BlackRock
貝萊德

30 APRIL 2024

Prospectus

BlackRock Premier Funds

iShares Asia ex-Japan Equity Index Fund
iShares Hong Kong Equity Index Fund
iShares World Equity Index Fund
iShares World Government Bond Index Fund

(sub-funds of BlackRock Premier Funds)

BNM0424U-3547372-11262426

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Introduction to BlackRock Premier Funds and the Sub-Funds

Introduction

BlackRock Premier Funds (the "**Trust**") is an umbrella unit trust established under the laws of Hong Kong, by a trust deed dated 19 July 2013 between BlackRock Asset Management North Asia Limited (the "**Manager**") as manager and Cititrust Limited (the "**Trustee**") as trustee, as amended and restated pursuant to an amended and restated trust deed dated 16 December 2019, and may be amended and/or supplemented from time to time.

The Trust may issue different Classes of Units and the Trustee shall establish a separate pool of assets within the Trust for each sub-fund of the Trust. The assets of a sub-fund of the Trust will be invested and administered separately from the other assets of the Trust. This prospectus (the "**Prospectus**") has been prepared in connection with the offer of Units in iShares Asia ex-Japan Equity Index Fund, iShares Hong Kong Equity Index Fund, iShares World Equity Index Fund and iShares World Government Bond Index Fund (each a "**Sub-Fund**" and collectively, the "**Sub-Funds**"), sub-funds of the Trust. For information in relation to other sub-funds of the Trust as listed in the table headed "**Choice of Sub-funds of the Trust**" below, please refer to the prospectus(es) of the relevant sub-fund(s). Copies of the prospectus(es) relating to the other sub-fund(s) of the Trust will be available on the Manager's website (www.blackrock.com/hk). Please note that this website has not been reviewed by the SFC.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry out Type 1 regulated activity under Part V of the Securities and Futures Ordinance (the "**SFO**"). The Manager reserves the right to establish other sub-funds and to issue further Classes of Units in the future.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus 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 in the Prospectus misleading. However, neither the delivery of the Prospectus nor the offer or issue of units of the Trust shall under any circumstances constitute a representation that the information contained in the Prospectus is correct as of any time subsequent to its date of publication. The Prospectus may from time to time be updated.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Units shall, under any circumstances, constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date hereof.

The Trust and the Sub-Funds have been authorised by the Securities and Futures Commission (the "**SFC**") pursuant to section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of the Trust or the Sub-Funds, nor does it guarantee the commercial merits of the Trust and the Sub-Funds or their performance. It does not mean the Trust or any of the Sub-Funds is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Applicants for Units should consult their financial adviser, 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 them to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine any investment in a Sub-Fund is appropriate for them.

Management

The Trust is managed by the Manager. The Manager is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services globally for institutional, retail and private clients.

The Manager was incorporated in Hong Kong with limited liability on 10 August 1998 and is licensed by the SFC to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO.

Choice of Sub-funds of the Trust

As of the date of this Prospectus, the following sub-funds of the Trust have been authorised by the SFC:-

Sub-fund	Base currency	Asset class	Type
iShares Asia ex-Japan Equity Index Fund	HKD	Equity	Index fund
iShares Hong Kong Equity Index Fund	HKD	Equity	Index fund
iShares World Equity Index Fund	HKD	Equity	Index fund
iShares World Government Bond Index Fund	HKD	Bond	Index fund
(The above are the Sub-Funds in connection with which this Prospectus is prepared)			
China US Dollar Bond Fund	USD	Bond	Direct investment fund

Global Megatrend Allocation Fund	USD	Mixed assets	Direct investment fund
Dynamic High Income Fund	USD	Mixed assets	Feeder fund
Systematic Global Equity High Income Fund	USD	Equity	Feeder fund

IMPORTANT NOTICE

If you are in any doubt about the contents of this Prospectus, you should seek independent professional financial advice. Nothing in this Prospectus should be taken as legal, tax, regulatory, financial, accounting or investment advice.

Distribution of this Prospectus must be accompanied by a copy of the KFS of each Sub-Fund and the latest available annual report and accounts of the Trust (if any) and any subsequent interim report and an application / decision to subscribe for Units should be made on the basis of the information contained in such documents which are also available at the registered office of the Manager.

This Prospectus, and the KFS for the Sub-Funds, should each be read in their entirety before making an application for Units.

Statements made in this Prospectus are based on laws and practices in force at the date hereof and are subject to changes therein.

Any Unitholder will only be able to fully exercise its unitholder rights directly against the Trust, and in particular the right to participate in general meetings of Unitholders, where such Unitholder is registered in its own name in the register of unitholders for the Trust. In cases where an investor invests into the Trust through an intermediary investing in its own name but on behalf of the investor, it may not always be possible for such investor to exercise certain of its unitholder rights in the Trust. Investors are therefore advised to take legal advice in respect of the exercise of their unitholder rights in the Trust.

<u>Distribution</u>

No action has been taken to permit an offering of Units or the distribution of the Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Prospective investors should inform themselves as to the legal requirements of applying for Units and of applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. US Persons are not permitted to subscribe for Units. In some countries investors may be able to subscribe for Units through regular savings plans.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Units and the distribution of this Prospectus under the laws and regulations of the relevant jurisdiction in connection with any applications for Units in the Trust, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

In certain jurisdictions no action has been taken or will be taken by the Manager that would permit a public offering of Units where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

USA

The Units will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") and may not be directly or indirectly offered or sold in the USA or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of a US Person. The Trust will not be registered under the US Investment Trust Act of 1940. US Persons are not permitted to own Units. Attention is drawn to the section "**Redemption of Units**" which specifies certain compulsory redemption powers.

Generally

The distribution of this Prospectus and the offering of the Units may be authorised or restricted in certain other jurisdictions. The above information is for general guidance only and it is the responsibility of any persons in possession of this Prospectus and of any persons wishing to make application for Units to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions.

Directory

Trust
BlackRock Premier Funds

Manager
BlackRock Asset Management North Asia Limited
16th Floor Champion Tower
3 Garden Road
Central, Hong Kong

Board of Directors of the Manager
Directors
Susan Wai-lan Chan
Hiro Shimizu
James Raby
Aarti Angara

Investment Advisers
BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL
United Kingdom

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

BlackRock Japan Co., Ltd.
1-8-3 Marunouchi, Chiyoda-ku
Tokyo 100-8217, Japan

Trustee
Cititrust Limited
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Registrar
Citicorp Financial Services Limited
9/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon, Hong Kong

Custodian and Administrator
Citibank N.A., Hong Kong Branch
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Legal Advisor
Deacons
5th Floor
Alexandra House
18 Chater Road
Central, Hong Kong

Auditor
PricewaterhouseCoopers
22nd Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Enquiries and Complaints Handling

Investors may contact the Manager for any enquiries or complaints regarding the Trust or any sub-fund of the Trust. Such enquiries or complaints should be in writing and sent to the Manager at 16th Floor Champion Tower, 3 Garden Road, Central, Hong Kong or at +852 3903 2688 or via email to clientservice.asiapac@blackrock.com. Upon receipt of such enquiries or complaints, a preliminary response will be provided within 5 Business Days.

Glossary

A-Shares
means shares issued by companies listed on the SSE or the SZSE and traded in RMB.

Administrator
means Citibank N.A., Hong Kong Branch, in its capacity as the administrator of the Trust and the Sub-Funds.

AUD or AU$
means the lawful currency of Australia.

Auditor
means PricewaterhouseCoopers.

Base Currency
means in relation to Units of each Sub-Fund, HKD.

BlackRock Group
means the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc.

B-Shares
means shares issued by companies listed on the SSE and traded in USD, or shares issued by companies listed on the SZSE and traded in HKD.

Business Day
means a day (excluding Saturday and Sunday) on which banks in Hong Kong are open for normal trading, provided that, where as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager and the Trustee otherwise determine.

China or PRC
means the People's Republic of China.

ChinaClear
means China Securities Depositary and Clearing Corporation Limited.

Class, Classes, Unit Class or Unit Classes
means any Class of Units attributable to a particular Sub-Fund, as the Manager may from time to time designate, as further described in the section "**Classes and Form of Units**".

Code
means the Overarching Principles Section and Section II - Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products or any handbook, guideline and code issued by the SFC, as may be amended from time to time.

Connected Person
as the meaning as set out in the Code which at the date of the 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).

