Creation / Redemption Policy	Cash (in USD only) or in-kind
Dealing Deadline	2:00 p.m. (Hong Kong time) – cash Application 2:00 p.m. (Hong Kong time) – in-kind Application
Listing Agent	Altus Capital Limited
Management Fee	Currently 0.40% per annum of the Net Asset Value
Trustee Fee	Included in the Management Fee

Key information applicable to Unlisted Classes of Units only

Initial Offer Period	Such dates or times as the Manager may determine in due course
Unlisted Classes of Units offered	Class A (HKD) Class A (RMB)
Subscription Price during the Initial Offer Period	Class A (HKD): HKD equivalent amount of USD7 per Unit Class A (RMB): RMB equivalent amount of USD7 per Unit
Minimum Initial Investment	Class A (HKD): HKD1,000

Amount	Class A (RMB): RMB1,000
Minimum Subsequent Investment Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Minimum Holding Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Minimum Redemption Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Subscription / Redemption Policy	Class A (HKD): Cash (in HKD) Class A (RMB): Cash (in RMB)
Dealing Deadline	2:00 p.m. (Hong Kong time)
Management Fee	Currently 0.60% per annum of the Net Asset Value
Trustee Fee	Up to 0.045% per annum of the Net Asset Value, subject to a minimum fee of US$3,750 per month for the Sub-Fund (minimum fee waived for the first 6-month period from the launch of the Sub-Fund)

Key similarities and differences between Listed Class of Units and Unlisted Classes of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections headed "What is the investment objective?" and "What is the investment strategy?".
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the section headed "Determination of Net Asset Value" in Part 1 of the Prospectus.
Dealing Arrangements	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. Investors should note that the Dealing Deadlines in respect of Listed Class of Units and Unlisted Classes of Units may be different. In respect of the Listed Class of Units: - the Dealing Deadline for a Creation Application or Redemption Application is 2:00 p.m. (Hong Kong time) (in respect of a cash Application) or 2:00 p.m. (Hong Kong time) (in respect of an in-kind Application) on each Dealing Day, or such other date or time as the Manager may from time to time with the written approval of the Trustee determine; - a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any

	time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and - the Creation Application or Redemption Application for Listed Class of Units received after 2:00 p.m. (Hong Kong time) (in respect of a cash Application) or 2:00 p.m. (Hong Kong time) (in respect of an in-kind Application) on a Dealing Day will be deemed to have been received on the next Dealing Day. In respect of the Unlisted Classes of Units: - the Dealing Deadline is 2:00 p.m. (Hong Kong time) on each Dealing Day, or such other date or time as the Manager may from time to time with the written approval of the Trustee determine. Investors can buy or sell the Unlisted Classes of Units at the Net Asset Value of the relevant Unlisted Classes of Units. Applicants may apply for Unlisted Classes of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Classes of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures; and - the subscription application or redemption request for Unlisted Classes of Units received after 2:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. Please refer to Schedule 1 (Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units) for more information relating to dealing arrangements of the Listed Class of Units, and Schedule 2 (Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Class of Units) for more information relating to the dealing arrangements of the Unlisted Classes of Units.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Classes of Units – each Business Day.
Valuation Point	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 4:00 p.m. (Eastern Standard Time) on the applicable Dealing Day.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. In respect of the Listed Class of Units, the current rate of the Single Management Fee is 0.40% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. In respect of the Unlisted Classes of Units, the current rate of the management fee is 0.60% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day.

	The Single Management Fee in respect of the Listed Class of Units and the management fee in respect of the Unlisted Classes of Units may be increased up to the permitted maximum amount (up to 2% per annum of the Net Asset Value) by providing one month's prior notice to Unitholders. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as brokerage fees, FRC transaction levy and SEHK trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section headed "Fees and Expenses" in this Appendix.
Investment Return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and the different fee structures applicable to each of the Listed Class of Units and Unlisted Classes of Units. Please refer to the sub-section headed "Risk associated with differences in dealing, fee and cost arrangements between Listed Class of Units and Unlisted Class of Units" under the section headed "Risk Factors" of Part 1 of this Prospectus.
Termination	Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes Units may differ. Please refer to the sub-section headed "Termination" under the section headed "Statutory and General Information" of Part 1 of this Prospectus for further details.

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Bloomberg MSCI Asia ex Japan USD Green Bond Index (the "Index").

What is the investment strategy?

In seeking to achieve the Sub-Fund's investment objective, the Manager will primarily use a representative sampling strategy and hold a representative sample of the constituent Securities of the Index selected by the Manager that collectively reflects the investment characteristics and features a high correlation with the Index.

The Sub-Fund may invest, either directly or indirectly, in Securities comprised in the Index, or in USD-denominated fixed income securities rated investment grade that are not included in the Index but which the Manager believes will help the Sub-Fund achieve its investment objective. At least 70% of the Net Asset Value of the Sub-Fund will be invested in constituent Securities of the Index. The constituent securities of the Index may be listed or unlisted. The Sub-Fund will access the unlisted constituent securities of the Index via the over-the-counter market.

The Sub-Fund may invest not more than 10% of its Net Asset Value in cash and money market funds which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code for cash management purposes.

Currently, the Sub-Fund will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required) and provide at least one month's prior notice to Unitholders before the Manager engages in any such investments.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Securities lending transactions

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions with a maximum level of up to 50% and expected level of approximately 20% of its Net Asset Value.

The Manager will be able to recall the Securities lent out at any time. All securities lending transactions will only be carried out in the best interests of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the sub-section headed "Securities financing transactions" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under the sub-section headed "Collateral" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included) valued on a daily basis. The collateral will be marked-to-market on a daily basis and be subject to safekeeping by the Trustee or an agent appointed by the Trustee. Please refer to the sub-section headed "The Trustee and Registrar" under the section headed "Management of the Trust" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the value of the Securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value by 4:00 p.m. on trading day T+2.

Non-cash collateral received may not be sold, re-invested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code and the sub-section headed "Collateral" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus.

To the extent the Sub-Fund undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The costs relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the risk factor titled "Securities lending transactions risk" below for further details.

Use of derivatives

The Sub-Fund may invest in FDIs for hedging or non-hedging (i.e. investment) purposes, in order to achieve efficient portfolio management. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

The Manager may invest no more than 10% of the Sub-Fund's Net Asset Value in futures for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures in which the Sub-Fund may invest will be index futures which exhibit high correlation with the Index in order to manage the Sub-Fund's exposure to the Index constituents.

What is the Index?

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General information

The Index is a total return, market capitalisation weighted index and a fixed income benchmark designed to track the performance of the Asian (excluding Japanese) market for Green Bonds (as defined below).

The Index is denominated and quoted in USD.

The Index is compiled and managed by Bloomberg Index Services Limited (the "Index Provider"). The Manager (and each of its connected persons) are independent of the Index Provider.

MSCI ESG Research is a third party service provider which provides independent evaluation of bonds along the four eligibility criteria which reflect themes articulated in the GBP for the purposes of the compilation of the Index. MSCI ESG Research is independent of the Index Provider.

The Index was launched on 15 June 2022 and had a base level of 100 as at 1 August 2017. As at 31 March 2022, the Index comprised 76 fixed income constituents with a total market capitalisation of approximately USD38.96 billion.

Index universe

"Green Bonds" are fixed income securities the proceeds of which will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes. To determine whether a particular bond should be classified as a Green Bond, bonds are independently evaluated by MSCI ESG Research along four eligibility criteria which reflect themes articulated in the Green Bond Principles (the "GBP"). These criteria are as follows:

(i) a bond's stated use of proceeds;

(ii) a bond's process for green project evaluation and selection;

(iii) a bond's process for management of proceeds; and

(iv) a bond's commitment to ongoing reporting of the environmental performance of the use of proceeds.

The GBP are voluntary process guidelines issued by the International Capital Market Association that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the issuance process. Bonds issued after the publication of the GBP in 2014 are required to meet all of the four criteria above. Bonds issued prior to 2014 are excluded from the Index, since no formal guidelines were available to issuers at the time of their issuance.

(i) Stated use of proceeds

A bond is considered eligible if its use of proceeds falls within at least one of the following seven eligible environmental categories defined by MSCI ESG Research[1]:

Green Bond Category	**Sub-Category**
Alternative Energy	Wind, solar, geothermal, biomass, waste energy, wave and tidal, hydroelectric, biogas, and bio-fuels
Energy Efficiency	Battery, fuel cells/hydrogen systems, smart grid, other energy storage (including pumped hydro storage), superconductors, natural gas combined heat & power, LED lighting, compact fluorescent lighting, insulation, hybrid/electric vehicles, clean transportation infrastructure, industrial automation, and IT optimisation service & infrastructure
Pollution Prevention & Control	Environmental remediation, waste treatment (excluding landfill and incineration), reuse & recycling of waste, low toxicity/volatile organic compound, and conventional pollution control
Sustainable Water	Water infrastructure & distribution (with impact on water quality and access), rainwater harvesting, smart metering devices, drought-resistant seeds, desalinisation, wastewater treatment, water recycling equipment & services, and watershed conservation efforts
Green Building	Green certified residential and commercial properties based on local environmental performance standards (e.g., Energy Star, NABERS[2] >3, etc.) or design standards (e.g., LEED[3] Certified, BREEAM[4], etc.), uncertified green property investments (top 15% energy efficiency within local market), and green mortgage-backed security or renovated real estate[5]
Climate Adaptation	Flood protection, food security & stress-resilient agricultural systems, reforestation & watershed management, and climate resiliency services (modernisation of meteorological systems & catastrophe risk insurance)

[1] The environmental categories are not mutually exclusive. i.e., a bond may fund one or more of the categories. In cases where project categories do not overlap entirely with MSCI ESG Research definitions, MSCI ESG Research will consider bonds eligible if at least 90% of the projected use of proceeds falls within eligible categories.

[2] National Australian Built Environment Rating System

[3] Leadership in Energy and Environmental Design

[4] Building Research Establishment Environmental Assessment Method

[5] Green mortgage-backed security is defined as any mortgage-backed security where the underlying asset has undergone a renovation resulting in a 30% improvement in energy efficiency compared to its original baseline. Green renovated real estate is defined as any renovated real estate that has undergone a renovation resulting in a 30% improvement in energy efficiency compared to its original baseline.

Other	The “other” use of proceeds category includes environmental activities and projects that are not included in the six use of proceeds categories. These activities and projects include, but are not limited to, the protection and conservation of biodiversity, sustainable forestry & afforestation projects, and sustainable agricultural projects.

(ii) *Process for green project evaluation and selection*

Bonds are considered eligible if the issuer clearly delineates the specific criteria and process for determining eligible projects or investments in the bond prospectus or supporting documentation (e.g. green bond supplement, website, investor presentation and published second-party opinion).

Project criteria must outline either specific projects or the specific categories of activities to be financed.

In the event that the bonds do not clearly specify the projects or investments but only provide a report/opinion by an external party stating that there is a process for green project evaluation and selection without detailed information, such bonds are not considered eligible.

(iii) *Process for management of proceeds*

A formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds must be disclosed in the bond prospectus or supporting documentation. Eligible mechanisms to apply net proceeds raised or an amount equal to net proceeds raised include direct recourse to eligible revenues or assets (e.g. a green securitised bond, green project bond or green revenue bond), creation of a separate legal entity, creation of a sub-portfolio linked to the issuer’s investment operations for eligible projects, or other auditable mechanism whereby the balance of tracked proceeds is reduced periodically by amounts matching investments made in eligible projects during that period.

(iv) *Commitment to ongoing reporting of the environmental performance of the use of proceeds*

At issuance, the issuer must either report on eligible projects or state its commitment to report within one year of issuance. For a bond’s reporting to be considered eligible, it must include one or more of the following:

- a list of specific projects/investments (including amount disbursed to each individual project);
- aggregate project/investment categories (including amount disbursed to each project type); and
- quantitative or qualitative reporting on the environmental impact of the project pool (e.g. greenhouse gas emissions savings, reduction in water consumption, increased energy efficiency per unit of output, etc.).

The index universe of the Index (the “Index Universe”) includes Green Bonds which fulfill all of the following criteria:

(i) Sector: Eligible bonds are, corporate, government-related (e.g. bonds issued by sovereign and supranational issuers) and securitised bonds.

(ii) Currency: Principal and coupon must be denominated in USD.

(iii) Market: Bangladesh, the PRC, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, Pakistan, Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

(iv) Credit rating: Eligible bonds must be rated investment grade. The middle rating from Moody's, Standard & Poor's and Fitch is used. When ratings from only two credit agencies are available, the lower rating is used. When only one credit agency rates a bond, that rating is used.

(v) Minimum amount outstanding: USD300 million.

(vi) Coupon: Eligible bonds shall pay fixed-rate coupon. Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only. Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.

(vii) Maturity: There is no requirement on minimum maturity. The Index will hold eligible bonds until maturity. Bonds that convert from fixed to floating rate, including fixed-to-float perpetuals, will exit the Index before conversion to floating-rate.

Index methodology

Index selection and rebalancing

The formal list of Green Bonds evaluated and identified by MSCI ESG Research is updated on the 25th calendar day of each month.

The Index constituents are selected based on all the above-mentioned criteria and the Index is rebalanced on the last Business Day of each month (the "Selection/Rebalancing Day"). During each month, there can be changes to the Green Bonds, such as changes in relation to credit ratings, sector reclassification, outstanding amount and corporate actions. While such changes can affect the Index eligibility of the Green Bonds, they will affect the composition of the Index on the Selection/Rebalancing Day only.

Weighting of the Index

The Index is market capitalisation weighted. The weight of Green Bonds issued by the same issuer will be capped at 10% of the Index. Excess weights over the 10% limit will be redistributed on a pro rata basis to all other Green Bonds in the Index that are under the 10% cap. The process is repeated until no issuer exceeds the 10% limit. The 10% cap is applied on the Selection/Rebalancing Day.

Index constituents

You can obtain the list of the constituents of the Index, their respective weightings, the last closing index level and additional information of the Index from the website of the Index Provider at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits (this website has not been reviewed by the SFC).