Conversion Deadline
means, in respect of a Dealing Day, the deadline by which instructions for the conversion of Units shall be received. Please refer to the sub-section “**Instructions to Convert**” below.

CSRC
means the China Securities Regulatory Commission of the PRC or its successors which is the regulator of the securities and futures market of the PRC.

Custodian
means Citibank N.A., Hong Kong Branch, in its capacity as the custodian of the Trust and the Sub-Funds.

Dealing Currency
means the currency or currencies in which applicants may currently subscribe for the Units (or a particular Class or Classes of Units) of any Sub-Fund. Dealing Currencies may be introduced at the Manager's discretion. Confirmation of the Dealing Currencies and the date of their availability can be obtained from the registered office of the Manager and from the local Investor Servicing team.

Dealing Day
means, either generally or for a particular Class or Classes of Units:
any Business Day on which the relevant Underlying Index of the Sub-Fund is compiled and published (other than any day falling within a period of suspension of subscriptions, redemptions and conversions), and such other day determined by the Manager (with the approval of the Trustee) to be a day when a Sub-Fund is open for dealing.

Dealing Deadline
in relation to iShares Asia ex-Japan Equity Index Fund, means in respect of any subscription or redemption orders, 11.00 a.m. (Hong Kong time) on the relevant Dealing Day as determined by the Manager (with the approval of the Trustee);

in relation to iShares Hong Kong Equity Index Fund, means in respect of any subscription or redemption orders, 1.00 p.m. (Hong Kong time) on the relevant Dealing Day as determined by the Manager (with the approval of the Trustee); and

in relation to iShares World Equity Index Fund and iShares World Government Bond Index Fund, means in respect of any subscription or redemption orders, 6.00 p.m. (Hong Kong time) on the relevant Dealing Day as determined by the Manager (with the approval of the Trustee).

Distributing Units
means Units on which dividends may be declared at the Manager's discretion.

ETF(s)
means exchange traded fund(s).

Excessive Conversion
means practices including the case of individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large conversions which may adversely affect the interests of all Unitholders.

Excessive Trading
means practices including the case of individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large trades which may adversely affect the interests of all Unitholders.

Government and other public securities
means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

H-Shares
means the shares of companies that are listed on the SEHK and incorporated in mainland China which are either controlled by mainland Chinese government entities or individuals.

Hedged Unit Classes
means those Unit Classes to which a currency hedging strategy is applied. Hedged Unit Classes may be made available in Sub-Funds and in currencies at the Manager's discretion.

HKD or HK$
means the lawful currency of Hong Kong.

HKSCC
means Hong Kong Securities Clearing Company Limited.

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

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

Investment Adviser(s)
in relation to iShares Asia ex-Japan Equity Index Fund, iShares Hong Kong Equity Index Fund, iShares World Equity Index Fund and iShares World Government Bond Index Fund, means BlackRock Investment Management (UK) Limited, BlackRock (Singapore) Limited and BlackRock Japan Co., Ltd..

Investor Servicing
means the dealing provisions and other investor servicing functions by local BlackRock Group companies or branches or their administrators.

KFS
means the product key facts statement issued in respect of each Sub-Fund.

Manager
means BlackRock Asset Management North Asia Limited.

MPFA
means the Mandatory Provident Fund Schemes Authority.

Net Asset Value
means in relation to a Sub-Fund, a sub-fund of the Trust or a Unit Class, the net asset value amount determined in accordance with the Trust Deed.

P Chip
means shares of Chinese companies listed on the SEHK which are incorporated in the Cayman Islands, Bermuda and the British Virgin Islands with operations in mainland China.

Prospectus
means this offering memorandum, as amended, modified or supplemented from time to time.

Qualified Exchange Traded Funds
means exchange traded funds that are:
(a) authorised by the SFC under 8.6 or 8.10 of the Code; or
(b) 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 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 8.10 of the Code.

Red Chip
means companies which are incorporated outside of the mainland China and are controlled by mainland Chinese government entities.

Redemption Gate
means, in relation to redemption of Units, the limitation on redemption indicated in the section "**Redemption of Units**".

Registrar
means Citicorp Financial Services Limited.

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, the lawful currency of the PRC.

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 financing transactions
means collectively securities lending transactions, sale and repurchase transactions and reverse repurchase transactions.

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.

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

SFO
means the Securities and Futures Ordinance, Chapter 571 of Hong Kong.

SSE
means the Shanghai Stock Exchange.

Stock Connect
means each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and collectively the "**Stock Connects**".

SGD or SG$
means the lawful currency of Singapore.

Sub-Fund
means one segregated pool of assets and liabilities into which the Trust's assets are divided in accordance with the Trust Deed and where the context requires, only the Sub-Funds to which this Prospectus relates.

substantial financial institution
means an authorised institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) or a financial institution which is on an ongoing basis subject to prudential regulation and supervision, with a minimum net asset value of HK$2 billion or its equivalent in foreign currency.

SZSE
means the Shenzhen Stock Exchange.

Trust
means BlackRock Premier Funds, an umbrella unit trust constituted by the Trust Deed.

Trust Deed
means the trust deed dated 19 July 2013 between the Manager and the Trustee as amended and restated pursuant to an amended and restated trust deed dated 16 December 2019, and may be amended and/or supplemented from time to time.

Trustee
means Cititrust Limited.

UCITS
means an undertaking for collective investment in transferable securities.

Underlying Index
means the index whose performance against which the investment results of the Sub-Fund, before fees and expenses, will seek to achieve a return to closely correspond to as set out in the section "**Investment Objectives and Policies**".

Unit
where there is only one Class of Units in issue, means one undivided share in a Sub-Fund. Where more than one Class of Units is in issue, means one undivided share of a particular Class of Units of a Sub-Fund.

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

US or USA
means the United States of America.

USD or US$
means the lawful currency of the United States of America.

US Person
means a person who is so defined by Regulation S of the US Securities Act of 1933, as amended from time to time.

Valuation Day
subject to the Trust Deed, means the day on which the Valuation Point is referenced or such day as the Manager may from time to time determine.

Valuation Point
means the close of business in the last relevant market in the Underlying Index to close or such other time on each Valuation Day or Business Day as the Manager with the approval of the Trustee may from time to time determine either generally or in respect of a particular Class of Units provided that where there is more than one Class of Units in issue relating to a Sub-Fund, the Valuation Point in respect of each such Class shall be the same.

Management of the Trust and the Sub-Funds

Manager

The Manager is BlackRock Asset Management North Asia Limited. The Manager is part of the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc., which provides investment management services globally for institutional, retail and private clients. The Manager was incorporated in Hong Kong with limited liability on 10 August 1998 and is licensed by the SFC to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO.

Under the Trust Deed, the monies forming part of each Sub-Fund are invested, at the direction of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of each Sub-Fund.

Without limiting the other powers mentioned in this Prospectus, the Manager may purchase and sell investments for the account of any Sub-Fund and subject to the provisions of the Trust Deed and enter into such contracts including sale and purchase agreements, loans and broker and trading agreements in accordance with the Trust Deed, as it deems appropriate in the performance of its role as Manager.

The Directors of the Manager

Susan Wai-lan Chan, Senior Managing Director, of 16/F Champion Tower, 3 Garden Road Central, Hong Kong is the Head of Asia Pacific at BlackRock. Ms. Chan serves on BlackRock's Global Executive Committee, as well as the firm's Asia Pacific Executive and Steering Committees. Ms. Chan is responsible for leading the Asia Pacific region and overseeing the full range of business, client, investment and operational platforms serving wealth and institutional investors via BlackRock's active, index, ETFs, alternatives and technology offerings. Ms. Chan was previously Deputy Head of Asia Pacific, Head of Greater China, and Head of Trading, Liquidity & Lending for Asia Pacific. She also oversaw the Sustainable & Transition Investing group in Asia Pacific. She joined the firm in Hong Kong in 2013 as Head of iShares Capital Markets and Products for Asia Pacific, before becoming Head of ETFs and Index Investing, a role she held until 2021. Prior to joining BlackRock, she was a Managing Director at Deutsche Bank AG, Hong Kong where she was Head of Equity Structuring, Strategic Equity Transactions and DBx Asia Pacific. Before Deutsche Bank, she was Managing Director at Barclays Capital Asia Limited where she held various leadership positions in equity derivatives with the most recent being Head of Equity and Funds Structured, Asia Pacific. Ms. Chan received the Lifetime Achievement Award from Women in Finance in 2023. She also serves as a member of the Financial Infrastructure and Market Development Sub-Committee, under the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority. Ms. Chan is a graduate of Boston University, Boston, Mass.

Hiro Shimizu, Managing Director, is Deputy Head of APAC, Head of APAC Institutional and Regional Head of North Asia (Japan, Korea, Taiwan). He is a member of the Global Operating Committee, Managing Director Promotion Committee, APAC Steering Committee, and APAC Executive Committee. Prior to joining BlackRock, he was at Morgan Stanley Investment Management, serving as the Global Head of Alternatives Distribution, as well as managing the Japan and Korea businesses. He has had various leadership roles at KKR and Goldman Sachs, managing capital markets, private markets distribution, structured credit sales, and derivative sales.

James Raby, Managing Director, is the Chief Operating Officer for the Asia Pacific region. Based in Hong Kong, Mr. Raby is responsible for delivering effective operation of the region as well as locally overseeing the Finance and Corporate Strategy and Development teams. The role includes partnering with regional and functional management to deliver growth, promote operational efficiency, and oversee risk & controls in the Asia Pacific region. Mr. Raby's service with the firm dates back to 2005, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. During his time at BlackRock, Mr. Raby has played a number of senior management roles within the Strategy, Finance and Audit departments, including Global Head of Financial Planning and Analysis, Global Head of Internal Audit and, most recently, Head of Wealth for Asia Pacific. Before joining BlackRock in 2005, Mr. Raby worked as a management consultant at Booz & Co (formerly Booz Allen Hamilton), advising financial institutions in the US, UK and Australia. Mr. Raby earned a Bachelor of Engineering and a Bachelor of Economics from the University of Melbourne in 1996 and an MBA from Columbia Business School in 2002.

Aarti Angara, Managing Director, is Head of APAC Global Product Solutions. In this role Aarti is responsible for the business strategy, innovation and commercialization of BlackRock's full investment platform, unlocking new growth opportunities across Active, iShares, and Private Markets for the region. Aarti most recently served as Chief Investment Officer of global equities, credit and alternatives at Caravel Asset Management in Hong Kong. She ran a team of equity, credit and quant analysts and was responsible for fund performance, portfolio management and asset allocation decisions. Prior to that, she was Co-Head of Morgan Stanley's proprietary investment Special Situations Group for Non-

Japan Asia. Aarti graduated summa cum laude from Colgate University, with a major in Mathematics and Economics. She received her MBA from The Wharton School, University of Pennsylvania.

Investment Advisers

The Manager may from time to time delegate all or part of its investment management functions of any of the Sub-Funds to BlackRock Investment Management (UK) Limited ("**BIMUK**"), BlackRock (Singapore) Limited ("**BSL**") and/or BlackRock Japan Co., Ltd. ("**BLKJ**"). The Manager shall continue to have ongoing supervision and regular monitoring of the competence of BIMUK, BSL and BLKJ to ensure that its accountability to investors is not diminished. Although the investment management functions of the Manager may be delegated to BIMUK, BSL and/or BLKJ, its responsibilities and obligations may not be delegated.

BIMUK is a principal operating subsidiary of the BlackRock Group outside the US. It is regulated by the Financial Conduct Authority.

BIMUK is an indirect operating subsidiary of BlackRock, Inc., the ultimate holding company of the BlackRock Group.

BSL was incorporated in Singapore with limited liability on 2 December 2000 with its registered office at #18-01, Twenty Anson, 20 Anson Road, Singapore 079912. BSL holds a capital markets services licence in respect of fund management and dealing in securities, trading in futures contracts and leveraged foreign exchange trading under the Securities and Futures Act, Chapter 289 of Singapore.

BSL was established to provide fund management and advisory services for clients in the South East Asia region and has managed collective investment schemes and/or discretionary funds since 2001.

BSL is an indirect operating subsidiary of BlackRock, Inc., the ultimate holding company of the BlackRock Group.

BLKJ is regulated by the Japanese Financial Services Agency with its registered office at 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217, Japan.

BLKJ is an indirect operating subsidiary of Blackrock, Inc., the ultimate holding company of the BlackRock Group.

All fees paid to the Investment Adviser(s) (if any) will be borne by the Manager and paid out of the management fee.

Trustee

The Trustee of the Trust is Cititrust Limited, which is a registered trust company in Hong Kong. Cititrust Limited is a wholly-owned subsidiary of Citigroup Inc. ("**Citigroup**"). As a global financial services group, Citigroup and its subsidiaries provide a broad range of financial products and services, including consumer banking, corporate and investment banking, securities brokerage and wealth management to consumers, corporations, governments and institutions.

Under the Trust Deed, the Trustee shall take into custody or under its control all the property forming part of the assets of each Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions of the Trust Deed and, to the extent permitted by law, shall register cash and registrable assets in the name of or to the order of the Trustee and such property of the relevant Sub-Fund shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof. The Trustee may from time to time appoint any person or persons as it thinks fit (including, without limitation, itself or any Connected Person) to hold, as custodian, co-custodian, delegate, nominee or agent, all or any of the assets of the Trust and may empower any such person to appoint, with no objection in writing by the Trustee, sub-custodians, nominees, agents and/or delegates.

The Trustee shall (A) exercise reasonable skill, care and diligence in the selection, appointment and ongoing monitoring of any such agent, nominee, custodian, co-custodian or sub-custodian which are appointed for the custody and/or safekeeping of any of the property of the relevant Sub-Fund (each a "**Correspondent**"), and, (B) be responsible during the term of appointment of each Correspondent for satisfying itself that such persons retained remain suitably qualified and competent on an ongoing basis to provide services to the Trust, having regard to the market or markets for which such Correspondent is appointed. Provided that the Trustee has discharged its obligations set out in (A) and (B) the Trustee shall not be liable for any act or omission of any Correspondent who is not a Connected Person of the Trustee. The Trustee will remain liable for the acts or omissions of any Correspondent that is a Connected Person of the Trustee as if such acts or omissions were those of the Trustee. The Trustee shall use reasonable endeavours to recover any loss of securities and investments arising from any default of a Correspondent.

The Trustee shall not be liable for any act or omission of any central securities depositary or clearing system (i.e. Euroclear Bank S.A./N.V., Clearstream Banking, S.A. or any other such central depositary or clearing system).

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or the Sub-Funds from and against any action, costs, claims, damages, expenses or demands (except for liability to the Unitholders imposed under Hong Kong law or the proper law of the Trust Deed (if different) or breaches of trust through fraud or negligence), which may have been made or arose out of or relate to the Trust and/or the Sub-Funds.

Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of any liability to Unitholders imposed under Hong Kong law or the proper law of the Trust Deed (if different) or breaches of trust through fraud or negligence 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 appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set out below under the section on "**Fees, Charges 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 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 section on "**Trustee**".

Registrar

The Registrar of the Trust is Citicorp Financial Services Limited. The Registrar is entitled to the fees set out below under the section on "**Fees, Charges and Expenses**" in respect of the establishment and maintenance of the Register of the Unitholders of the Trust.

The register can be inspected at 9/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong during normal business hours.

Indemnities of the Trustee and the 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 relevant Sub-Fund or the Trust generally, in respect of any action, costs, claims, damages, expenses or demands to which it may be put as the Trustee or the Manager. Nothing in any of the provisions of the Trust Deed shall exempt either the Trustee or the Manager (as the case may be) from any liability to Unitholders imposed under Hong Kong law or the proper law of the Trust Deed (if different) or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by Unitholders or at Unitholders' expense.

Custodian

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust and the Sub-Funds. The Trustee may, however, appoint any person or persons to be custodian of such assets and the Trustee has appointed Citibank N.A., Hong Kong Branch to act as the Custodian of the Trust and the Sub-Funds.

Administrator

Citibank N.A., Hong Kong Branch also acts as the Administrator of the Trust and the Sub-Funds.

Auditor

The Manager has appointed PricewaterhouseCoopers to act as the Auditor of the Trust and each of the Sub-Funds. The Auditor is independent of the Manager and the Trustee.

<u>Risk Considerations</u>

All investments risk the loss of capital. An investment in the Units involves considerations and risk factors which investors should consider before subscribing. In addition, there will be occasions when the BlackRock Group may encounter potential conflicts of interest in connection with the Trust. See section "Conflicts of Interest and Relationships within the BlackRock Group".