Index codes

The Index is distributed under the following identifiers:

Bloomberg Code: I37155US Index

Index licence agreement

The initial term of the licence of the Index commenced on 18 July 2022 and shall be valid for an initial term of two years. After the expiry of the initial term, the licence shall renew automatically for consecutive renewal terms of two years, unless either party to the licence agreement provides written notice of termination to the other party of its intent not to renew at least 30 days prior to the end of the initial term or the then current term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index disclaimer

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Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg"), including Bloomberg Index Services Limited, the index administrator ("BISL"), or Bloomberg's licensors, including MSCI, own all proprietary rights in the "Bloomberg MSCI Asia ex Japan USD Green Bond Index".

Neither Bloomberg nor MSCI is the issuer or producer of the Sub-Fund and neither Bloomberg nor MSCI has any responsibilities, obligations or duties to investors in the Sub-Fund. The Bloomberg MSCI Asia ex Japan USD Green Bond Index is licensed for use by the Manager as the issuer of the Sub-Fund. The only relationship of Bloomberg and MSCI with the Manager is the licensing of the Bloomberg MSCI Asia ex Japan USD Green Bond Index, which is determined, composed and calculated by BISL, or any successor thereto, without regard to the Manager or the Sub-Fund or the owners of the Sub-Fund.

Investors acquire the Sub-Fund from the Manager and investors neither acquire any interest in Bloomberg MSCI Asia ex Japan USD Green Bond Index nor enter into any relationship of any kind whatsoever with Bloomberg or MSCI upon making an investment in the Sub-Fund. The Sub-Fund is not sponsored, endorsed, sold or promoted by Bloomberg or MSCI. Neither Bloomberg nor MSCI makes any representation or warranty, express or implied, regarding the advisability of investing in the Sub-Fund or the advisability of investing in securities generally or the ability of the Bloomberg MSCI Asia ex Japan USD Green Bond Index to track corresponding or relative market performance. Neither Bloomberg nor MSCI has passed on the legality or suitability of the Sub-Fund with respect to any person or entity. Neither Bloomberg nor MSCI is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Sub-Fund to be issued. Neither Bloomberg nor MSCI has any obligation to take the needs of the Manager or the owners of the Sub-Fund or any other third party into consideration in determining, composing or calculating the Bloomberg MSCI Asia ex Japan USD Green Bond Index. Neither Bloomberg nor MSCI has any obligation or liability in connection with administration, marketing or trading of the Sub-Fund.

Any licensing agreement(s) between Bloomberg and MSCI are solely for the benefit of Bloomberg and MSCI and not for the benefit of the owners of the Sub-Fund, investors or other third parties. In addition, the licensing agreement between the Manager and Bloomberg is solely for the benefit of the Manager and Bloomberg and not for the benefit of the owners of the Sub-Fund, investors or other third parties.

NEITHER BLOOMBERG NOR MSCI SHALL HAVE ANY LIABILITY TO THE MANAGER, INVESTORS OR OTHER THIRD PARTIES FOR THE QUALITY, ACCURACY AND/OR COMPLETENESS OF THE BLOOMBERG MSCI ASIA EX JAPAN USD GREEN BOND INDEX OR ANY DATA INCLUDED THEREIN OR FOR INTERRUPTIONS IN THE DELIVERY OF THE BLOOMBERG MSCI ASIA EX JAPAN USD GREEN BOND INDEX. NEITHER BLOOMBERG NOR MSCI MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, THE INVESTORS OR ANY OTHER PERSON OR ENTITY

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Dealing arrangements of Listed Class of Units and Unlisted Class of Units

Investors should note that the dealing arrangements in respect of Listed Class of Units and Unlisted Classes of Units are different. Please refer to the section below which is applicable to your intended holding of Units. Please also refer to Schedule 1 (Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units) for more information relating to dealing arrangements of the Listed Class of Units, and Schedule 2 (Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Class of Units) for more information relating to the dealing arrangements of the Unlisted Classes of Units.

The offering phases of Listed Class of Units

Initial Offer Period

The Initial Offer Period of the Listed Class of Units commences at 9:00 a.m. (Hong Kong time) on 12 August 2022 to 4:00 p.m. (Hong Kong time) on 16 August 2022, or such dates or times as the Manager may determine.

The Listing Date is expected to be on 19 August 2022 but may be postponed by the Manager to a date no later than 20 August 2022.

The Issue Price of the Listed Class of Units which is the subject of a Creation Application during the Initial Offer Period is USD7 per Unit, or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period. Applications for creation of Units may be made by way of a cash Creation Application (in USD only) or an in-kind Creation Application.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Listed Class of Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class of Units to be available for trading on the Listing Date by a Creation Application. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Listed Class of Units for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Listed Class of Units on their behalf.

After Listing

Dealings in the Listed Class of Units on the SEHK (the "Listing") will commence on the Listing Date, which is expected to be on 19 August 2022 but may be postponed by the Manager to a date no later than 20 August 2022.

The dealing period on each Dealing Day after Listing for a Creation Application or a Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (in respect of a cash Application) or 2:00 p.m. (Hong Kong time) (in respect of an in-kind Application), or such other date or time as the Manager may from time to time with the written approval of the Trustee determine.

Applications for creation of Listed Class of Units may be made by way of a cash Creation Application (in USD only) or an in-kind Creation Application. Settlement for subscribing for Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section headed "The Offering Phases" in Schedule 1 of Part 1 of this Prospectus.

The following table summarises all key events and the Manager's expected timetable in relation to the Listed Class of Units (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation of Listed Class of Units for themselves or for their clients in Application Unit size	• 9:00 a.m. (Hong Kong time) on 12 August 2022 or such other date or time as the Manager may determine
The date that is three Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Listed Class of Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 16 August 2022 or such other date or time as the Manager may determine
After Listing (period commences on the Listing Date) • All investors may start trading Listed Class of Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption of Listed Cass of Units for themselves or for their clients in Application Unit size	• Commence at 9:00 a.m. (Hong Kong time) on 19 August 2022, but may be postponed by the Manager to a date no later than 20 August 2022 • From 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) (in respect of a cash Application) or 2:00 p.m. (Hong Kong time) (in respect of an in-kind Application) on each Dealing Day

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in USD) or in-kind. Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities in accordance with the Operating Guidelines.

Exchange listing and trading (secondary market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD and RMB.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of Part 1 of this Prospectus for further information.

Dealings on the SEHK in Listed Class of Units traded in HKD and RMB are expected to begin on 19 August 2022.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Dual counter trading of Listed Class of Units

The Manager has arranged for the Units of the Sub-Fund to be available for trading on the secondary market on the SEHK under a Dual-Counter arrangement. Units are denominated in USD. The Sub-Fund offers two trading counters on the SEHK (i.e. HKD counter and RMB counter) to investors for secondary trading purposes.

Listed Class of Units traded on each counter are of the same class and all Unitholders of all counters are treated equally. The counters will have different stock codes (as set out in the section headed "Key Information" above), different stock short names and different ISIN numbers.

Units traded in HKD counter will be settled in HKD and Units traded in RMB counter will be settled in RMB. Apart from settlement in different currencies, the trading prices of Units in the counters may be different as the different counters are distinct and separate markets.

Notwithstanding a Dual Counter being adopted for the Sub-Fund, cash payable to a Participating Dealer in a cash Creation Application for Listed Class of Units in the primary market must be in USD. Units which are created may be deposited in CCASS as HKD counter Units or RMB counter Units initially.

Investors can buy and sell Listed Class of Units traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide HKD and RMB trading services at the same time and offer inter-counter transfer services to support Dual-Counter trading. Inter-counter buy and sell is permissible even if the trades take places within the same trading day. However, investors should note that the trading price of Listed Class of Units traded in each counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual-Counter, including inter-counter transfers. Investors' attention is also drawn to the risk factor titled "Dual-Counter risk (applicable to the Listed Class of Units only)" below.

Subscription of Unlisted Class of Units

Available class

The Sub-Fund currently offers the following Unlisted Classes of Units to investors:

- Class A (HKD)
- Class A (RMB)

Initial Offer Period

The Initial Offer Period of the Unlisted Classes of Units will be on such dates or times as the Manager may determine in due course.

The Subscription Price of the Unlisted Classes of Units during the Initial Offer Period is USD7 per Unit (for Class A (HKD) Units, in the equivalent HKD amount, and for Class A (RMB) Units, in the equivalent RMB amount), or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period. The Manager may at any time decide to close a class to further subscriptions before the end of the Initial Offer Period without any prior or further notice.

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 of Part 1 of this Prospectus. The following apply to the Sub-Fund:

Dealing Day	each Business Day
Dealing Deadline	2:00 p.m. (Hong Kong time)

Subscription monies in respect of the Unlisted Classes of Units must be paid in HKD for Class A (HKD) Units and RMB for Class A (RMB) Units. Subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Classes of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager.

Redemption proceeds will be paid to redeeming Unitholder in HKD for Class A (HKD) Units and RMB for Class A (RMB) Units. Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder by telegraphic transfer to the Unitholder’s pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the Sub-Fund’s investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, and in such a case the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets.

Investment minima

The following investment minima apply to the Unlisted Classes of Units:

	Class A (HKD)	**Class A (RMB)**
Minimum initial investment amount	HKD1,000	RMB1,000
Minimum subsequent investment amount	HKD1	RMB1
Minimum holding amount	HKD1	RMB1
Minimum redemption amount	HKD1	RMB1

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

RMB payment procedures

Unlisted Classes of Units

An investor applying for Unlisted Class of Units denominated in RMB will be required to pay the subscription monies in RMB. An investor may need to have opened an RMB bank account as he/she will need to have accumulated sufficient RMB to pay the subscription monies, or if an application to subscribe for such Units is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by crediting such amount into the investor's RMB bank account without interest.

Investors should note that RMB is the only official currency of the PRC. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC. The liquidity of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC.

Following the expansion of the RMB trade settlement scheme, there are no longer any restrictions on banks in Hong Kong in establishing RMB accounts. However, different banks may have different and/or additional restrictions. There may be additional rules, regulations and restrictions under contemplation or to be issued by the relevant Hong Kong authorities that may be relevant to investments in the Sub-Fund. Investors should check with their own banks or professional advisers for updates and details.

Investors should also consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for payment of subscription monies for Unlisted Class of Units denominated in RMB.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC and provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the sub-section entitled "RMB currency risk" below for further details.

Listed Class of Units

If investors wish to buy or sell Listed Class of Units traded in RMB on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers their readiness for dealing and/or clearing transactions in RMB securities and other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. Investors intending to purchase Listed Class of Units traded in RMB from the secondary market should consult their brokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the broker first before any dealing in Listed Class of Units traded in either HKD or RMB can be effected. Investors should ensure they have sufficient RMB to settle trades of Listed Class of Units traded in RMB.

CCASS Investor Participants who wish to settle the payment in relation to their trades in the Listed Class of Units traded in RMB using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

The transaction costs of dealings in the Listed Class of Units on the SEHK include the SEHK trading fee, SFC's transaction levy and FRC transaction levy. All these secondary trading related fees and charges will be collected in HKD and, in respect of Listed Class of Units traded in RMB, calculated based on an exchange rate as determined by the HKMA on the date of the trade which will be published on HKEX's website by 11:00 a.m. or earlier on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Switching

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units is not available. Please refer to the section "Switching of Unlisted Class of Units" in Part 1 of this Prospectus. Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch all or any of their Unlisted Class of Units of the Sub-Fund into any other Unlisted Class of Units of the Sub-Fund (where available). Switching of Units of an Unlisted Class of Units of the Sub-Fund into unlisted shares, units or interests of other sub-fund(s) of the Trust is currently not permitted.

Distribution policy (applicable to both Listed Class of Units and Unlisted Class of Units)

Income may be distributed at the Manager's discretion to Unitholders semi-annually (usually in March and September of each year). The amount or rate of distribution (if any) is not guaranteed. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investments.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of the Sub-Fund's capital or effectively out of its capital may result in an immediate reduction in the Net Asset Value of the Sub-Fund and will reduce the capital available for future investment.

The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website at https://www.globalxetfs.com.hk/ (the contents of which have not been reviewed by the SFC). There can be no assurance that a distribution will be paid.

Each Unitholder of the Listed Class of Units (whether traded in the HKD counter or the RMB counter) will receive distributions (if any) in HKD only. Each Unitholder of the Unlisted Classes of Units (whether in respect of Class A (HKD) Units or Class A (RMB) Units) will receive distributions (if any) in HKD only. Unitholders are advised to check with their brokers on the arrangements concerning distributions.

Fees applicable to Listed Class of Units only

Fees and expenses payable by the Sub-Fund

Management fee

For the Listed Class of Units, the Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Single Management Fee"). The Single Management Fee is currently 0.40% per annum of the Net Asset Value of the Listed Class of Units and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Single Management Fee is payable out of the Sub-Fund.

Fees and expenses taken into account in determining the Single Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Registrar's fee and the Service Agent's fee. Notwithstanding the above, the Single Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realisation of the investments of the Sub-Fund and extraordinary items such as litigation expenses.

Fees and expenses associated with the Listed Class of Units exceeding the level of Single Management Fee as set out above (excluding brokerage and transaction costs and extraordinary items) will be borne by the Manager and shall not be charged to the Listed Class of Units. The Single Management Fee may be increased up to a permitted maximum (up to 2% per annum of the Net Asset Value of the Sub-Fund or relevant class of Units according to the Trust Deed) on one month's notice to Unitholders.

Trustee's and Registrar's fees

The Trustee's and Registrar's fees will be paid by the Manager out of the Single Management Fee.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager (out of the Single Management Fee).

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Fees payable by Participating Dealers

The fees payable by Participating Dealers in respect of the creation and redemption of Units are as follows:

Transaction Fee	See Note 1.
Service Agent's fee	See Note 2.
Application cancellation fee	USD1,200 per Application. See Note 3.
Extension Fee	USD1,200 per Application. See Note 4.
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

Notes:

1. A Transaction Fee of USD500 per Application is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

2. The Service Agent's fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

3. An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).

4. An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

Fees and expenses payable by investors of Listed Class of Units

Please refer to the sub-section headed "Fees and Expenses Payable in respect of a Listed Class of Units only" under the section headed "Fees and Expenses" in Part 1 of this Prospectus for details on the fees and expenses payable by investors of Listed Class of Units and in respect of dealings in such Units on the SEHK.

Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus for details of other fees and expenses payable.