Investors should review this Prospectus carefully and in its entirety and are invited to consult with their professional advisers before making an application for Units. Investors should carefully consider whether an investment in the Units is suitable for them in light of their circumstances and financial resources and must be able to bear the loss of its entire investment. In addition, investors should consult their own tax advisers regarding the potential tax consequences of the activities and investments of the Trust and each Sub-Fund.

Investment Risks

The performance of each Sub-Fund will depend on the performance of its underlying investments. No guarantee or representation is made that any Sub-Fund or any investment will achieve its investment objective. Past results are not necessarily indicative of future results. The value of the Units may fall as well as rise and an investor may not recoup its investment. Income from the Units may fluctuate in money terms. Changes in exchange rates may, among other factors, cause the value of Units to increase or decrease. The levels and bases of, and reliefs from, taxation may change. There can be no assurance that the collective performance of a Sub-Fund's underlying investments will be profitable.

Risks Relating to the Nature of Index Funds

Index-related risks

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

Apart from scheduled rebalances, the Index Provider may carry out additional ad hoc rebalances to an Underlying Index in order, for example, to correct an error in the selection of index constituents. Where the Underlying Index of a Sub-Fund is rebalanced and the Sub-Fund in turn rebalances its portfolio to bring it in line with its Underlying Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne directly by the Sub-Fund and its Unitholders. Unscheduled rebalances to the Underlying Index may also expose a Sub-Fund to tracking error risk, which is the risk that its returns may not track exactly those of the Underlying Index. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider to an Underlying Index may increase the costs and market exposure risk of the relevant Sub-Fund.

Please refer to "**Underlying Indices**" under the section headed "**Investment Objectives and Policies**" for further information, for example, circumstances which may require the Underlying Index to be changed.

The Sub-Funds are passively managed and the Manager and/or the Investment Adviser(s) may lack discretion to adapt to market changes due to the inherent investment nature of index funds and that falls in the Underlying Index are expected to result in corresponding falls in the value of the relevant Sub-Fund.

The past performance of the Underlying Index is not a guide to future performance. The Manager does not guarantee the accuracy or the completeness of the Underlying Index or any data included therein and the Manager shall have no liability for any errors, omissions or interruptions therein. The Manager makes no warranty, express or implied, to the Unitholders of the relevant Sub-Fund or to any other person or entity, as to results to be obtained by the relevant Sub-Fund from the use of the Underlying Index or any data included therein. Without limiting any of the foregoing, in no event shall the Manager have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

Tracking error risks
The Sub-Funds may be subject to tracking error risk, which is the risk that their performance may not track that of the respective Underlying Indices exactly. Tracking error may occur because of the investment strategy used, differences between the securities held in a Sub-Fund's portfolio and those included in its Underlying Index, pricing differences (including differences between a security's price at the local market close and the Sub-Fund's valuation of a security at the time of calculation of the Sub-Fund's Net Asset Value), differences in transaction and hedging costs and forward rates achieved, the Sub-Fund's holding of uninvested cash, differences in timing of the accrual of or the valuation of dividends or other distributions, differences in the taxes applied to the Sub-Fund, changes to the Underlying Index and the cost to the Sub-Fund of complying with various new or existing regulatory requirements. These risks may be heightened during times of increased market volatility or other unusual market conditions in the affected securities and/or foreign exchange markets. In addition, tracking error may result because the relevant Sub-Fund incurs fees and expenses, while its Underlying Index does not, and because the Sub-Fund accepts subscriptions and redemptions during time periods between which it is able to adjust its currency hedges, whereas its Underlying Index does not adjust its hedging during these periods. The Manager (and, where applicable, the Investment Adviser(s)) will monitor and seek to manage the above potential risks to minimise tracking error. Investors should note that there can be no assurance that the performance of a Sub-Fund will be identical to the performance of its Underlying Index particularly on a day-to-day basis.

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

Risks associated with the Underlying Index
The Underlying Index is subject to fluctuations
The performance of the Units of a Sub-Fund should, before expenses, correspond closely with the performance of the Underlying Index. If the Underlying Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

Composition of and weightings in the Underlying Index may change
The securities which comprise the Underlying Index are changed by the relevant Index Provider from time to time. The price of the Units of a Sub-Fund may rise or fall as a result of such changes. The composition of the Underlying Index may also change if, in the case of an equity Underlying Index, one of the constituent companies were to delist its shares or if a new eligible company were to list its shares and be added to the Underlying Index, or in the case of a bond Underlying Index, if one of the callable bonds were called by the issuer or companies buying back their bonds causing removal from the Underlying Index, or companies issuing new bonds that are eligible for inclusion in the Underlying Index, or the constituent securities mature from time to time. If this happens, the weighting or composition of the securities owned by the relevant Sub-Fund would be changed as considered appropriate by the Manager (and, where applicable, the Investment Adviser(s)) to achieve the investment objective of the relevant Sub-Fund. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units.

Licence to use Underlying Index may be terminated
The Manager has been granted a licence by the relevant Index Provider to use the relevant Underlying Index to create the Sub-Funds based on the relevant Underlying Index and to use certain trade marks and any copyright in the relevant Underlying Index.

The initial term of the licence in respect of the iShares Asia ex-Japan Equity Index Fund, iShares Hong Kong Equity Index Fund and iShares World Equity Index Fund is 4 years commencing 1 July 2012. Following the initial expiry date, the licence is automatically renewed for successive one-year terms unless either party gives at least 6 months' notice in writing to terminate.

The Manager was granted a license by FTSE Fixed Income LLC to use the FTSE MPF World Government Bond Index to create the iShares World Government Bond Index Fund and to use certain trade marks and any copyright in the FTSE MPF World Government Bond Index commencing from 24 May 2016 under a license agreement to use various rights including intellectual property rights and rights to the FTSE MPF World Government Bond Index and the data in relation the FTSE MPF World Government Bond Index. The license granted forms part of a global arrangement between the Manager and FTSE Fixed Income LLC which was entered on 17 February 2009 and has a term of five years, which has been renewed by the parties with no expiry date.

A Sub-Fund may not be able to fulfil its objective and may be terminated in accordance with the Trust Deed if the relevant licence agreement is terminated. A Sub-Fund may also be terminated in accordance with the Trust Deed if the relevant Underlying Index ceases to be compiled or published and there is no replacement Underlying Index using the same or substantially similar formula for the method of calculation as used in calculating the relevant Underlying Index. Each of the Index Providers and the Manager (and its Connected Persons) are independent of one another.

Compilation of Underlying Index
The securities of each Underlying Index are determined and composed by the Index Provider without regard to the performance of the Sub-Funds. No Sub-Fund is sponsored, endorsed, sold or promoted by the Index Provider. The Index Provider does not make any representation or warranty, express or implied, to investors in the relevant Sub-Fund or other persons regarding the advisability of investing in securities generally or in the relevant Sub-Fund particularly. The Index Provider has no obligation to take the needs of the Manager (and, where applicable, the Investment Adviser(s)) or investors in the relevant Sub-Fund into consideration in determining, composing or calculating the relevant Underlying Index. There is no assurance that the Index Provider will compile the relevant Underlying Index accurately, or that the relevant Underlying Index will be determined, composed or calculated accurately.

In addition, the process and the basis of computing and compiling each Underlying Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of the Index Provider will not prejudice the interests of the relevant Sub-Fund, the Manager (and, where applicable, the Investment Adviser(s)) or investors.

Limited Operating History
Newly formed sub-funds of the Trust have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in a Sub-Fund. The investment programme of a Sub-Fund should be evaluated on the basis that there can be no assurance that the Manager's (and, where applicable, the Investment Adviser(s)') assessments of the short-term or long-term prospects of investments, will prove accurate or that the Sub-Fund will achieve its investment objective.

Counterparty Risk to the Custodian
The Trustee may not keep all the assets of the Trust itself but may use a network of custodians and sub-custodians which are not always part of the same group of companies as the Trustee. A Sub-Fund will be exposed to the credit risk of any custodian (and sub-custodian) or any depositary used by the custodian where cash is held by the custodian (and sub-custodian) or other depositaries. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the relevant Sub-Fund may be exposed to custodial risk. In the event of the liquidation, bankruptcy or insolvency of the custodian (and sub-custodian) or other depositaries, the Sub-Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by the Sub-Fund in investing and holding investments in such markets will be generally higher than in organised securities markets. Further, in the event of the insolvency of the custodian (and sub-custodian) or other depositaries, the Sub-Fund will be treated as a general creditor of the custodian (and sub-custodian) or other depositaries in relation to cash holdings of the Sub-Fund. The Sub-Fund's securities are however maintained by the custodian (and sub-custodian) or other depositaries in segregated accounts and should be protected in the event of insolvency of the custodian (and sub-custodian) or other depositaries.