Fees applicable to Unlisted Class of Units only

Fees and expenses payable by the Sub-Fund

Management fee

For an Unlisted Class of Units, the management fee payable to the Manager is currently 0.60% per annum of the Net Asset Value of the relevant Unlisted Class of Units and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The management fee may be increased up to a permitted maximum (up to 2% per annum of the Net Asset Value of the Sub-Fund or the relevant Unlisted Class of Units according to the Trust Deed) on one month's notice to Unitholders.

Trustee's fees

For an Unlisted Class of Units, the Trustee's fees payable to the Trustee is currently up to 0.045% per annum of the Net Asset Value of the relevant Unlisted Class of Units, subject to a minimum fee of US$3,750 per month for the Sub-Fund (which will be waived for the first 6-month period from the launch of the Sub-Fund). The Trustees' fees will be payable in arrears, accrued daily and calculated as at each Dealing Day.

The Trustee's fees may be increased up to a permitted maximum (up to 1% per annum of the Net Asset Value of the Sub-Fund or the relevant Unlisted Class of Units according to the Trust Deed) on one month's notice to Unitholders.

Fees payable by investors of Unlisted Class of Units

Subscription fee, redemption fee and switching fee

	Class A (HKD)	**Class A (RMB)**
Subscription fee	Up to 3% of the subscription monies	
Redemption fee	Nil	
Switching fee*	Nil, except where a Unitholder has already made 4 conversions in the last 12-month period, such Unitholder may be charged a total switching fee of up to 1% of the Net Asset Value of the Units converted for each additional conversion in that 12-month period	

* The switching fee will be deducted from the redemption proceeds and retained by the Manager. This is payable in addition to the redemption fee (if any).

The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the any of the above fees.

Fiscal charges

In order to protect the interests of all Unitholders, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Units of the Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may (in its absolute discretion and taking into account the best interests of the Unitholders) impose a fiscal charge to account for the impact of the related costs. Such fiscal charges will not exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units and will be retained by the relevant Sub-Fund.

However, under extreme market conditions (including but not limited to high volatility and/or lack of liquidity in the underlying market), the maximum rate of fiscal charge applicable to an Unlisted Class of Units of the Sub-Fund may exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units, on a temporary basis and at the discretion of the Manager (taking into account the best interests of the Unitholders) and upon prior notice to Unitholders.

Please refer to the section headed “Fees and Expenses” in Part 1 of this Prospectus for further details of the fees and expenses payable.

Risks factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus (all of which are relevant to the Sub-Fund), the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

New index risk

The Index is new and has minimal operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Passive investment risk

The Sub-Fund is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

Concentration risk

The Sub-Fund’s investment may be concentrated in Green Bonds, and therefore carries the risk that, under certain market conditions, the Sub-Fund may underperform funds that do not focus on Green Bonds. As the Sub-Fund has a focus on Green Bonds, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Risks associated with investing in Green Bonds

The use of the GBP-based selection criteria in the construction of the Index and the adoption of the Green Bond investment strategy of the Sub-Fund may result in the Sub-Fund foregoing opportunities to buy certain Securities when it might otherwise be advantageous to do so, and/or selling Securities when it might be disadvantageous to do so. This may adversely affect the Sub-Fund’s investment performance and, as such, the Sub-Fund may perform differently compared to similar funds that do not use such criteria.

In evaluating the eligibility of a Security, the Index Provider is dependent upon information and data from third party data providers which may be incomplete, inaccurate or unavailable from time to time, which may in turn affect the Index Provider’s ability to assess potential constituents for inclusion in the Index. There can be no assurance that the Securities selected by the Index Provider will meet the GBP-based selection criteria. In addition, there is a lack of standardised taxonomy in relation to Green Bonds. This may lead to the Sub-Fund foregoing investment opportunities which meet the relevant criteria or investing in Securities which do not meet such criteria.

Risks relating to fixed income securities

Interest rate risk. The Sub-Fund’s investments in fixed income securities are subject to interest rate risk. Generally, the value of fixed income securities is expected to be inversely correlated with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Long-term fixed income securities in general are subject to higher sensitivity to interest rate changes than short-term fixed income securities. Any increase in interest rates may adversely impact the value of the Sub-Fund's portfolio.

As the Sub-Fund may invests in fixed income securities in emerging markets (for example, the PRC markets), the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies of an emerging market country/region (including monetary policy and fiscal policy) may have an influence over such country/region's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund.

Credit risk and risk of credit rating downgrades. Investment in fixed income securities is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest, and the value of the Sub-Fund is affected by the credit worthiness of its underlying investments. To the extent that transactions are not handled through an exchange (OTC trades), there is a risk that a counterparty may default or not completely fulfil its obligations in addition to the general risk of settlement default.

In the event of a default or credit rating downgrading of the fixed income securities (or the issuers thereof) held by the Sub-Fund, valuation of the Sub-Fund's portfolio may become more difficult, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers who may be incorporated in countries/regions other than Hong Kong and therefore not subject to the laws of Hong Kong.

Fixed income securities are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

Volatility risk. The fixed income securities in certain markets (such as the PRC) may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

Valuation risk. Valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. The value of fixed income securities may be affected by changing market conditions or other significant events affecting valuation. For example, in the event of the credit rating downgrade of an issuer, the value of the relevant fixed income securities may decline rapidly, and the value of the Sub-Fund may be adversely affected.

Credit rating risk. The ratings of fixed-income securities by credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint and do not guarantee the credit worthiness of the security and/or issuer at all times. The rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a fixed income security or an issuer relating to a fixed income security, the value of the Sub-Fund investing in such security may be adversely affected.

Sovereign debt obligations. By investing in debt obligations of governmental entities, the Sub-Fund will be exposed to the direct or indirect consequences of political, social and economic changes in various countries and regions. Political changes in a particular country/region may affect the willingness of a particular government to make or provide for timely payments of its debt obligations. The country/region's economic status, as reflected, among other things, in its inflation rate, the amount of its external debt and its gross domestic product, will also affect the government's ability to honour its obligations.

The ability of governments to make timely payments on their debt obligations is likely to be influenced strongly by the issuer's balance of payments, including export performance, and its access to international credits and investments. To the extent that a particular country/region receives payment for its exports in currencies other than the currency of the relevant debt obligation, such country/region's ability to make debt payments in the currency of the relevant debt obligation could be adversely affected. To the extent that a particular country/region develops a trade deficit, such country/region will need to depend on continuing loans from foreign governments, supranational entities or private commercial banks, aid payments from foreign governments and on inflows of foreign investment. The access of a particular country/region to these forms of external funding may not be certain, and a withdrawal of external funding could adversely affect the capacity of such country/region to make payments on its debt obligations. In addition, the cost of servicing debt obligations can be affected by a change in global interest rates since the majority of these debt obligations carry interest rates that are adjusted periodically based upon global rates.

The Sub-Fund’s portfolio may comprise debt obligations of governmental entities and supranational entities, for which a limited or no established secondary market exists. Reduced secondary market liquidity may have an adverse effect on the market price and the Sub-Fund’s ability to dispose of particular instruments when necessary to meet liquidity requirements or in response to specific economic events such as deterioration in the creditworthiness of the issuer. Reduced secondary market liquidity for such debt obligations may also make it more difficult to obtain accurate market quotations for the purpose of determining the Net Asset Value of the Sub-Fund. Market quotations are generally available on many sovereign debt obligations only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

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

In addition, investment in debt obligations of supranational entities is subject to the additional risk that one or more member governments may fail to make required capital contributions to a particular supranational entity and, as a result, such supranational entity may be unable to meet its obligations with respect to its debt obligations.

Corporate debt obligations. Investment in debt obligations issued by companies and other entities, is subject to the risk that a particular issuer may not fulfil its payment or other obligations in respect of such debt obligations. Additionally, an issuer may experience an adverse change in its financial condition which may in turn result in a decrease in the credit rating assigned to such issuer and its debt obligations, possibly below investment grade. Such adverse change in financial condition or decrease in credit rating(s) may result in increased volatility in the price of an issuer's debt obligations and negatively affect liquidity, making any such debt obligation more difficult to sell.

Geographical concentration risk

The Index is subject to concentration risk as a result of tracking the performance of Green Bonds in the Asian (excluding Japanese) market. The Net Asset Value of the Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Asia.

Risks related to investing in Asia

Market volatility. Asian bond markets are generally still being developed (securities regulation, foreign investment restriction, tax policy, and market liquidity, etc.) and are usually subject to higher volatility. The instability in prices will cause fluctuation in the Net Asset Value of the Sub-Fund.

Market liquidity. Some Asian bond markets can be illiquid and inefficient. Trading costs may be relatively high in such markets. The potentially wide bid-ask spread due to thin trading may cause difficulties in achieving fair pricing. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund’s returns and a disruption in desired asset allocation.

Government regulation. There is generally less government supervision in the developing Asian markets, which may expose the Sub-Fund to risks such as insufficient disclosure, lack of information, settlement risk, and custodial risk, etc. Asian markets are typically more likely to be subject to potential government intervention via exchange market controls, foreign ownership restriction, and tax imposition. For example, unfavourable regulation moves and lack of government supervision may adversely impact the Net Asset Value of the Sub-Fund.

Asian government political, economic and social risk. Any material changes in the political, economic or social conditions prevailing in any of the constituent economies of the Index can have a material adverse effect on the Index and create a risk of higher price volatility which, in turn, increases tracking error. Such effect may also be magnified in the relatively correlated Asian economies.

Emerging market risk

The Sub-Fund will invest in emerging markets which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk, legal and taxation risks, settlement risk, custody risk and economic risk) and higher volatility than more developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk (including risks arising from settlement procedures), greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets. Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale.

Securities lending transactions risk

The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk. The borrower may fail to return the Securities lent out in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund’s ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the Sub-Fund must receive at least

100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value or change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

RMB currency risk

The RMB is not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Such government policies and restrictions are subject to change, and there can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate.

Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions (for Unlisted Class of Units denominated in RMB or for secondary market redemptions of Listed Class of Units traded in RMB counter) may be delayed due to the exchange controls and restrictions applicable to RMB.

Investors in Unlisted Class of Units denominated in RMB or Listed Class of Units traded in RMB counter whose assets and liabilities are predominantly in HKD or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB.

Distributions out of or effectively out of capital risk

The Manager may at its discretion pay distributions out of the capital of the Sub-Fund. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund and will reduce the capital available for future investment.

Market trading risks associated with the Sub-Fund (applicable to the Listed Class of Units only)

RMB trading and settlement of Units risk. There is no assurance that there will not be issues with the trading and settlement systems of RMB-denominated Securities in Hong Kong or that other logistical problems will not arise. The Units in the RMB counter of the Sub-Fund are RMB denominated Securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the RMB traded Units. The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB traded Units. Investors should check with their brokers in advance if they intend to engage in Dual-Counter trading or inter-counter transfers and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter transfer or Dual-Counter trading services.

Unit liquidity risk. Because RMB counter Units are traded in RMB, such Listed Class of Units may be inherently less liquid than other Securities which are listed on the SEHK, including other ETFs, due to the relatively limited supply of RMB (CNH) outside the PRC as well as levels of demand for RMB cash and greater barriers for investors generally in trading RMB denominated SEHK listed products.

Dual-Counter risk. The SEHK's Dual Counter model in Hong Kong is relatively new. It may make investment in the Units riskier than in single counter units or shares of an SEHK listed issuer for example where for some reason there is a settlement failure on an inter-counter transfer if the Listed Class of Units of one counter are delivered to CCASS at the last settlement on a trading day, leaving not enough time to transfer the Units to the other counter for settlement on the same day. In addition, where there is a suspension of the inter-counter transfers of Listed Class of Units between the HKD counter and the RMB counter due to, for example, operational or systems interruption, Unitholders will only be able to trade their Listed Class of Units in the currency of the relevant counter. Accordingly it should be noted that the inter-counter transfers may not always be available. There is a risk that the market price on the SEHK of Listed Class of Units traded in HKD may deviate significantly from the market price on the SEHK of Listed Class of Units traded in RMB due to market liquidity, supply and demand in each counter and the exchange rate between HKD and RMB. The trading price of HKD traded Units or RMB traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Listed Class of Units traded in HKD or buying Listed Class of Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Listed Class of Units is in RMB or vice versa.

Appendix dated 8 July 2022

APPENDIX 3: GLOBAL X FTSE CHINA POLICY BANK BOND ETF

Investors should note that this Sub-Fund has both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections relevant to your intended holding of Units.

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

Investment Type	Exchange Traded Fund ("ETF")
Index	FTSE Chinese Policy Bank Bond Index
Index Provider	FTSE Fixed Income, LLC
Base Currency	Renminbi (RMB)
Distribution Policy	Semi-annually (usually in March and September of each year) (if any) in HKD subject to the Manager's discretion. The amount or rate of distribution (if any) is not guaranteed. Distributions (if any) may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, distributions may not be paid if the cost of the Sub-Fund's operations is higher than the return from management of the Sub-Fund's cash and holdings of investment products.
Financial Year-End	Ending 31 March each year, and the first financial year-end of the Sub-Fund will be 31 March 2023.
Website	https://www.globalxetfs.com.hk/ (this website has not been reviewed by the SFC)

Key information applicable to Listed Class of Units only

Initial Offer Period	9:00 a.m. (Hong Kong time) on 12 August 2022 to 4:00 p.m. (Hong Kong time) on 14 October 2022, or such dates or times as the Manager may determine
Initial Issue Date	18 October 2022
Listing Date (SEHK)	19 October 2022 (but may be postponed by the Manager to a date no later than 20 October 2022)

Issue Price during the Initial Offer Period	RMB50 per Unit
Exchange Listing	SEHK – Main Board
Stock Code	3041
Stock Short Name	GX CN PB BOND
Trading Board Lot Size	50 Units
Trading Currency	Hong Kong dollars (HKD)
Application Unit Size for Creation / Redemption (only by or through Participating Dealers)	Minimum 15,000 Units (or multiples thereof)
Creation / Redemption Policy	Cash (in RMB only)
Dealing Deadline	2:00 p.m. (Hong Kong time)
Listing Agent	Altus Capital Limited
Management Fee	Currently 0.30% per annum of the Net Asset Value
Trustee Fee	Included in the Management Fee

Key information applicable to Unlisted Classes of Units only

Initial Offer Period	Such dates or times as the Manager may determine in due course
Unlisted Classes of Units offered	Class A (HKD) Class A (RMB)
Subscription Price during the Initial Offer Period	Class A (HKD): HKD equivalent amount of RMB50 per Unit Class A (RMB): RMB50 per Unit
Minimum Initial Investment Amount	Class A (HKD): HKD1,000 Class A (RMB): RMB1,000
Minimum Subsequent Investment Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Minimum Holding Amount	Class A (HKD): HKD1 Class A (RMB): RMB1

Minimum Redemption Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Subscription / Redemption Policy	Class A (HKD): Cash (in HKD) Class A (RMB): Cash (in RMB)
Dealing Deadline	2:00 p.m. (Hong Kong time)
Management Fee	Currently 0.45% per annum of the Net Asset Value
Trustee Fee	Up to 0.045% per annum of the Net Asset Value, subject to a minimum fee of RMB24,500 per month for the Sub-Fund (minimum fee waived for the first 6-month period from the launch of the Sub-Fund)

Key similarities and differences between Listed Class of Units and Unlisted Classes of Units

Investment Objective **Investment Strategy**	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections headed “What is the investment objective?” and “What is the investment strategy?”.
Valuation Policy	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the section headed “Determination of Net Asset Value” in Part 1 of the Prospectus.
Dealing Arrangements	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. Investors should note that the Dealing Deadlines in respect of Listed Class of Units and Unlisted Classes of Units may be different. In respect of the Listed Class of Units: - the Dealing Deadline for a Creation Application or Redemption Application is 2:00 p.m. (Hong Kong time) (in respect of a cash Application) on each Dealing Day, or such other date or time as the Manager may from time to time with the written approval of the Trustee determine; - a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and - the Creation Application or Redemption Application for Listed Class of Units received after 2:00 p.m. (Hong Kong time) (in respect of a cash Application) on a Dealing Day will be deemed to have been received on the next Dealing Day. In respect of the Unlisted Classes of Units: - the Dealing Deadline is 2:00 p.m. (Hong Kong time) on each Dealing Day, or such other date or time as the

	Manager may from time to time with the written approval of the Trustee determine. Investors can buy or sell the Unlisted Classes of Units at the Net Asset Value of the relevant Unlisted Classes of Units. Applicants may apply for Unlisted Classes of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Classes of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures; and - the subscription application or redemption request for Unlisted Classes of Units received after 2:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. Please refer to Schedule 1 (Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units) for more information relating to dealing arrangements of the Listed Class of Units, and Schedule 2 (Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Class of Units) for more information relating to the dealing arrangements of the Unlisted Classes of Units.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Classes of Units – each Business Day.
Valuation Point	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 5:00 p.m. (Hong Kong time) on the applicable Dealing Day.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. In respect of the Listed Class of Units, the current rate of the Single Management Fee is 0.30% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. In respect of the Unlisted Classes of Units, the current rate of the management fee is 0.45% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. The Single Management Fee in respect of the Listed Class of Units and the management fee in respect of the Unlisted Classes of Units may be increased up to the permitted maximum amount (up to 2% per annum of the Net Asset Value) by providing one month's prior notice to Unitholders. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as brokerage fees, FRC transaction levy and SEHK trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees.

	Please refer to the section headed “Fees and Expenses” in this Appendix.
Investment Return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but not limited to the different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and the different fee structures applicable to each of the Listed Class of Units and Unlisted Classes of Units. Please refer to the sub-section headed “Risk associated with differences in dealing, fee and cost arrangements between Listed Class of Units and Unlisted Class of Units” under the section headed “Risk Factors” of Part 1 of this Prospectus.
Termination	Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes Units may differ. Please refer to the sub-section headed “Termination” under the section headed “Statutory and General Information” of Part 1 of this Prospectus for further details.

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE Chinese Policy Bank Bond Index (the “Index”).

What is the investment strategy?

In seeking to achieve the Sub-Fund’s investment objective, the Manager will primarily use a representative sampling strategy and hold a representative sample of the constituent Securities of the Index selected by the Manager that collectively reflects the investment characteristics and features a high correlation with the Index.

The Sub-Fund may invest, either directly or indirectly, in Securities comprised in the Index, or in RMB-denominated bonds issued by PRC policy banks that are not included in the Index, or PRC government bonds which the Manager believes will help the Sub-Fund achieve its investment objective. At least 70% of the Net Asset Value of the Sub-Fund will be invested in constituent securities of the Index.

The Sub-Fund may invest up to 100% of its Net Asset Value in the PRC bond market through the PRC inter-bank bond market via the Bond Connect. The Sub-Fund may also invest up to 100% of its Net Asset Value in the PRC bond market through the PRC inter-bank bond market via the Foreign Access Regime.

In compliance with Chapters 7.4 and 7.5 of the Code, not more than 30% of the Net Asset Value of the Sub-Fund may be invested in Government and other Public Securities (as defined in the Prospectus) of the same issue and, subject to the foregoing, the Sub-Fund may fully invest in Government and other Public Securities in at least six different issues.

The Sub-Fund may invest not more than 10% of its Net Asset Value in cash and money market funds which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code for cash management purposes.

Currently, the Sub-Fund will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required) and provide at least one month's prior notice to Unitholders before the Manager engages in any such investments.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Securities lending transactions

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions with a maximum level of up to 50% and expected level of approximately 20% of its Net Asset Value.

The Manager will be able to recall the Securities lent out at any time. All securities lending transactions will only be carried out in the best interests of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the sub-section headed "Securities financing transactions" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under the sub-section headed "Collateral" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included) valued on a daily basis. The collateral will be marked-to-market on a daily basis and be subject to safekeeping by the Trustee or an agent appointed by the Trustee. Please refer to the sub-section headed "The Trustee and Registrar" under the section headed "Management of the Trust" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the value of the Securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value by 4:00 p.m. on trading day T+2.

Non-cash collateral received may not be sold, re-invested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code and the sub-section headed "Collateral" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus.

To the extent the Sub-Fund undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The costs relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the risk factor titled "Securities lending transactions risk" below for further details.

Use of derivatives

The Sub-Fund may invest in FDIs for hedging or non-hedging (i.e. investment) purposes, in order to achieve efficient portfolio management. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

The Manager may invest no more than 10% of the Sub-Fund's Net Asset Value in futures for investment and hedging purposes, where the Manager believes such investments will help the

Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures in which the Sub-Fund may invest will be index futures that exhibit high correlation with the Index in order to manage the Sub-Fund's exposure to the Index constituents.

What is the Index?

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General information

The Index is a total return, market capitalisation weighted index and a fixed income benchmark designed to track the performance of fixed-rate policy bank bonds issued in the PRC. The eligible China policy bank bonds are those issued by the China Development Bank, the Agricultural Development Bank of China and the Export-Import Bank of China (collectively, the "PRC Policy Banks").

The Index is denominated and quoted in RMB.

The Index is compiled and managed by FTSE Fixed Income, LLC (the "Index Provider"). The Manager (and each of its connected persons) are independent of the Index Provider.

The Index was launched on 6 February 2014 and had a base level of 100 as at 31 December 2010. As at 31 March 2022, the Index comprised 140 fixed income constituents with a total market capitalisation of approximately RMB16,741 billion.

Index universe

The index universe of the Index (the "Index Universe") includes China policy bank bonds which fulfill all of the following criteria (the "Index Criteria"):

(v) Currency: Principal and coupon must be denominated in RMB.

(vi) Minimum issue size: RMB15 billion.

(vii) Coupon: Eligible bonds must pay fixed-rate coupon.

(viii) Maturity: At least one year[6]. To improve liquidity, any bonds with maturity greater than 30 years from issuance are excluded.

Central bank bills, private placements, callable and puttable bonds, and bonds issued prior to 1 January 2005 are excluded from the Index.

As the index universe of the Index comprises of China policy bank bonds only, there is no credit rating requirement for inclusion in the Index. The credit ratings of each of the PRC Policy Banks as an issuer of China policy bank bonds are A+ (rated by Standard & Poor's) and A1 (rated by Moody's).

[6] Existing constituents with less than one year to their maturity will be removed in the next rebalancing day.

Index methodology

Index selection and rebalancing

China policy bank bonds that meet all of the Index Criteria are selected on the fixing date[7] of each month (the "Selection Day") and included in the Index on the last business day of each month (the "Rebalancing Day"). Existing Index constituents that fail to meet all of the Index Criteria will be identified on the Selection Day and excluded from the Index on the Rebalancing Day. Index constituents remain the same for the calendar month, and returns are based on the Index composition and their beginning of the month market capitalisation weights.

Weighting of the Index

The Index is weighted by the market capitalisation of its constituents on each Rebalancing Day.

For the purpose of calculating Index levels and returns, cash flow from the Index constituents is assumed to be deposited at daily average of the savings deposit rate published by the People's Bank of China, calculated from actual scheduled payment date of the cash flow through the Rebalancing Day.

Index constituents

You can obtain the list of the constituents of the Index, their respective weightings, the last closing index level and additional information of the Index from the website of the Index Provider at https://www.ftserussell.com/ (this website has not been reviewed by the SFC).

Index codes

The Index is distributed under the following identifiers:

Bloomberg Code: SBCNPL Index

Reuters Code: .SBCNPL

Index licence agreement

The initial term of the licence of the Index commenced on 1 July 2022 and shall be valid for an initial term of 12 months. After the expiry of the initial term, the licence shall renew automatically for consecutive renewal terms of 12 months, unless either party to the licence agreement provides written notice of termination to the other party of its intent not to renew at least 3 months prior to the end of the initial term or the then current term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index disclaimer

The Sub-Fund has been developed solely by the Manager. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the the Index vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license.

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[7] According to the FTSE Fixed Income Index Guide, there must be a minimum of four business days following each fixing date and before calendar month-end in all of the following business regions: US, UK, Eurozone, Japan, and Australia. Fixing dates are subject to change if unforeseen circumstances arise affecting these business days. The annual schedule of fixing dates is made available on the website at www.yieldbook.com/m/indices (this website has not been reviewed or approved by the SFC).

The Index is calculated by or on behalf of FTSE Fixed Income, LLC or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Fund or the suitability of the Index for the purpose to which it is being put by the Manager.

The PRC onshore bond market

The PRC bond market consists of three markets: (i) the inter-bank bond market regulated by the PBOC and functions as a wholesale market for institutional investors; (ii) the exchange bond market regulated by the CSRC and targets non-bank institutions and individual investors; and (iii) the bank over-the-counter market regulated by the PBOC and targets non-financial institutions and individual investors. However, the current size and trading volume of the bank over-the-counter market is much smaller than the inter-bank bond market and the exchange bond market.

The inter-bank bond market has a dominant market position, and has a diversified investor base of which most have direct access to the centralised trading system, which covers all types of financial institutions such as commercial banks, securities firms, fund houses, insurance companies and various kinds of investment products like mutual funds and pension funds. The remaining which include small financial institutions, non-financial enterprises and foreign entities as well, gain access to the market through settlement agencies.

The major types of bonds available in the PRC inter-bank bond market can be grouped into 6 broad categories: (i) central bank bills issued by the PBOC; (ii) Chinese government bonds ("CGB") issued by the MOF; (iii) policy bank bonds issued by policy banks, including the China Development Bank, the Export-Import Bank of China and the Agricultural Development Bank of China; (iv) financial bonds, including commercial bank bonds and non-bank financial institution bonds; (v) non-financial credit bonds issued by non-financial institution corporates, including enterprise bonds, commercial papers ("CP"), medium-term notes ("MTN") and corporate bonds; (vi) other types of bonds or instruments such as local government bonds issued by provincial or city governments, foreign bonds issued by foreign entities, asset-backed securities and mortgage-backed securities, etc.

Policy bank bonds are issued by policy banks (including the China Development Bank, the Export-Import Bank of China and the Agricultural Development Bank of China) which are state-owned entities dedicated to funding and lending for specific economic or societal objectives.

Investment in the PRC inter-bank bond market via Foreign Access Regime

Pursuant to the "Announcement (2016) No 3" issued by the PBOC (中國人民銀行公告 [2016] 第3號) on 24 February 2016, foreign institutional investors can invest in the PRC inter-bank bond market (the "Foreign Access Regime") subject to other rules and regulations as promulgated by the PRC Chinese authorities, i.e., the PBOC and the SAFE. Such rules and regulations may be amended from time to time and include (but are not limited to):

(a) the "Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets" (境外機構投資者投資銀行間債券市場備案管理實施細則) issued by the Shanghai Head Office of the PBOC on 27 May 2016;

(b) the "Circular concerning the Foreign Institutional Investors' Investment in Interbank bond market in relation to foreign currency control" (國家外匯管理局關於境外機構投資者投資銀行間債券市場有關外匯管理問題的通知) issued by SAFE on 27 May 2016; and

(c) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in the PRC inter-bank bond market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

Under the prevailing regulations in the PRC, the following types of accounts will need to be opened for the Sub-Fund to utilise the Foreign Access Regime:

- Bond Account(s), opened at China Central Depository & Clearing Co., Ltd. ("CCDC") and the Shanghai Clearing House ("SHCH"), for the purpose of registration of bonds held by the Sub-Fund under the Foreign Access Regime;