Counterparty Risk to the Executing Broker
Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the Manager in relation to the sale and purchase of assets or securities for the Sub-Funds. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of the Trust or a Sub-Fund. The Trust intends to attempt to limit its investment transactions to well-capitalised and established banks and brokerage firms in an effort to mitigate such risks. There can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the Trust.

Tax Considerations
The Sub-Funds will make investments in a number of different jurisdictions. Interest, dividend and other income realised by a Sub-Fund from sources in these jurisdictions, and capital gains realised on the sale of assets may be subject to substantial withholding and other taxes (e.g. stamp duty, securities transaction tax, financial transaction tax, etc.) levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located. Where the Sub-Funds invest in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Sub-Funds may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the relevant Sub-Funds.

The Custodian (or its representative) may file claims on behalf of the Sub-Funds to recover withholding tax on dividend and interest income (if any) received from issuers in certain countries where such withholding tax reclaim is possible. Whether or when a Sub-Fund will receive a withholding tax refund in the future is within the control of the tax authorities in such countries. Where the Manager expects to recover withholding tax for a Sub-Fund based on a continuous assessment of probability of recovery, the Net Asset Value of that Sub-Fund generally includes accruals for such tax refunds. The Manager continues to evaluate tax developments for potential impact to the probability of recovery for such Sub-Funds. If the likelihood of receiving refunds materially decreases, for example due to a change in tax regulation or approach, accruals in the relevant Sub-Fund’s Net Asset Value for such refunds may need to be written down partially or in full, which will adversely affect that Sub-Fund’s Net Asset Value. Investors in that Sub-Fund at the time an accrual is written down will bear the impact of any resulting reduction in Net Asset Value regardless of whether they were investors during the accrual period. Conversely, if the Sub-Fund receives a tax refund that has not been previously accrued, investors in the Sub-Fund at the time the claim is successful will benefit from any resulting increase in the Sub-Fund’s Net Asset Value. Investors who sold their Units prior to such time will not benefit from such Net Asset Value increase.

The availability and value of any tax relief available to investors depend on the individual circumstances of Unitholders. It is impossible to predict the rate of foreign tax that the Sub-Funds may be required to pay since the nature and amounts of assets to be invested in any particular jurisdiction, the tax treatment of the activities of the Sub-Funds in any particular jurisdiction, and the ability of the Sub-Funds to reduce such taxes in any particular jurisdiction are not known. It is not practical to provide more specific disclosure of tax consequences for a Unitholder that might result from an investment in these Sub-Funds.

The tax information provided in the "**Taxation**" section is based, to the best knowledge of the Manager, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Sub-Funds, the taxation of Unitholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in any jurisdiction where a Sub-Fund is registered, marketed or invested could affect the tax status of the Sub-Fund, affect the value of the Sub-Fund’s investments in the affected jurisdiction and affect the Sub-Fund’s ability to achieve its investment objective and/or alter the post-tax returns to Unitholders. Where a Sub-Fund invests in derivatives, the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to Unitholders depend on the individual circumstances of Unitholders. The information in the "**Taxation**" section is not exhaustive and does not constitute legal or tax advice. Investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Sub-Fund.

Where a Sub-Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the relevant Sub-Fund, the Manager and the Trustee shall not be liable to account to any Unitholder for any payment made or suffered by the Sub-Fund in good faith to a fiscal authority for taxes or other charges of the relevant Sub-Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Sub-Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Sub-Fund, not to the Manager nor to the Trustee. Such late paid taxes will normally be debited to the Sub-Fund at the point the decision to accrue the liability in the Sub-Fund accounts is made.

PRC Tax Risk
There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via the Stock Connects and/or a Sub-Fund on its investments in the PRC (which may have retrospective effect). Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities of capital gains tax may increase tax liabilities on the relevant Sub-Fund and result in a material loss to the relevant Sub-Fund.

Please refer to the section "**Taxation**" for more details in relation to PRC tax and a Sub-Fund's current accounting policy regarding provision for potential PRC capital gains tax arising from the sale or transfer of any of its underlying investments.

Currency Risk – Base Currency
The Sub-Funds may invest in assets denominated in a currency other than the Base Currency of the Sub-Funds. Fluctuations in exchange rates between the Base Currency and the currency in which the assets are denominated, as well as changes in exchange rate controls, may cause the value of the asset expressed in the Base Currency to fall or rise, and thus the Net Asset Value of a Sub-Fund may be unfavourably affected. The Sub-Funds may utilise techniques and instruments including derivatives for hedging purposes to control currency risk. However it may not be possible or practical to completely mitigate currency risk in respect of a Sub-Fund's portfolio or specific assets within the portfolio. Furthermore, unless otherwise stated in the investment policies of the relevant Sub-Fund, the Manager is not obliged to seek to reduce currency risk within the Sub-Funds.

Currency Risk – Unit Class Currency
Certain Unit Classes of the Sub-Funds may be denominated in a currency other than the Base Currency of the relevant Sub-Fund. In addition, the Sub-Funds may invest in assets denominated in currencies other than the Base Currency. Therefore, fluctuations in exchange rates, as well as changes in exchange rates controls, may unfavourably affect the value of an investment in the Sub-Funds.

Hedged Unit Classes
While a Sub-Fund may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of that Sub-Fund and the Hedged Unit Class.

The hedging strategies may be entered into whether the Base Currency is declining or increasing in value relative to the relevant currency of the Hedged Unit Class and so, where such hedging is undertaken it may substantially protect Unitholders in the relevant Class against a decrease in the value of the Base Currency relative to the Hedged Unit Class currency, but it may also preclude Unitholders from benefiting from an increase in the value of the Base Currency.

Hedged Unit Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the Hedged Unit Class.

All gains/losses or expenses arising from hedging transactions are borne separately by the Unitholders of the respective Hedged Unit Classes. Given that there is no segregation of liabilities between Unit Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Unit Class could result in liabilities which might affect the Net Asset Value of the other Unit Classes of the same Sub-Fund.

Financial Markets, Counterparties and Service Providers
The Sub-Funds may be exposed to finance sector companies which act as a service provider or as a counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse effect on the activities of the Sub-Funds.

Regulatory Risk
Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Trust could be substantial and adverse.

Distributions may not be made
Whether Distribution Units of a Sub-Fund will make distributions is subject to the Manager's distribution policy and may also depend on dividends declared and paid or other income received in respect of the securities of the relevant underlying investment. Dividend payment rates in respect of such securities will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend policies of the relevant underlying investments. There can be no assurance that dividends or distributions will be declared or paid.

Risk of Indemnity
Under the Trust Deed, the Trustee and the Manager have the right to be indemnified for any liability or expense incurred by them in performing their respective duties except for any liability or obligation to the Unitholders imposed on the Trustee or the Manager under Hong Kong law or breaches of trust through fraud or negligence. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the affected Sub-Fund or the Trust and the value of the Units.

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

Other Risks with respect to the Sub-Funds
The Sub-Funds may be exposed to risks that are outside of their control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Risk of Withdrawal of SFC Authorisation
Each Sub-Fund has been authorised as a collective investment scheme by the SFC pursuant to section 104 of the SFO. Authorisation by the SFC is not a recommendation or endorsement of the Sub-Funds nor does it guarantee the commercial merits of a product or its performance. It does not mean the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of any Sub-Fund or impose such conditions as it considers appropriate. Without limiting the foregoing, the SFC may withdraw authorisation where the SFC no longer considers the relevant Underlying Index acceptable. In addition, any authorisation granted by the SFC may be subject to certain waivers which may be withdrawn or varied by the SFC. If as a result of such withdrawal or variation of waivers it becomes illegal, impracticable or inadvisable to continue a Sub-Fund, the relevant Sub-Fund will be terminated.

Early Liquidation Risk
A Sub-Fund may be liquidated in accordance with the Trust Deed under certain circumstances set out under "**Termination of the Trust**" in the Prospectus as may be determined by the Manager and the Trustee (for example, when the relevant Underlying Index is no longer available for tracking). In the event of the liquidation of a Sub-Fund, such Sub-Fund would have to distribute to Unitholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund might be worth less than the initial cost of such investments, resulting in a loss to Unitholders.