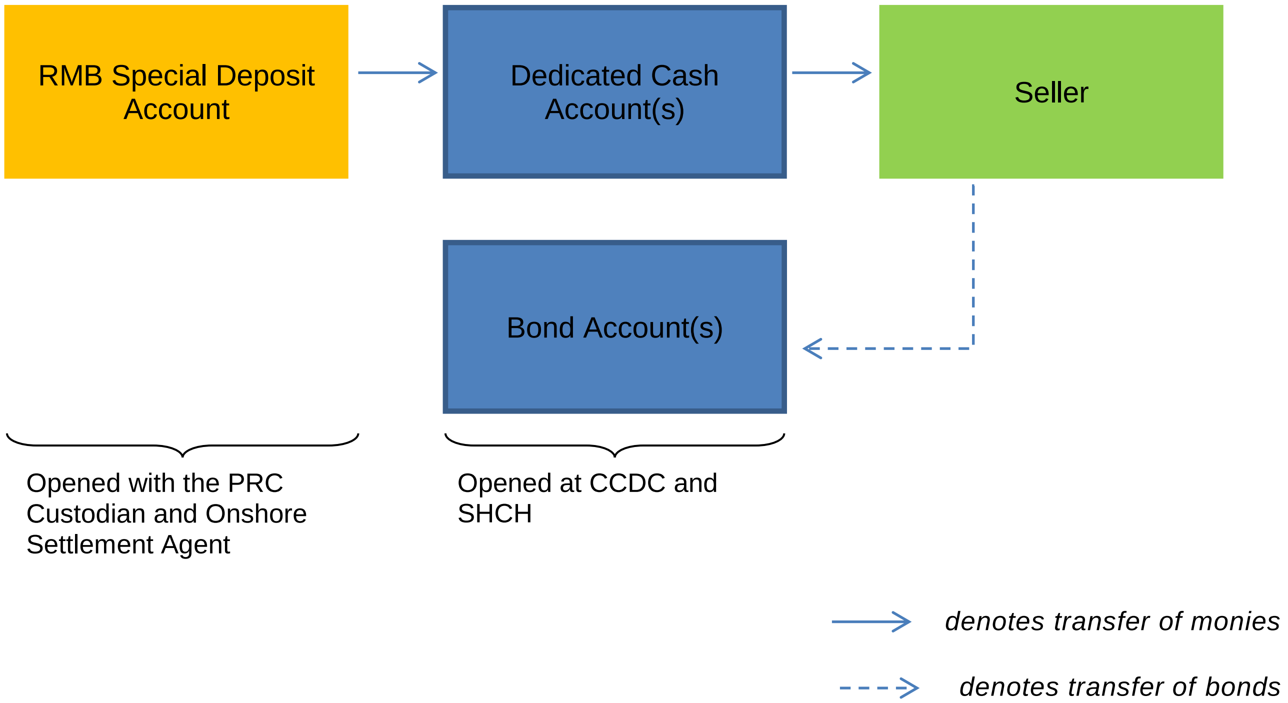
- Dedicated Cash Account(s), opened at CCDC and SHCH, for handling delivery-versus-payment monies settlements for bond transactions by the Sub-Fund under the Foreign Access Regime; and

- RMB Special Deposit Account, opened with the PRC custodian and onshore settlement agent of the Sub-Fund (the "PRC Custodian and Onshore Settlement Agent"), for the sole purpose of monies settlement for bond transactions by the Sub-Fund under the Foreign Access Regime, which will be the account to receive investment principal denominated in RMB, to pay monies into and receive monies from the Dedicated Cash Account(s), etc.

In terms of fund remittance, foreign investors (such as the Sub-Fund) may remit investment principal in RMB or foreign currency into the PRC for investing in the PRC inter-bank bond market. An investor will need to remit investment principal matching at least 50% of its anticipated investment size within nine months after the completion of the filing with the Shanghai Head Office of the PBOC, or else an updated filing will need to be made through the onshore settlement agent. For repatriation, where the Sub-Fund repatriates funds out of the PRC, the ratio of RMB to foreign currency (the "Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%.

For a purchase of bonds using the Foreign Access Regime, investment principal in RMB will be remitted directly in the RMB Special Deposit Account opened with the PRC Custodian and Onshore Settlement Agent. Upon the Manager's instructions for a trade, the PRC Custodian and Onshore Settlement Agent will transfer monies to the relevant Dedicated Cash Account. Provided that there are enough monies in the relevant Dedicated Cash Account to settle a trade, CCDC or SHCH (as the case may be) will directly debit the relevant Dedicated Cash Account, and the bonds will be concurrently transferred into the relevant Bond Account.

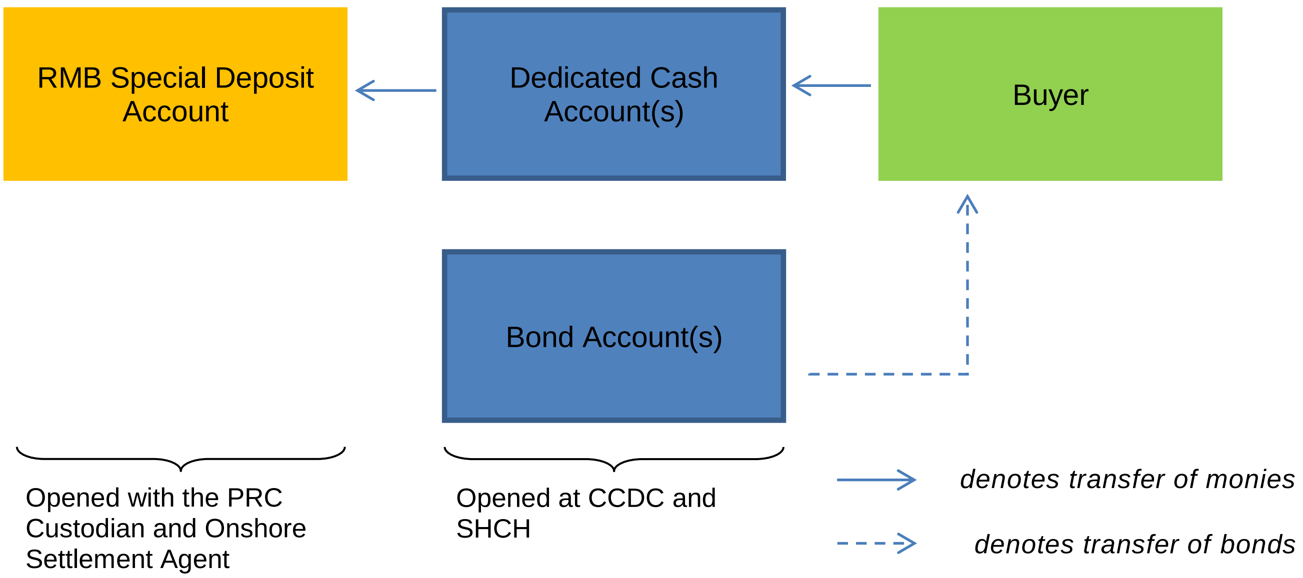
This is illustrated in the diagram below:



For a sale of bonds using the Foreign Access Regime, upon a sale order by the Manager, provided that there are enough bonds in the relevant Bond Account, CCDC and/or SHCH will directly credit the relevant Dedicated Cash Account, and the bonds will be concurrently transferred out of the relevant Bond Account.

The PRC Custodian and Onshore Settlement Agent may transfer monies from the Dedicated Cash Account(s) to the RMB Special Deposit Account during the day. Monies not transferred out of the Dedicated Cash Account(s) by the PRC Custodian and Onshore Settlement Agent will be automatically transferred to the RMB Special Deposit Account at the end of the day, as the Dedicated Cash Account(s) must maintain a balance of zero at the end of the each day according to the relevant regulations.

This is illustrated in the diagram below:



Legal Opinion

The Manager has obtained a legal opinion from PRC legal counsel confirming that, as a matter of PRC law, on the basis of the published and publicly available laws and regulations of the PRC effective as of the date of the legal opinion:

(a) bond accounts and dedicated cash accounts for bond settlements opened with CCDC and SHCH (respectively, "Bond Account(s)" and "Dedicated Cash Account(s)") and RMB special deposit account opened with the PRC Custodian and Onshore Settlement Agent (the "RMB Special Deposit Account") have been opened in the joint names of the Manager and the Sub-Fund for the sole benefit and use of the Sub-Fund in accordance with all applicable laws, rules and regulations of the PRC, based on the approval of, or completion of relevant procedures with, all competent authorities in the PRC;

(b) the assets held/credited in the Bond Account(s) and Dedicated Cash Account(s) (i) belong solely to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager, the Trustee, the PRC Custodian and Onshore Settlement Agent, and from the assets of other clients of the Manager, the Trustee and the PRC Custodian and Onshore Settlement Agent;

(c) the assets held/credited in the RMB Special Deposit Account (i) become an unsecured debt owing from the PRC Custodian and Onshore Settlement Agent to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager and from the assets of other clients of the Manager;

(d) the Trustee, for and on behalf of the Sub-Fund is the only entity which has a valid claim of ownership over the assets in the Bond Account(s) and Dedicated Cash Account(s) and the debt in the amount deposited in the RMB Special Deposit Account of the Sub-Fund;

(e) if the Manager is liquidated, the assets contained in the Bond Account(s), Dedicated Cash Account(s) and RMB Special Deposit Account of the Sub-Fund will not form part of the liquidation assets of the Manager; and

(f) if the PRC Custodian and Onshore Settlement Agent is liquidated, (i) the assets contained in the Bond Account(s) and Dedicated Cash Account(s) of the Sub-Fund will not form part of the liquidation assets of the PRC Custodian and Onshore Settlement Agent in liquidation in the PRC, and (ii) the assets contained in the RMB Special Deposit Account of the Sub-Fund will form part of the liquidation assets of the PRC Custodian and Onshore Settlement Agent in liquidation in the PRC and the Sub-Fund will become an unsecured creditor for the amount deposited in the RMB Special Deposit Account.

Investment in the PRC inter-bank bond market via Northbound Trading Link under Bond Connect

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and the PRC (the "Bond Connect") established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), CCDC, SHCH, HKEx and Central Moneymarkets Unit.

Bond Connect is governed by rules and regulations as promulgated by the PRC authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

(a) the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])" (內地與香港債券市場互聯互通合作管理暫行辦法(中國人民銀行令[2017]第1號)) issued by the PBOC on 21 June 2017;

(b) the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" (中國人民銀行上海總部"債券通"北向通境外投資者准入備案業務指引) issued by the Shanghai Head Office of PBOC on 22 June 2017; and

(c) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in the PRC, eligible foreign investors will be allowed to invest in the bonds circulated in the PRC inter-bank bond market through the northbound trading of Bond Connect (the "Northbound Trading Link"). There will be no investment quota for the Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC Shanghai Head Office.

Pursuant to the prevailing regulations in the PRC, an offshore custody agent recognised by the HKMA (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, CCDC and SHCH). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Dealing arrangements of Listed Class of Units and Unlisted Class of Units

Investors should note that the dealing arrangements in respect of Listed Class of Units and Unlisted Classes of Units are different. Please refer to the section below which is applicable to your intended holding of Units. Please also refer to Schedule 1 (Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units) for more information relating to dealing arrangements of the Listed Class of Units, and Schedule 2 (Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Class of Units) for more information relating to the dealing arrangements of the Unlisted Classes of Units.

The offering phases of Listed Class of Units

Initial Offer Period

The Initial Offer Period of the Listed Class of Units commences at 9:00 a.m. (Hong Kong time) on 12 August 2022 to 4:00 p.m. (Hong Kong time) on 14 October 2022, or such dates or times as the Manager may determine.

The Listing Date is expected to be on 19 October 2022 but may be postponed by the Manager to a date no later than 20 October 2022.

The Issue Price of the Listed Class of Units which is the subject of a Creation Application during the Initial Offer Period is RMB50 per Unit, or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period. Applications for creation of Units may be made by way of a cash Creation Application (in RMB only).

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Listed Class of Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class of Units to be available for trading on the Listing Date by a Creation Application. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Listed Class of Units for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant

Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Listed Class of Units on their behalf.

After Listing

Dealings in the Listed Class of Units on the SEHK (the "Listing") will commence on the Listing Date, which is expected to be on 19 October 2022 but may be postponed by the Manager to a date no later than 20 October 2022.

The dealing period on each Dealing Day after Listing for a Creation Application or a Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (in respect of a cash Application), or such other date or time as the Manager may from time to time with the written approval of the Trustee determine.

Applications for creation of Listed Class of Units may be made by way of a cash Creation Application (in RMB only). Settlement for subscribing for Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section headed "The Offering Phases" in Schedule 1 of Part 1 of this Prospectus.

The following table summarises all key events and the Manager's expected timetable in relation to the Listed Class of Units (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation of Listed Class of Units for themselves or for their clients in Application Unit size	 • 9:00 a.m. (Hong Kong time) on 12 August 2022 or such other date or time as the Manager may determine
The date that is three Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Listed Class of Units to be available for trading on the Listing Date	 • 4:00 p.m. (Hong Kong time) on 14 October 2022 or such other date or time as the Manager may determine
After Listing (period commences on the Listing Date) • All investors may start trading Listed Class of Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption of Listed Cass of Units for themselves or for their clients in Application Unit size	 • Commence at 9:00 a.m. (Hong Kong time) on 19 October 2022, but may be postponed by the Manager to a date no later than 20 October 2022 • From 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) (in respect of a cash Application) on each Dealing Day

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in RMB). Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities in accordance with the Operating Guidelines.

Exchange listing and trading (secondary market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of Part 1 of this Prospectus for further information.

Dealings on the SEHK in Listed Class of Units are expected to begin on 19 October 2022.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Subscription of Unlisted Class of Units

Available class

The Sub-Fund currently offers the following Unlisted Classes of Units to investors:

- Class A (HKD)
- Class A (RMB)

Initial Offer Period

The Initial Offer Period of the Unlisted Classes of Units will be on such dates or times as the Manager may determine in due course.

The Subscription Price of the Unlisted Classes of Units during the Initial Offer Period is RMB50 per Unit (for Class A (HKD) Units, in the equivalent HKD amount), or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period. The Manager may at any time decide to close a class to further subscriptions before the end of the Initial Offer Period without any prior or further notice.

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 of Part 1 of this Prospectus. The following apply to the Sub-Fund:

Dealing Day	each Business Day
Dealing Deadline	2:00 p.m. (Hong Kong time)

Subscription monies in respect of the Unlisted Classes of Units must be paid in HKD for Class A (HKD) Units and RMB for Class A (RMB) Units. Subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Classes of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager.

Redemption proceeds will be paid to redeeming Unitholder in HKD for Class A (HKD) Units and RMB for Class A (RMB) Units. Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder by telegraphic transfer to the Unitholder's pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, and in such a case the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets.

Investment minima

The following investment minima apply to the Unlisted Classes of Units:

	Class A (HKD)	**Class A (RMB)**
Minimum initial investment amount	HKD1,000	RMB1,000
Minimum subsequent investment amount	HKD1	RMB1
Minimum holding amount	HKD1	RMB1
Minimum redemption amount	HKD1	RMB1

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

RMB payment procedures

Unlisted Classes of Units

An investor applying for Unlisted Class of Units denominated in RMB will be required to pay the subscription monies in RMB. An investor may need to have opened an RMB bank account as he/she will need to have accumulated sufficient RMB to pay the subscription monies, or if an application to subscribe for such Units is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by crediting such amount into the investor's RMB bank account without interest.

Investors should note that RMB is the only official currency of the PRC. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC. The liquidity of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC.

Following the expansion of the RMB trade settlement scheme, there are no longer any restrictions on banks in Hong Kong in establishing RMB accounts. However, different banks may have different and/or additional restrictions. There may be additional rules, regulations and restrictions under contemplation or to be issued by the relevant Hong Kong authorities that may be relevant to investments in the Sub-Fund. Investors should check with their own banks or professional advisers for updates and details.

Investors should also consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor’s arrangement of funding for payment of subscription monies for Unlisted Class of Units denominated in RMB.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC and provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the sub-section entitled “RMB currency risk” below for further details.

Switching

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units is not available. Please refer to the section “Switching of Unlisted Class of Units” in Part 1 of this Prospectus. Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch all or any of their Unlisted Class of Units of the Sub-Fund into any other Unlisted Class of Units of the Sub-Fund (where available). Switching of Units of an Unlisted Class of Units of the Sub-Fund into unlisted shares, units or interests of other sub-fund(s) of the Trust is currently not permitted.

Distribution policy (applicable to both Listed Class of Units and Unlisted Class of Units)

Income may be distributed at the Manager’s discretion to Unitholders semi-annually (usually in March and September of each year). The amount or rate of distribution (if any) is not guaranteed. Distributions may not be paid if the cost of the Sub-Fund’s operations is higher than the yield from management of the Sub-Fund’s cash and holdings of investments.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of the Sub-Fund’s capital or effectively out of its capital may result in an immediate reduction in the Net Asset Value of the Sub-Fund and will reduce the capital available for future investment.

The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager’s website at https://www.globalxetfs.com.hk/ (the contents of which have not been reviewed by the SFC). There can be no assurance that a distribution will be paid.

Each Unitholder of the Listed Class of Units will receive distributions (if any) in HKD only. Each Unitholder of the Unlisted Classes of Units (whether in respect of Class A (HKD) Units or Class A (RMB) Units) will receive distributions (if any) in HKD only. Unitholders are advised to check with their brokers on the arrangements concerning distributions.

Fees applicable to Listed Class of Units only

Fees and expenses payable by the Sub-Fund

Management fee

For the Listed Class of Units, the Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Single Management Fee"). The Single Management Fee is currently 0.30% per annum of the Net Asset Value of the Listed Class of Units and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Single Management Fee is payable out of the Sub-Fund.

Fees and expenses taken into account in determining the Single Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Registrar's fee and the Service Agent's fee. Notwithstanding the above, the Single Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realisation of the investments of the Sub-Fund and extraordinary items such as litigation expenses.

Fees and expenses associated with the Listed Class of Units exceeding the level of Single Management Fee as set out above (excluding brokerage and transaction costs and extraordinary items) will be borne by the Manager and shall not be charged to the Listed Class of Units. The Single Management Fee may be increased up to a permitted maximum (up to 2% per annum of the Net Asset Value of the Sub-Fund or relevant class of Units according to the Trust Deed) on one month's notice to Unitholders.

Trustee's and Registrar's fees

The Trustee's and Registrar's fees will be paid by the Manager out of the Single Management Fee.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager (out of the Single Management Fee).

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Fees payable by Participating Dealers

The fees payable by Participating Dealers in respect of the creation and redemption of Units are as follows:

Transaction Fee	See Note 1.
Service Agent's fee	See Note 2.
Application cancellation fee	RMB7,700 per Application. See Note 3.

Extension Fee	RMB7,700 per Application. See Note 4.
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

Notes:

1. A Transaction Fee of RMB3,300 per Application is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

2. The Service Agent's fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

3. An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).

4. An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

Fees and expenses payable by investors of Listed Class of Units

Please refer to the sub-section headed "Fees and Expenses Payable in respect of a Listed Class of Units only" under the section headed "Fees and Expenses" in Part 1 of this Prospectus for details on the fees and expenses payable by investors of Listed Class of Units and in respect of dealings in such Units on the SEHK.

Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus for details of other fees and expenses payable.

Fees applicable to Unlisted Class of Units only

Fees and expenses payable by the Sub-Fund

Management fee

For an Unlisted Class of Units, the management fee payable to the Manager is currently 0.45% per annum of the Net Asset Value of the relevant Unlisted Class of Units and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The management fee may be increased up to a permitted maximum (up to 2% per annum of the Net Asset Value of the Sub-Fund or the relevant Unlisted Class of Units according to the Trust Deed) on one month's notice to Unitholders.

Trustee's fees

For an Unlisted Class of Units, the Trustee's fees payable to the Trustee is currently up to 0.045% per annum of the Net Asset Value of the relevant Unlisted Class of Units, subject to a minimum fee of RMB24,500 per month for the Sub-Fund (which will be waived for the first 6-month period from the launch of the Sub-Fund). The Trustees' fees will be payable in arrears, accrued daily and calculated as at each Dealing Day.

The Trustee's fees may be increased up to a permitted maximum (up to 1% per annum of the Net Asset Value of the Sub-Fund or the relevant Unlisted Class of Units according to the Trust Deed) on one month's notice to Unitholders.

Fees payable by investors of Unlisted Class of Units

<u>Subscription fee, redemption fee and switching fee</u>

	Class A (HKD)	**Class A (RMB)**
Subscription fee	Up to 3% of the subscription monies	
Redemption fee	Nil	
Switching fee*	Nil, except where a Unitholder has already made 4 conversions in the last 12-month period, such Unitholder may be charged a total switching fee of up to 1% of the Net Asset Value of the Units converted for each additional conversion in that 12-month period	

* The switching fee will be deducted from the redemption proceeds and retained by the Manager. This is payable in addition to the redemption fee (if any).

The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the any of the above fees.

<u>Fiscal charges</u>

In order to protect the interests of all Unitholders, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Units of the Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may (in its absolute discretion and taking into account the best interests of the Unitholders) impose a fiscal charge to account for the impact of the related costs. Such fiscal charges will not exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units and will be retained by the relevant Sub-Fund.

However, under extreme market conditions (including but not limited to high volatility and/or lack of liquidity in the underlying market), the maximum rate of fiscal charge applicable to an Unlisted Class of Units of the Sub-Fund may exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units, on a temporary basis and at the discretion of the Manager (taking into account the best interests of the Unitholders) and upon prior notice to Unitholders.

Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus for further details of the fees and expenses payable.

Risks factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus (all of which are relevant to the Sub-Fund), the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Passive investment risk

The Sub-Fund is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

Concentration risk

The Index is subject to concentration risk as a result of tracking the performance of a single geographical region, namely the PRC and is concentrated in bonds of a few issuers (being the PRC policy bank bond issuers). The Net Asset Value of the Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC.

Risks associated with PRC onshore bonds

PRC sovereign debt and policy bank bond risk. The Sub-Fund's investments may include sovereign debt Securities and policy bank bonds and such investments involve special risks. The PRC governmental entity or PRC policy bank that controls the repayment of sovereign debt or policy bank bond (as the case may be) may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt.

A PRC governmental entity's or a PRC policy bank's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the PRC governmental entity's or the PRC policy bank's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. PRC governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a PRC governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the PRC governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, the PRC governmental entities or the PRC policy banks may default on their sovereign debt or policy bank bonds (as the case may be). Holders of PRC sovereign debt or PRC policy bank bonds, including the Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to the PRC governmental entities or the PRC policy banks. As at the date of this Prospectus, there is no bankruptcy proceeding by which sovereign debt or policy bank bond on which a PRC governmental entity or a PRC policy bank (as the case may be) has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign or policy bank is limited.

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

Settlement risks. Settlement procedures in the PRC are less developed and less reliable and may involve the Sub-Fund's delivery of Securities, or transfer of title to Securities, before receipt of payment for their sale. The Sub-Fund may be subject to a risk of substantial loss if a securities firm defaults in the performance of its responsibilities. The Sub-Fund may incur substantial losses if its counterparty fails to pay for Securities the Sub-Fund has delivered, or for any reason fails to complete its contractual obligations owed to the Sub-Fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of Securities. Such delays could result in substantial losses for the Sub-Fund if investment opportunities are missed or if the Sub-Fund is unable to acquire or dispose of a security as a result.

To the extent the Sub-Fund transacts in the PRC inter-bank bond market, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. All trades settled through CCDC and the SHCH are on delivery versus payment basis. If a counterparty defaults in delivering the securities, the trade may be cancelled and this may adversely affect the value of the Sub-Fund.

The Sub-Fund may invest in the PRC bond market via the exchange market and all bond trades will be settled through the China Securities Depository and Clearing Co., Ltd . If a counterparty defaults in payment or delivery obligation, a trade may be delayed and this may adversely affect the value of the Sub-Fund.

Risks associated with PRC inter-bank bond market, Foreign Access Regime and Bond Connect

Market volatility and potential lack of liquidity due to low trading volume of certain debt Securities in the PRC inter-bank bond market may result in prices of certain debt Securities traded on such market fluctuating significantly. The Sub-Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

The Sub-Fund is also exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant Security or by payment for value.

For investments via the Foreign Access Regime and/or the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

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

Also, the PRC inter-bank bond market is an over-the-counter market which is subject to less governmental regulation and supervision of transactions than organised exchanges. Further, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on over-the-counter markets. Therefore, by entering into transactions on over-the-counter markets, the Sub-Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses.

In addition, there is no specific guidance by the PRC tax authorities on the treatment of income tax and other tax categories payable in respect of trading in PRC inter-bank bond market by foreign institutional investors via the Foreign Access Regime. By investing in the PRC inter-bank bond market, the Sub-Fund may be at risk of being subject to PRC taxes. There is a possibility that the current tax laws, rules, regulations and practice in the PRC and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. The Sub-Fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any of those changes may reduce the income from, and/or the value of, the relevant investments in the Sub-Fund.

Risks relating to fixed income securities

Interest rate risk. The Sub-Fund's investments in fixed income securities are subject to interest rate risk. Generally, the value of fixed income securities is expected to be inversely correlated with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Long-term fixed income securities in general are subject to higher sensitivity to interest rate changes than short-term fixed income securities. Any increase in interest rates may adversely impact the value of the Sub-Fund's portfolio.

As the Sub-Fund may invests in fixed income securities in the PRC market, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies of the PRC (including monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund.

Credit risk and risk of credit rating downgrades. Investment in fixed income securities is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest, and the value of the Sub-Fund is affected by the credit worthiness of its underlying investments. In the event of a default or credit rating downgrading of the fixed income securities (or the issuers thereof) held by the Sub-Fund, valuation of the Sub-Fund's portfolio may become more difficult, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers who may be incorporated in countries/regions other than Hong Kong and therefore not subject to the laws of Hong Kong.

Fixed income securities are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

Volatility risk. The fixed income securities in the PRC markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

Valuation risk. Valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. The value of fixed income securities may be affected by changing market conditions or other significant events affecting valuation. For example, in the event of the credit rating downgrade of an issuer, the value of the relevant fixed income securities may decline rapidly, and the value of the Sub-Fund may be adversely affected.

Credit rating risk. The ratings of fixed-income securities by credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint and do not guarantee the credit worthiness of the security and/or issuer at all times. The rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a fixed income security or an issuer relating to a fixed income security, the value of the Sub-Fund investing in such security may be adversely affected.

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

In respect of investments in PRC onshore debt securities, the credit appraisal system in the PRC and the rating methodologies employed in the PRC may be different from those employed in other markets. Credit ratings given by PRC rating agencies may therefore not be directly comparable with those given by other international rating agencies.

Sovereign debt obligations. By investing in debt obligations of governmental entities, the Sub-Fund will be exposed to the direct or indirect consequences of political, social and economic changes in various countries and regions. Political changes in a particular country/region may affect the willingness of a particular government to make or provide for timely payments of its debt obligations. The country/region's economic status, as reflected, among other things, in its inflation rate, the amount of its external debt and its gross domestic product, will also affect the government's ability to honour its obligations.

The ability of governments to make timely payments on their debt obligations is likely to be influenced strongly by the issuer's balance of payments, including export performance, and its access to international credits and investments. To the extent that a particular country/region receives payment for its exports in currencies other than the currency of the relevant debt obligation, such country/region's ability to make debt payments in the currency of the relevant debt obligation could be adversely affected. To the extent that a particular country/region develops a trade deficit, such country/region will need to depend on continuing loans from foreign governments, supranational entities or private commercial banks, aid payments from foreign governments and on inflows of foreign investment. The access of a particular country/region to these forms of external funding may not be certain, and a withdrawal of external funding could adversely affect the capacity of such country/region to make payments on its debt obligations. In addition, the cost of servicing debt obligations can be affected by a change in global interest rates since the majority of these debt obligations carry interest rates that are adjusted periodically based upon global rates.

The Sub-Fund's portfolio may comprise debt obligations of governmental entities and supranational entities, for which a limited or no established secondary market exists. Reduced secondary market liquidity may have an adverse effect on the market price and the Sub-Fund's ability to dispose of particular instruments when necessary to meet liquidity requirements or in response to specific economic events such as deterioration in the creditworthiness of the issuer. Reduced secondary market liquidity for such debt obligations may also make it more difficult to obtain accurate market quotations for the purpose of determining the Net Asset Value of the Sub-Fund. Market quotations are generally available on many sovereign debt obligations only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

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

In addition, investment in debt obligations of supranational entities is subject to the additional risk that one or more member governments may fail to make required capital contributions to a particular supranational entity and, as a result, such supranational entity may be unable to meet its obligations with respect to its debt obligations.

Illiquidity of bonds close to maturity risk. The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.

Emerging market risk

The Sub-Fund will invest in the PRC market, which is an emerging market that is subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk, legal and taxation risks, settlement risk, custody risk and economic risk) and higher volatility than more developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk (including risks arising from settlement procedures), greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets. Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale.

Securities lending transactions risk

The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk. The borrower may fail to return the Securities lent out in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value or change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

RMB currency risk

The RMB is not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Such government policies and restrictions are subject to change, and there can be no assurance that the RMB exchange rate will not fluctuate widely against the HK dollar or any other foreign currency in the future.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate.

Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions (for Unlisted Class of Units denominated in RMB or for Listed Class of Units redeemed in the primary market) may be delayed due to the exchange controls and restrictions applicable to RMB.