Depositary Receipts
Investment into a given country may be made via direct investments into that market or by depositary receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. A depositary receipt admitted to the official listing on a stock exchange in an eligible state or traded on a regulated market may be deemed an eligible transferable security regardless of the eligibility of the market in which the security to which it relates normally trades.

Sub-Funds Investing in Smaller Companies
Sub-Funds which invest in smaller companies may fluctuate in value more than other Sub-Funds because of the greater potential volatility of share prices of smaller companies.

Compulsory Redemption of Units
The Manager or the Trustee may require a Unitholder to transfer the Unitholder's Units or may redeem such Units in accordance with the Trust Deed if it shall come to the notice of the Manager or the Trustee that Units of any Class are owned directly, indirectly or beneficially by any person in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Units are listed or in circumstances which in their opinion might result in the Sub-Fund in relation to such Class of Units, the Trust, the Trustee and/or the Manager incurring any liability to taxation or suffering any other pecuniary disadvantage which the Sub-Fund, the Trust, the Trustee and/or the Manager might not otherwise have incurred or suffered or been subject to, the Manager or the Trustee (in consultation with the Manager) may, acting in good faith and in compliance with any applicable laws and regulations, give notice to such person requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or may give a request in writing for the redemption of such Units. If any person upon whom such a notice is served does not within thirty days after such notice transfer such Units as aforesaid or establish to the satisfaction of the Manager (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiration of thirty days to have given a request in writing for the redemption of all such Units.

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

In addition to the general risks, as set out above, that should be considered for all Sub-Funds, there are other risks that investors should also bear in mind when considering investment into specific Sub-Funds. The tables below show which specific risk warnings apply to each of the Sub-Funds.

	Emer ging Markets Risk	**Emer ging Markets – Tracking Error**	**Concentration Risk**	**PRC Market Risk**	**Risks Applicable to Investing via the Stock Connects**	**PRC Tax Risk**	**Equity Investment Risks**	**Fixed Income Investment Risks**	**Derivative Risks**	**Risks Associated with Collateral Management and Re-investment of Cash Collateral**	**Reliance on the Investment Adviser(s) Risk**
iShares Asia ex-Japan Equity Index Fund	X	X	X	X	X	X	X		X	X	X
iShares Hong Kong Equity Index Fund			X			X	X		X	X	X
iShares World Equity Index Fund	X	X		X	X	X	X		X	X	X
iShares World Government Bond Index Fund	X	X						X	X	X	X

Emerging Markets Risks
A Sub-Fund may invest in equities that have exposure to emerging markets. Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility, amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets.

Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems.

In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Sub-Fund's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Trust will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security.

In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the relevant Sub-Fund could suffer loss arising from these registration problems.

These risks may have adverse impact on the Net Asset Value of the relevant Sub-Fund.

Emerging Markets – Tracking Error
In relation to Sub-Funds that invest in emerging markets, the Sub-Fund performance compared to that of its Underlying Index may be affected by the fact that the Sub-Fund invests in emerging market securities. In certain emerging markets, there may be limits concerning the manner and/or extent to which foreign investors can invest directly in securities in that market, and also taxes or other charges applicable to foreign investors which may render direct investment inefficient or uneconomical for Unitholders. This may affect the Sub-Fund's ability to invest in all of the securities that make up the Underlying Index or hold the appropriate amount of these.

Furthermore, where accounts are opened in a market with a local sub-custodian for the first time, a significant amount of time may elapse before the account is operational. In certain situations, it may be possible for the Sub-Fund to invest in other transferable securities or utilize certain instruments and techniques, such as American Depository Receipts ("**ADRs**") and Global Depository Receipts ("**GDRs**"), which provide an equivalent exposure to the securities in these markets. There may be some circumstances where the Sub-Fund cannot gain exposure through an ADR or GDR. In these circumstances, the Sub-Fund's tracking error may be impacted. The Manager (and, where applicable, the Investment Adviser(s)) will monitor and seek to manage the above potential risks to minimise tracking error.

Concentration Risk
To the extent that the Underlying Index or its portfolio is concentrated in the securities in a particular market, industry, group of industries, sector, asset class or of a single issuer, a Sub-Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory event affecting that market, industry, group of industries, sector, asset class or single issuer.

Equity Investment Risks
A Sub-Fund investing in equities is subject to the following risks:

Equity risks
The values of equities fluctuate daily and a Sub-Fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level such as company restructuring and change in the management of a company, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events. Some of the markets in which a Sub-Fund invests may be less liquid and more volatile than the world's developed stock markets and this may result in the fluctuation in the price of securities traded on such markets.

Restrictions on foreign investment
Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Sub-Funds. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain

countries, as well as limitations on such investments, may have an adverse impact on the operations of a Sub-Fund. For example, a Sub-Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Sub-Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which a Sub-Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where a Sub-Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Sub-Fund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to a Sub-Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Sub-Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Sub-Fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If a Sub-Fund acquires shares in closed-end investment companies, Unitholders would bear both their proportionate share of expenses in the Sub-Fund (including management fees) and, indirectly, the expenses of such closed end investment companies.

PRC Market Risk

Investment in securities of PRC companies involves a greater degree of risk than usually associated with companies in major securities markets in developed countries including risks of nationalization or expropriation of assets, government control and intervention, regulatory risk, legal risk and accounting risk, settlement risk and the risks listed below. Potential investors should consider such risks before investing in the relevant Sub-Fund.

Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. For more than 50 years, the central government of the PRC has adopted a planned economic system. Since 1978, the PRC government has implemented economic reform measures which emphasize decentralisation and the utilisation of market forces in the development of the PRC economy. Such reforms have resulted in significant economic growth and social progress.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as A-Shares and B-Shares.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC is not well developed when compared with those of developed countries. Currently, joint stock companies with listed A-Shares are undergoing split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of A-Shares. However, the effects of such reform on the A-Shares market as a whole remain to be seen.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the relevant Sub-Fund. Although the PRC government has recently reiterated its intention to maintain the stability of the RMB while allowing moderate appreciation, there can be no assurance that the RMB will not be subject to appreciation at a faster pace as a result of measures that may be introduced to address the concerns of the PRC's trading partners. Further, there can be no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of investor's investments in the relevant Sub-Fund.

Risks Applicable to Investing via the Stock Connects

Please refer to the sub-section headed "Stock Connects" in the section headed "Investment Objectives and Policies" for an overview of the Stock Connects.

The relevant Sub-Fund (as at the date of this Prospectus) may invest in eligible securities via the Stock Connects.

In addition to risks regarding "**PRC Market Risk**" and other risks applicable to the relevant Sub-Fund, the following additional risks apply:

(i) *Quota limitations* – The Stock Connects are subject to quota limitations, further details of which are set out in the "**Investment Objectives and Policies**" section below. In particular, once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Fund's ability to invest in the eligible securities through the Stock Connects on a timely basis, and the relevant Sub-Fund may not be able to effectively pursue its investment strategy.

(ii) *Legal and beneficial ownership* – The SSE Securities and SZSE Securities (each as defined under the sub-section entitled "**Stock Connects**" in the section headed "**Investment Objectives and Policies**") in respect of the relevant Sub-Fund are held by the Custodian/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE Securities and SZSE Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the relevant Sub-Fund as the beneficial owner of the SSE Securities and SZSE Securities through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of the relevant Sub-Fund under PRC law is also uncertain. In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong there is a risk that the SSE Securities and SZSE Securities may not be regarded as held for the beneficial ownership of the relevant Sub-Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

For completeness, the CSRC has provided information titled "Q&A regarding Certain Provisions on Stock Connect between the Mainland and Hong Kong Stock Markets" dated 27 October 2016 in relation to beneficial ownership – the relevant sections from this Q&A have been extracted and reproduced below:

> *Do overseas investors enjoy proprietary rights as shareholders in the securities acquired through the Northbound Trading Links under the Stock Connects held through HKSCC? Are the concepts of "nominee holder" and "beneficial owner" recognised under Mainland laws and regulations?*
>
> Article 18 of the Administrative Measures for Registration and Settlement of Securities (the "Settlement Measures") states that "securities shall be recorded in the accounts of the securities holders, unless laws, administrative regulations or CSRC rules prescribe that the securities shall be recorded in accounts opened in the name of nominee holders". Hence, the Settlement Measures expressly provides for the concept of nominee shareholding. Article 13 of the Certain Provisions on Stock Connect between the Mainland and Hong Kong Stock Markets states that, among others, "investors are entitled to the rights and interests of the securities acquired through the Northbound Trading Links of the Stock Connect between the Mainland and Hong Kong Stock Markets. ... Securities acquired through the Northbound Trading Links shall be registered in the name of HKSCC. ...". Hence, it has been set out explicitly that in Northbound Trading, overseas investors shall hold securities acquired through the Northbound Trading Links in the name of HKSCC and enjoy the proprietary interests as shareholders.
>
> *How can overseas investors pursue legal actions or file lawsuits in the Mainland in order to exercise their rights over the securities acquired through the Northbound Trading Links under the Stock Connects?*
>
> Mainland law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so. As we understand, under the Stock Connects, HKSCC, as the nominee holder and registered holder of the securities acquired by overseas investors through the Northbound Trading Links, may exercise shareholders' rights and pursue legal actions on behalf of overseas investors. In addition, Article 119 of the Civil Procedure Law of the People's Republic of China states that "the claimant in a legal action shall be an individual, legal person or any other organization that has a direct interest in the relevant case;". As long as the overseas investor can provide evidential proof of its beneficial ownership and direct stakeholdership, the investor may take legal actions in its own name in Mainland courts.

(iii) *Clearing and settlement risk* – HKSCC and ChinaClear has established the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

(iv) *Suspension risk* – Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Sub-Fund's ability to access the PRC market via Stock Connects will be adversely affected. In such event, the relevant Sub-Fund's ability to achieve its investment objective could be negatively affected.

(v) *Differences in trading day* – The Stock Connects only operate on days when both the PRC and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the PRC market but the relevant Sub-Fund cannot carry out any SSE Securities and/or SZSE Securities trading via the Stock Connects. The relevant Sub-Fund may be subject to a risk of price fluctuations in SSE Securities and/or SZSE Securities during the time when any of the Stock Connects is not trading as a result.

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

If the relevant Sub-Fund intends to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer those SSE Securities and/or SZSE Securities to the respective accounts of its broker(s) before the market opens on the day of selling ("**trading day**") unless its broker(s) can otherwise confirm that the relevant Sub-Fund has sufficient SSE Securities and/or SZSE Securities in the respective accounts. If it fails to meet this deadline, it will not be able to sell those securities on the trading day. Because of this requirement, the relevant Sub-Fund may not be able to dispose of its holdings of SSE Securities and/or SZSE Securities via the Stock Connects in a timely manner.

Alternatively, if the relevant Sub-Fund maintains its SSE Securities and/or SZSE Securities with a custodian which is a custodian participant or general clearing participant participating in CCASS, the relevant Sub-Fund may request such custodian to open a special segregated account ("**SPSA**") in CCASS to maintain its holdings in SSE Securities and/or SZSE Securities under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connects system to verify the holdings of an investor such as the relevant Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Sub-Fund's sell order, the relevant Sub-Fund will only need to transfer SSE Securities and/or SZSE Securities from its SPSA to its broker's account after execution and not before placing the sell order and the relevant Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of SSE Securities and/or SZSE Securities in a timely manner due to failure to transfer SSE Securities and/or SZSE Securities to its brokers in a timely manner.

To the extent a Sub-Fund is unable to utilize the SPSA model, it would have to deliver SSE Securities and/or SZSE Securities to its brokers before the market opens on the trading day. Accordingly, if there are insufficient SSE Securities and/or SZSE Securities in the Sub-Fund's account before the market opens on the trading day, the sell order will be rejected, which may adversely impact its performance.

(vii) *Operational risk* – The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Sub-Fund's ability to access the PRC market via the Stock Connects (and hence to pursue its investment strategy) may be adversely affected.

(viii) *Regulatory risk* – Because the Stock Connects rules are relatively recent, their interpretation and enforcement may involve significant uncertainty. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The relevant Sub-Fund may be adversely affected as a result of such changes.

Chinese companies, such as those in the financial services or technology sectors, and potentially other sectors in the future, are also subject to the risk that Chinese authorities can intervene in their operations and structure, which may negatively affect the value of a Sub-Fund's investments.

(ix) *Recalling of eligible securities* – When a security is recalled from the scope of eligible securities for trading via the Stock Connects, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Sub-Fund, for example, if the Manager (and, where applicable, the Investment Adviser(s)) wish to purchase a security which is recalled from the scope of eligible securities.

(x) *Risks associated with ChiNext Board and/or the Science and Technology Innovation Board ("**STAR Board**")* – The relevant Sub-Fund may from time to time invest in the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect and/or the STAR Board of the SSE via the Shanghai-Hong Kong Stock Connect. Investments in the ChiNext Board and/or STAR Board may result in significant losses for the relevant Sub-Fund and its investors. The following additional risks apply:

- Higher fluctuation on stock prices and liquidity risk - Companies listed on ChiNext Board and/or STAR Board are usually of an emerging nature with smaller operating scale. Listed companies on ChiNext Board and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards may be subject to higher price fluctuation and lower liquidity and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk - Stocks listed on ChiNext Board and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulations - The rules and regulations regarding companies listed on the ChiNext Board and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.
- Delisting risk - It may be more common and faster for companies listed on ChiNext Board and/or STAR Board to delist. ChiNext Board and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the relevant Sub-Fund if the companies that it invests in are delisted.
- Concentration risk (applicable to STAR Board) - STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the relevant Sub-Fund to higher concentration risk.

Fixed Income Investment Risks
A Sub-Fund investing in fixed income securities is subject to the following risks:

Fixed income securities risk - general
Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them.

The Sub-Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect the Sub-Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities.

An economic recession may adversely affect an issuer's financial condition and the market value of debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Sub-Fund may experience losses and incur costs.

Please also refer to the risk disclosures below for the risks associated with investments in fixed income securities.

Issuer risk
The Sub-Fund is exposed to the credit/insolvency risk of the issuers of the fixed income securities that the Sub-Fund may invest in, which may be unable or unwilling to make timely payments on principal and/or interest. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, 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 default or credit rating downgrading of the issuers of the bonds, the bonds and 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 of bonds as such issuers may be incorporated outside Hong Kong and subject to foreign laws.

Some bonds invested by the Sub-Fund 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 bonds only after all secured claims have been satisfied in full. The Sub-Fund will be fully exposed to the credit/insolvency risk of its bond issuer counterparties as an unsecured creditor.

Liquidity risk
Liquidity risk exists when a particular investment is difficult to be purchased or sold. If the Sub-Fund invests in illiquid securities (including fixed income securities which are close to maturity) or the current market become illiquid, it may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid securities at an advantageous time or price. The cost of dealing may be high in such illiquid markets. A disruption in the asset allocation in the Sub-Fund is also possible if underlying securities cannot be purchased or sold. The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for bonds is not guaranteed. The Sub-Fund may suffer losses in trading such instruments. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.

Sovereign debt risk
A Sub-Fund which invests in sovereign debt securities is subject to special risks. The governmental entity (including the government or any public or local authority) that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity'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 governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. 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 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 governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Prospectus, there is no bankruptcy proceeding by which sovereign debt on which a governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign is limited. The Sub-Fund may therefore suffer a significant or even total loss in the event of default of the sovereign issuer.

Interest rate risk
Because the Sub-Fund invests in fixed-income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

Reinvestment risk
Falling market interest rates can lead to a decline in income for the Sub-Fund. This can result when, in declining interest rate environment, the Sub-Fund reinvests into securities at a lower yield than then current Sub-Fund portfolio yield.

Credit risk
The value of the Sub-Fund is affected by the credit worthiness of its underlying investments. A deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to widening of credit spread) of an underlying investment will adversely impact the value of such investment. Fixed income instruments 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 instruments 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.

Valuation risk
In a thinly traded market, it may be more difficult to achieve fair value when purchasing or selling underlying securities because of the wide bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments, including corporate bonds may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations as there is a possibility that independent pricing information may at times be unavailable. 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. Such events or credit rating downgrades 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.

Illiquidity of bonds close to maturity risk
The fixed income securities which a Sub-Fund may invest in may become more illiquid when nearing maturity. It therefore may be more difficult for the relevant Sub-Fund to achieve fair valuation of the relevant fixed income securities in the market.