Investors in Unlisted Class of Units denominated in RMB whose assets and liabilities are predominantly in HKD or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB.

Risk factors relating to the PRC

PRC economic, political and social conditions as well as government policies risks. The economy of the PRC, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in the PRC are still owned by the PRC government at various levels, in recent years, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of the PRC and a high level of management autonomy. The economy of the PRC has experienced significant growth in the past 25 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.

For more than 25 years, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC as well as the underlying Securities of the Sub-Fund. Further, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the Sub-Fund.

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

PRC laws and regulations risk. The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. PRC 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 the PRC laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the PRC policy bank bonds or the PRC market in general.

Potential market volatility risk. Investors should note that the PRC inter-bank bond market, and the PRC exchanges on which the onshore PRC bonds are traded are undergoing development. Market volatility may result in significant fluctuation in the prices of onshore PRC bonds traded on such markets and thereby changes in the Net Asset Value of the Sub-Fund.

Restricted markets risk. The Sub-Fund may invest in Securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Sub-Fund's holdings as compared to the performance of the Index. This may increase the risk of tracking error and, at the worst, the Sub-Fund may not be able to achieve its investment objective.

Accounting and reporting standards risk. 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.

Taxation in the PRC Risk. The PRC government has implemented a number of tax reform policies in recent years. There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect investments in the PRC via the Foreign Access Regime and/or the Bond Connect. It should also be noted that there is a possibility of the PRC tax rules being changed and taxes being applied retrospectively. There is a risk that taxes may be levied in future on the Sub-Fund for which no provision is made, which may potentially cause substantial loss to the Sub-Fund.

The Net Asset Value of the Sub-Fund may require further adjustment to take into account any retrospective application of new tax regulations and development, including change in interpretation of the relevant regulations by the PRC tax authorities. The Manager will closely monitor any further guidance by the relevant PRC tax authorities and reserves the right to adjust the tax provisioning policy of the Sub-Fund accordingly, taking into account independent professional tax advice. The Manager will act in the best interest of the Sub-Fund at all times.

Unitholders 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 by the STA in future or if the level of provision is lower than the actual tax levied by the STA in future, investors should note that the Net Asset Value of the Sub-Fund may be lowered, as the Sub-Fund 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 then existing Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the Sub-Fund, a disproportionately higher amount of tax liabilities as compared to those borne at the time of investment in the Sub-Fund.

Please refer to the sub-section headed "PRC" under the section headed "Taxation and FACTA" in the main Prospectus for further information.

Based on professional and independent tax advice, the Manager has determined that no WIT and VAT provision will be made on (i) the gross realised and unrealised capital gains derived from the Sub-Fund's disposal of PRC policy bank bonds; and (ii) interest derived during the period from 7 November 2021 to 31 December 2025 from the Sub-Fund's investment in PRC policy bank bonds.

Distributions out of or effectively out of capital risk

The Manager may at its discretion pay distributions out of the capital of the Sub-Fund. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund and will reduce the capital available for future investment.

Appendix dated 16 August 2022

APPENDIX 4: GLOBAL X ASIA PACIFIC HIGH DIVIDEND YIELD ETF

Investors should note that this Sub-Fund has both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections relevant to your intended holding of Units.

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Classes of Units

Investment Type	Exchange Traded Fund ("ETF")
Index	Solactive Asia Pacific High Dividend Yield Index
Index Provider	Solactive AG
Base Currency	United States dollars (USD)
Distribution Policy	Quarterly (usually in March, June, September, and December of each year) (if any) in HKD subject to the Manager's discretion. The amount or rate of distribution (if any) is not guaranteed. Distributions (if any) may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, distributions may not be paid if the cost of the Sub-Fund's operations is higher than the return from management of the Sub-Fund's cash and holdings of investment products.
Financial Year-End	Ending 31 March each year, and the first financial year-end of the Sub-Fund will be 31 March 2023.
Website	https://www.globalxetfs.com.hk/ (this website has not been reviewed by the SFC)

Key information applicable to Listed Class of Units only

Initial Offer Period	9:00 a.m. (Hong Kong time) on 12 July 2022 to 4:00 p.m. (Hong Kong time) on 22 July 2022, or such dates or times as the Manager may determine
Initial Issue Date	26 July 2022
Listing Date (SEHK)	27 July 2022
Issue Price during the Initial	USD7 per Unit

Offer Period	
Exchange Listing	SEHK – Main Board
Stock Code	3116
Stock Short Name	GX AP HIGH DIV
Trading Board Lot Size	50 Units
Trading Currency	Hong Kong dollars (HKD)
Application Unit Size for Creation / Redemption (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Creation / Redemption Policy	Cash (in USD only)
Dealing Deadline	11:00 a.m. (Hong Kong time)
Listing Agent	Altus Capital Limited
Management Fee	Currently 0.68% per annum of the Net Asset Value
Trustee Fee	Included in the Management Fee

Key information applicable to Unlisted Classes of Units only

Initial Offer Period	Such dates or times as the Manager may determine in due course
Unlisted Classes of Units offered	Class A (HKD) Class A (RMB)
Subscription Price during the Initial Offer Period	Class A (HKD): HKD equivalent amount of USD7 per Unit Class A (RMB): RMB equivalent amount of USD7 per Unit
Minimum Initial Investment Amount	Class A (HKD): HKD1,000 Class A (RMB): RMB1,000
Minimum Subsequent Investment Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Minimum Holding Amount	Class A (HKD): HKD1

	Class A (RMB): RMB1
Minimum Redemption Amount	Class A (HKD): HKD1 Class A (RMB): RMB1
Subscription / Redemption Policy	Class A (HKD): Cash (in HKD) Class A (RMB): Cash (in RMB)
Dealing Deadline	11:00 a.m. (Hong Kong time)
Management Fee	Currently 0.68% per annum of the Net Asset Value
Trustee Fee	Included in the Management Fee

Key similarities and differences between Listed Class of Units and Unlisted Classes of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the sections headed "What is the investment objective?" and "What is the investment strategy?".
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Classes of Units. Please refer to the section headed "Determination of Net Asset Value" in Part 1 of the Prospectus.
Dealing Arrangements	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. Investors should note that the Dealing Deadlines in respect of Listed Class of Units and Unlisted Classes of Units may be different. In respect of the Listed Class of Units: - the Dealing Deadline for a Creation Application or Redemption Application is 11:00 a.m. (Hong Kong time) on each Dealing Day, or such other date or time as the Manager may from time to time with the written approval of the Trustee determine; - a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price; and - the Creation Application or Redemption Application for Listed Class of Units received after 11:00 a.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. In respect of the Unlisted Classes of Units: - the Dealing Deadline is 11:00 a.m. (Hong Kong time) on each Dealing Day, or such other date or time as the Manager may from time to time with the written approval of the Trustee determine. Investors can buy or sell the

	Unlisted Classes of Units at the Net Asset Value of the relevant Unlisted Classes of Units. Applicants may apply for Unlisted Classes of Units through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Classes of Units through a distributor should therefore consult the distributor for details of the relevant dealing procedures; and - the subscription application or redemption request for Unlisted Classes of Units received after 11:00 a.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. Please refer to Schedule 1 (Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units) for more information relating to dealing arrangements of the Listed Class of Units, and Schedule 2 (Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Class of Units) for more information relating to the dealing arrangements of the Unlisted Classes of Units.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Classes of Units – each Business Day.
Valuation Point	Same for both Listed Class of Units and Unlisted Classes of Units – approximately 5:15 p.m. (Hong Kong time) on the applicable Dealing Day.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units. In respect of both the Listed Class of Units and the Unlisted Class of Units, the current rate of the Single Management Fee is 0.68% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. The Single Management Fee in respect of the Listed Class of Units and the Unlisted Classes of Units may be increased up to the permitted maximum amount (up to 2% per annum of the Net Asset Value) by providing one month's prior notice to Unitholders. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as brokerage fees, FRC transaction levy and SEHK trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section headed "Fees and Expenses" in this Appendix.
Investment Return / Net Asset	Different in respect of each of the Listed Class of Units and Unlisted Classes of Units due to various factors, including but

Value	not limited to the different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Classes of Units are bought and sold at Net Asset Value) and the different fee structures applicable to each of the Listed Class of Units and Unlisted Classes of Units. Please refer to the sub-section headed “Risk associated with differences in dealing, fee and cost arrangements between Listed Class of Units and Unlisted Class of Units” under the section headed “Risk Factors” of Part 1 of this Prospectus.
Termination	Due to the nature of the listing of the Listed Class of Units, the termination procedures applicable to the Listed Class of Units and Unlisted Classes Units may differ. Please refer to the sub-section headed “Termination” under the section headed “Statutory and General Information” of Part 1 of this Prospectus for further details.

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Solactive Asia Pacific High Dividend Yield Index (the “Index”).

What is the investment strategy?

In seeking to achieve the Sub-Fund’s investment objective, the Manager will primarily use a full replication strategy through investing all, or substantially all, of the assets of the Sub-Fund directly in all Securities constituting the Index, being common stock securities listed on a regulated stock exchange in Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea or Taiwan, in substantially the same weightings as these Securities have in the Index.

Where the adoption of a full replication strategy is not efficient or practicable or where the Manager considers appropriate in its absolute discretion, the Manager may pursue a representative sampling strategy and hold a representative sample of the constituent Securities of the Index selected by the Manager using rule-based quantitative analytical models to derive a portfolio sample. In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the Index weighting on the condition that the maximum deviation from the Index weighting of any constituent Security will not exceed 3 percentage points above or below such weighting.

Investors should note that the Manager may switch between the full replication strategy and the 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 the Sub-Fund by tracking the Index as closely (or efficiently) as possible for the benefit of investors.

The Sub-Fund may invest not more than 5% of its Net Asset Value in cash and money market funds which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code for cash management purposes.

Currently, the Sub-Fund will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required) and provide at least one month’s prior notice to Unitholders before the Manager engages in any such investments.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Securities lending transactions

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions with a maximum level of up to 50% and expected level of approximately 20% of its Net Asset Value.

The Manager will be able to recall the Securities lent out at any time. All securities lending transactions will only be carried out in the best interests of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the sub-section headed "Securities financing transactions" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under the sub-section headed "Collateral" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included) valued on a daily basis. The collateral will be marked-to-market on a daily basis and be subject to safekeeping by the Trustee or an agent appointed by the Trustee. Please refer to the sub-section headed "The Trustee and Registrar" under the section headed "Management of the Trust" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the value of the Securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value by 4:00 p.m. on trading day T+2.

Non-cash collateral received may not be sold, re-invested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code and the sub-section headed "Collateral" under the section headed "Investment Objective, Investment Strategy, Investment Restrictions, Security Financing and Borrowing" in Part 1 of this Prospectus.

To the extent the Sub-Fund undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The costs relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the risk factor titled "Securities lending transactions risk" below for further details.

Use of derivatives

The Sub-Fund may invest in FDIs for hedging or non-hedging (i.e. investment) purposes, in order to achieve efficient portfolio management. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

The Manager may invest no more than 10% of the Sub-Fund's Net Asset Value in futures for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures in which the Sub-Fund may invest will be index futures which exhibit high correlation with the Index in order to manage the Sub-Fund's exposure to the Index constituents.

What is the Index?

This section is a brief overview of the Index. It contains a summary of the principal features of the

Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General information

The Index is a net total return, equally weighted index and an equity benchmark designed to track the performance of high dividend paying companies which are listed in Asia Pacific.

The Index is denominated and quoted in USD.

The Index is compiled and managed by Solactive AG (the "Index Provider"). The Manager (and each of its connected persons) are independent of the Index Provider.

The Index was launched on 1 July 2022 and had a base level of 1,000 as at 31 May 2017. As at 11 January 2022, the Index comprised 40 constituents stocks with a total market capitalisation of approximately USD443 billion.

Index universe

The index universe of the Index (the "Index Universe") includes Securities which fulfill all of the following criteria (the "Index Criteria"):

(ix) the Securities must be (i) assigned as common stocks in and (ii) listed on a regulated stock exchange in Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea or Taiwan (each a "Jurisdiction");

(x) the Securities must each have a minimum market capitalisation of HKD2.5 billion on the Selection Day (as defined below); and

(xi) the Securities must each have a minimum three-month average daily trading value of HKD70 million prior to and including the Selection Day.

Index methodology

Securities meeting the Index Criteria are ranked in descending order according to their estimated one-year forward dividend yield. The estimated one-year forward dividend yield is based on the mean of the estimated annual dividend per share for the next fiscal year from research analysts collected by FactSet Research Systems Inc. ("FactSet"), divided by the current stock price on each Selection Day. The eligible Securities are selected according to the following steps and capping requirements:

<u>Steps</u>

(a) If a Security is a current Index constituent, it is eligible for remaining in the Index if its estimated one-year forward dividend yield is ranked among the top 75 eligible Securities.

(b) If there are fewer than 40 Securities remaining after step (a) above, Securities that are not current Index constituents with the highest estimated one-year forward dividend yield are added to the Index, starting with the highest ranked Security that is not a current Index constituent and continuing through an iterative process (descending from the highest rank to the lowest rank), until a total of 40 Securities are selected.

<u>Capping requirements</u>

(a) A maximum weight of 35% is applied on each of the following ten economies, which are the first level of the FactSet Industries and Economic Sectors: Basic materials, Consumer durables, Consumer non-durables, Consumer services, Energy, Finance, Healthcare, Industrials, Technology and Utilities (each an “Economy”); and

(b) A maximum weight of 35% is applied on each of the seven Jurisdictions of listing.

On each Selection Day (being 10 Business Days before the Rebalance Day (as defined below)), the selected Securities which remain after the steps above are weighed equally.

Between each Selection Day, the weightings of the Index constituents may fluctuate and therefore may not be equal-weighted.

The number of Index constituents is fixed at 40 on each Selection Day.

The Index is adjusted on the last weekday in February, May, August and November (the “Rebalance Day”) after close of business. Notwithstanding that the weight of certain Economy or Jurisdiction of listing may have exceeded the cap during the period between the Selection Day and the Rebalance Day, the aforementioned weighing, capping and redistribution of the Index constituents will not be repeated on the Rebalance Day.

Index constituents

You can obtain the list of the constituents of the Index, their respective weightings, the last closing index level and additional information of the Index from the website of the Index Provider at https://www.solactive.com/ (this website has not been reviewed by the SFC).

Index codes

The Index is distributed under the following identifiers:

Bloomberg Code: SOLAHDYN Index

Reuters Code: .SOLAHDYN

Index licence agreement

The initial term of the licence of the Index commenced on 1 July 2022 and will remain in full force and effect for an indefinite term unless terminated by either party in writing with four months’ notice period after the initial two years term subject to the terms of the licence agreement.

Index disclaimer

The Sub-Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or the use of Solactive trade mark or the index price/prices of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the the Sub-Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Solactive trade mark for the purpose of use in connection with the Sub-Fund constitutes a recommendation by Solactive AG to invest capital in the Sub-Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Sub-Fund. Remember, the information in this Prospectus does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information and opinions contained in this Prospectus have been obtained from public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Solactive AG will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

Dealing arrangements of Listed Class of Units and Unlisted Class of Units

Investors should note that the dealing arrangements in respect of Listed Class of Units and Unlisted Classes of Units are different. Please refer to the section below which is applicable to your intended holding of Units. Please also refer to Schedule 1 (Provisions relating to the offer, creation, redemption, listing and trading of the Listed Class of Units) for more information relating to dealing arrangements of the Listed Class of Units, and Schedule 2 (Provisions relating to the offer, subscription, conversion and redemption of the Unlisted Class of Units) for more information relating to the dealing arrangements of the Unlisted Classes of Units.

The offering phases of Listed Class of Units

Initial Offer Period

The Initial Offer Period of the Listed Class of Units commences at 9:00 a.m. (Hong Kong time) on 12 July 2022 to 4:00 p.m. (Hong Kong time) on 22 July 2022, or such dates or times as the Manager may determine.

The Listing Date was 27 July 2022.

The Issue Price of the Listed Class of Units which is the subject of a Creation Application during the Initial Offer Period is USD7 per Unit, or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period. Applications for creation of Units may be made by way of a cash Creation Application (in USD only).

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Listed Class of Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Listed Class of Units to be available for trading on the Listing Date by a Creation Application. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Listed Class of Units for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Listed Class of Units on their behalf.

After Listing

Dealings in the Listed Class of Units on the SEHK (the "Listing") have commenced on the Listing Date, which was 27 July 2022.

The dealing period on each Dealing Day after Listing for a Creation Application or a Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 11:00 a.m. (Hong Kong time), or such other date or time as the Manager may from time to time with the written approval of the Trustee determine.

Applications for creation of Listed Class of Units may be made by way of a cash Creation Application (in USD only). Settlement for subscribing for Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section headed "The Offering Phases" in Schedule 1 of Part 1 of this Prospectus.

The following table summarises all key events and the Manager's expected timetable in relation to the Listed Class of Units (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation of Listed Class of Units for themselves or for their clients in Application Unit size	• 9:00 a.m. (Hong Kong time) on 12 July 2022 or such other date or time as the Manager may determine
The date that is three Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Listed Class of Units to be available for trading on the Listing Date	• 4:00 p.m. (Hong Kong time) on 22 July 2022 or such other date or time as the Manager may determine
After Listing (period commences on the Listing Date) • All investors may start trading Listed Class of Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption of Listed Cass of Units for themselves or for their clients in Application Unit size	• Commence at 9:00 a.m. (Hong Kong time) on 27 July 2022 • From 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) on each Dealing Day

Redemptions of Listed Class of Units

Listed Class of Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in cash (in USD). Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines.

Exchange listing and trading (secondary market) of Listed Class of Units

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Listed Class of Units traded in HKD.

Listed Class of Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on one or more other stock exchanges. Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 of Part 1 of this Prospectus for further information.

Dealings on the SEHK in Listed Class of Units have begun on 27 July 2022.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Units on the SEHK until dealings begin on the SEHK.

Subscription of Unlisted Class of Units

Available class

The Sub-Fund currently offers the following Unlisted Classes of Units to investors:

- Class A (HKD)
- Class A (RMB)

Initial Offer Period

The Initial Offer Period of the Unlisted Classes of Units will be on such dates or times as the Manager may determine in due course.

The Subscription Price of the Unlisted Classes of Units during the Initial Offer Period is USD7 per Unit (for Class A (HKD) Units, in the equivalent HKD amount, and for Class A (RMB) Units, in the equivalent RMB amount), or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period. The Manager may at any time decide to close a class to further subscriptions before the end of the Initial Offer Period without any prior or further notice.

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 of Part 1 of this Prospectus. The following apply to the Sub-Fund:

Dealing Day	each Business Day
Dealing Deadline	11:00 a.m. (Hong Kong time)

Subscription monies in respect of the Unlisted Classes of Units must be paid in HKD for Class A (HKD) Units and RMB for Class A (RMB) Units. Subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Class of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager.

Redemption proceeds will be paid to redeeming Unitholder in HKD for Class A (HKD) Units and RMB for Class A (RMB) Unit. Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder by telegraphic transfer to the Unitholder's pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, and in such a case the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets.

Investment minima

The following investment minima apply to the Unlisted Classes of Units:

	Class A (HKD)	**Class A (RMB)**
Minimum initial investment amount	HKD1,000	RMB1,000

Minimum subsequent investment amount	HKD1	RMB1
Minimum holding amount	HKD1	RMB1
Minimum redemption amount	HKD1	RMB1

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

RMB payment procedures

Unlisted Classes of Units

An investor applying for Unlisted Class of Units denominated in RMB will be required to pay the subscription monies in RMB. An investor may need to have opened an RMB bank account as he/she will need to have accumulated sufficient RMB to pay the subscription monies, or if an application to subscribe for such Units is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by crediting such amount into the investor's RMB bank account without interest.

Investors should note that RMB is the only official currency of the PRC. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC. The liquidity of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC.

Following the expansion of the RMB trade settlement scheme, there are no longer any restrictions on banks in Hong Kong in establishing RMB accounts. However, different banks may have different and/or additional restrictions. There may be additional rules, regulations and restrictions under contemplation or to be issued by the relevant Hong Kong authorities that may be relevant to investments in the Sub-Fund. Investors should check with their own banks or professional advisers for updates and details.

Investors should also consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for payment of subscription monies for Unlisted Class of Units denominated in RMB.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC and provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the sub-section entitled "RMB currency risk (applicable to the Unlisted Classes of Units only)" below for further details.

Switching

Investors should note that switching between Listed Class of Units and Unlisted Classes of Units is not available. Please refer to the section "Switching of Unlisted Class of Units" in Part 1 of this Prospectus. Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch all or any of their Unlisted Class of Units of the Sub-Fund into any other Unlisted Class of Units of the Sub-Fund (where available). Switching of Units of an Unlisted Class of Units of the Sub-Fund into unlisted shares, units or interests of other sub-fund(s) of the Trust is currently not permitted.

Distribution policy (applicable to both Listed Class of Units and Unlisted Class of Units)

Income may be distributed at the Manager's discretion to Unitholders quarterly (usually in March, June, September, and December of each year). The amount or rate of distribution (if any) is not guaranteed. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investments.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of the Sub-Fund's capital or effectively out of its capital may result in an immediate reduction in the Net Asset Value of the Sub-Fund and will reduce the capital available for future investment.

The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website at https://www.globalxetfs.com.hk/ (the contents of which have not been reviewed by the SFC). There can be no assurance that a distribution will be paid.

Each Unitholder of the Listed Class of Units will receive distributions (if any) in HKD only. Each Unitholder of the Unlisted Classes of Units (whether in respect of Class A (HKD) Units or Class A (RMB) Units) will receive distributions (if any) in HKD only. Unitholders are advised to check with their brokers on the arrangements concerning distributions.

Fees and expenses payable by the Sub-Fund (applicable to both Listed Class of Units and Unlisted Class of Units)

Management fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Single Management Fee").

For both the Listed Class of Units and the Unlisted Class of Units, the Single Management Fee is currently 0.68% per annum of the Net Asset Value of the Listed Class of Units and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Fees and expenses taken into account in determining the Single Management Fee include, but are not limited to, the Manager's fee, the Trustee's fee, the Registrar's fee and the Service Agent's fee. Notwithstanding the above, the Single Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realisation of the investments of the Sub-Fund and extraordinary items such as litigation expenses.

Fees and expenses associated with the Listed Class of Units or the Unlisted Classes of Units (as the case may be) exceeding the relevant level of Single Management Fee as set out above (excluding brokerage and transaction costs and extraordinary items) will be borne by the Manager and shall not be charged to the Listed Class of Units or the Unlisted Classes of Units (as the case may be). The Single Management Fee may be increased up to a permitted maximum (up to 2% per annum of the Net Asset Value of the Sub-Fund or relevant class of Units according to the Trust Deed) on one month's notice to Unitholders.

Trustee's and Registrar's fees

The Trustee's and Registrar's fees will be paid by the Manager out of the Single Management Fee.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager (out of the Single Management Fee).

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Fees applicable to Listed Class of Units only

Fees payable by Participating Dealers

The fees payable by Participating Dealers in respect of the creation and redemption of Units are as follows:

Transaction Fee	See Note 1.
Service Agent's fee	See Note 2.
Application cancellation fee	USD1,200 per Application. See Note 3.
Extension Fee	USD1,200 per Application. See Note 4.
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

Notes:

1. A Transaction Fee of USD500 per Application is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

2. The Service Agent's fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

3. An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).

4. An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

Fees and expenses payable by investors of Listed Class of Units

Please refer to the sub-section headed "Fees and Expenses Payable in respect of a Listed Class of Units only" under the section headed "Fees and Expenses" in Part 1 of this Prospectus for details on the fees and expenses payable by investors of Listed Class of Units and in respect of dealings in such Units on the SEHK.

Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus for details of other fees and expenses payable.

Fees applicable to Unlisted Class of Units only

Fees payable by investors of Unlisted Class of Units

Subscription fee, redemption fee and switching fee

	Class A (HKD)	**Class A (RMB)**
Subscription fee	Up to 3% of the subscription monies	
Redemption fee	Nil	
Switching fee*	Nil, except where a Unitholder has already made 4 conversions in the last 12-month period, such Unitholder may be charged a total switching fee of up to 1% of the Net Asset Value of the Units converted for each additional conversion in that 12-month period	

* The switching fee will be deducted from the redemption proceeds and retained by the Manager. This is payable in addition to the redemption fee (if any).

The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the any of the above fees.

Fiscal charges

In order to protect the interests of all Unitholders, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Units of the Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may (in its absolute discretion and taking into account the best interests of the Unitholders) impose a fiscal charge to account for the impact of the related costs. Such fiscal charges will not exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units and will be retained by the relevant Sub-Fund.

However, under extreme market conditions (including but not limited to high volatility and/or lack of liquidity in the underlying market), the maximum rate of fiscal charge applicable to an Unlisted Class of Units of the Sub-Fund may exceed 2.5% of the Net Asset Value per Unit of the relevant Unlisted Class of Units, on a temporary basis and at the discretion of the Manager (taking into account the best interests of the Unitholders) and upon prior notice to Unitholders.

Please refer to the section headed “Fees and Expenses” in Part 1 of this Prospectus for further details of the fees and expenses payable.

Risks factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus (all of which are relevant to the Sub-Fund), the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

New index risk

The Index is new and has minimal operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Equal weighted index risk

The Index is an equal weighted index whereby the Index constituents will have the same weightings on each Selection Day (but not between each Selection Day) regardless of its size or market capitalisation based on the methodology of the Index. The Sub-Fund by tracking the Index may have relatively large holdings in Index constituents with relatively smaller market capitalisation than it would have held if tracking a market capitalisation weighted index, leading to higher risks and potential underperformance.

Passive investment risk

The Sub-Fund is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

Geographical concentration risk

The Index is subject to concentration risk as a result of tracking the performance of a single geographical region, namely the Asia Pacific region. The Net Asset Value of the Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant Jurisdictions in the Asia Pacific region (namely Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea and Taiwan).

Asia Pacific markets suspension of trading risk

The Sub-Fund will invest in Securities listed on regulated stock exchanges in the Jurisdictions in the Asia Pacific region. Some of these exchanges may have the right to suspend or limit trading in any Security traded on the relevant exchange. The government or regulators of these Jurisdictions may also implement policies that may affect the financial markets. Some of the Jurisdictions may have a higher entry barrier as identification number or certificate may have to be obtained for securities trading.

Emerging market risk

The Sub-Fund will invest in emerging markets which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk, legal and taxation risks, settlement risk, custody risk and economic risk) and higher volatility than more developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk (including risks arising from settlement procedures), greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets. Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale.

Risk associated with small-capitalisation/mid-capitalisation companies

The Sub-Fund may invest in stocks of small-capitalisation/mid-capitalisation companies. The stock of small-capitalisation/mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Foreign investments restrictions risks

Some Jurisdictions in the Asia Pacific region in which the Sub-Fund will invest may restrict foreign investment or the repatriation of income, capital or proceeds from a sale of Securities, or may intervene with foreign exchange rates. The Sub-Fund may incur higher costs investing in these Jurisdictions. These restrictions may limit the Sub-Fund's ability to invest in these Jurisdictions, delay the investment or repatriation of capital of the Sub-Fund and impact the Sub-Fund's ability to track the performance of the Index.

Securities lending transactions risk

The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk. The borrower may fail to return the Securities lent out in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value or change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

RMB currency risk (applicable to the Unlisted Classes of Units only)

The RMB is not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Such government policies and restrictions are subject to change, and there can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate.

Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions (for Unlisted Class of Units denominated in RMB) may be delayed due to the exchange controls and restrictions applicable to RMB.

Investors in Unlisted Class of Units denominated in RMB whose assets and liabilities are predominantly in HKD or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB.

Dividend risk

There is no assurance that dividends will be declared and paid in respect of the securities comprising the Index. Dividend payment rates in respect of such securities will depend on the performance of the companies of the constituent securities of the Index as well as factors beyond the control of the Manager including but not limited to, the dividend distribution policy of these companies. In addition, whether or not distributions will be made by the Sub-Fund is at the discretion of the Manager taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the Sub-Fund is the same as that of the Index.

Distributions out of or effectively out of capital risk

The Manager may at its discretion pay distributions out of the capital of the Sub-Fund. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund and will reduce the capital available for future investment.

Appendix dated 14 July 2022