Credit rating downgrading risk
Investment grade securities which a Sub-Fund may invest in may be subject to the risk of being downgraded to below investment grade securities. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Manager (and, where applicable, the Investment Adviser(s)) may not dispose of the securities, subject to the investment objective of the Sub-Fund.

Below investment grade or unrated securities risk
Investors should note that securities which are below investment grade or which are unrated would generally be subject to lower liquidity, higher volatility and greater risk or loss of principal and interest than high-rated fixed income securities.

Derivative Risks
In accordance with the investment limits and restrictions set out in Appendix A, each of the Sub-Funds may use financial derivatives instruments for hedging, cash management and/or investment purposes. In adverse situations, the Sub-Funds' use of financial derivative instruments may be ineffective in hedging, cash management or investment purposes and the Sub-Funds may suffer significant losses.

The use of financial derivative instruments may expose Sub-Funds to a higher degree of risk. Derivatives may give rise to leverage and the risk of loss may be greater than the amount invested in the derivative and may expose the Sub-Funds to significant losses.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Sub-Fund volatility. Whilst the Sub-Funds will not borrow money to leverage they may gain exposure to constituents of their Underlying Index through derivatives, always within the restrictions provided for in Appendix A to this Prospectus.

The use of financial derivative instruments may involve additional risks, for example, counterparty default risk (risk that the direct counterparty of an OTC derivative does not make timely interest or principal payments as contracted) or insolvency risk (risk that the counterparty may not have sufficient funds and files for bankruptcy), risk involved with effective management of derivative strategies (risk that the underlying investments in the derivatives-based investment strategy do not perform as expected), risk of mispricing or improper valuation of derivatives (operational risk that the derivative is not priced properly), risk of higher volatility, risk of illiquidity in the market for certain derivative strategies (risk that certain OTC derivatives may not be as easily exchangeable as others).

Risks Associated with Collateral Management and Re-investment of Cash Collateral
Where a Sub-Fund enters into an OTC derivative transaction, collateral may be received from or provided to the relevant counterparty.

Notwithstanding that a Sub-Fund may only accept non-cash collateral which is highly liquid, the relevant Sub-Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The relevant Sub-Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Sub-Fund is re-invested, the relevant Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is provided by a Sub-Fund to the relevant counterparty, in the event of the insolvency of the counterparty, the relevant Sub-Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty.

Cash collateral received by a Sub-Fund may be reinvested in order to generate additional income. In this case, the relevant Sub-Fund will be exposed to market risk in respect of any such investments and may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made. A decline in the value of investment of the cash collateral would reduce the amount of collateral available to be returned by the relevant Sub-Fund to the counterparty. The relevant Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the relevant Sub-Fund.

Reliance on the Investment Adviser(s) Risk
With the delegation of all or part of its investment management functions of the Sub-Funds to one or more Investment Adviser(s), the Manager will rely on the Investment Adviser(s)' expertise and systems for the Sub-Funds' investments. Any disruption in the communication with or assistance from an Investment Adviser or a loss of service of an Investment Adviser or any of its key personnel may adversely affect the operations of a Sub-Fund.

Investment Objectives and Policies

General

Investors must read the "**Risk Considerations**" section in this Prospectus before investing in any of the Sub-Funds. There can be no assurance that the objective of each Sub-Fund will be achieved.

Each Sub-Fund is an index fund, and it is managed in accordance with the investment and borrowing restrictions specified under Appendix A, except that paragraphs 3 and 7 of Appendix A are not applicable to the Sub-Funds.

The Manager may create new sub-funds of the Trust or issue further Unit Classes. Separate prospectuses or supplements will be prepared to refer to these new sub-funds of the Trust or Classes.

Subject to prior approval of the SFC, the Manager will provide you with prior written notification of not less than one month and update this Prospectus should it intend to have significant amendments in any Sub-Fund's investment policy and/or powers beyond the investment restrictions stated herein.

Investment Objective and Policy – Index Tracking Strategy

The Sub-Funds are funds whose investment objectives aim to provide investment results, before fees and expenses, closely track the performance of the Underlying Index of the relevant Sub-Fund.

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

The Sub-Funds may invest up to 10% of the latest available Net Asset Value of such Sub-Fund in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization.

In managing a Sub-Fund, the Manager (and, where applicable, the Investment Adviser(s)) may use either a representative sampling strategy or a replication strategy as described below. The particular strategy employed for each Sub-Fund is set out in the sub-section headed "**Investment Objectives and Policies of the Sub-Funds**" below. Potential investors should note that the Manager (and, where applicable, the Investment Adviser(s)) may switch between the two strategies, without prior notice to Unitholders, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the relevant Sub-Fund.

Whether the Sub-Fund uses a representative sampling strategy or a replication strategy depends on a broad range of factors. Replicating the Underlying Index may not always be possible, practicable or cost efficient. The number of constituents in the Underlying Index, liquidity of the constituents and size of the Sub-Fund's portfolio will directly affect a Sub-Fund's ability to replicate the Underlying Index. Also, the Sub-Fund needs to be of sufficient size to invest in each of the constituents of its Underlying Index in the correct proportions in order to replicate it. This may not always be possible for the Sub-Funds when there are limited assets under management.

Representative sampling strategy

"Representative sampling strategy" is an indexing strategy that involves investing in a representative sample of the securities included in the Underlying Index that collectively has an investment profile that reflects the profile of the Underlying Index. A Sub-Fund adopting a representative sampling strategy, may or may not hold all of the securities that are included in the Underlying Index, and may hold securities which are not included in the Underlying Index, provided that the sample closely reflects the overall characteristics of the Underlying Index.

Replication strategy

"Replication strategy" is an indexing strategy that aims to replicate the composition of the Underlying Index by investing all or substantially all of its assets in the constituent securities of the Underlying Index, broadly in proportion to their respective weightings in the Underlying Index.

Underlying Indices

Subject to any applicable requirement in the Trust Deed, the Manager reserves the right with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index with another Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

- the weightings of constituent securities of the Underlying Index would cause the Sub-Fund (if it were to follow the Underlying Index closely) to be in breach of applicable laws or regulations;
- the particular Underlying Index or index series ceases to exist;
- a new index becomes available which supersedes the existing Underlying Index;
- a new index becomes available which is regarded as the market standard for investors in the particular market

and/or would be regarded as of greater benefit to the Unitholders than the existing Underlying Index;
- it becomes difficult to invest in stocks comprised within the particular Underlying Index;
- the Index Provider charges a level which the Manager considers too high;
- the quality (including accuracy and availability of data) of a particular Underlying Index has, in the opinion of the Manager, deteriorated;
- where an index becomes available which more accurately represents the likely tax treatment of the investing Sub-Fund in relation to the component securities in that index;
- the licence to use the Underlying Index being terminated; or
- a significant modification of the formula or calculation method of the Underlying Index rendering that index unacceptable in the opinion of the Manager.

The Manager may change the name of a Sub-Fund, particularly if the Underlying Index is changed or for any other reasons including if licence to use the relevant Underlying Index is terminated or the name of the Underlying Index changes. The SFC should be consulted on any events that may affect the acceptability of an Underlying Index which may include, without limitation, a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective or characteristics of the Underlying Index.

Any change of an Underlying Index and/or to the name of a Sub-Fund, as set out above, will be made in accordance with the requirements of the SFC. Unitholders will be notified of any change of an Underlying Index and/or to the name of a Sub-Fund and of any significant events relating to the Underlying Index as soon as practicable.

Investment Objectives and Policies of the Sub-Funds

iShares Asia ex-Japan Equity Index Fund

Investment objective and strategy

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index (HKD hedged total return), the Sub-Fund's Underlying Index.

To achieve its investment objective, the Manager (and, where applicable, the Investment Adviser(s)) intend to invest primarily in securities included in the Underlying Index using a representative sampling strategy. The Sub-Fund may hold securities that are not included in the Underlying Index.

The Sub-Fund will primarily invest directly in the equity securities of the Underlying Index. The Sub-Fund may invest up to 10% of the latest available Net Asset Value of the Sub-Fund in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization.

The Sub-Fund may invest less than 30% of its Net Asset Value in A-Shares via the Stock Connects and/or B-Shares.

The Sub-Fund will not directly or indirectly invest in debt securities.

The Sub-Fund currently does not intend to enter into any securities financing transactions. Prior approval from the SFC will be sought and at least one month's prior notice will be given to Unitholders in the event the Manager (and, where applicable, the Investment Adviser(s)) intend to engage in such activities or transactions.

Underlying Index

The Underlying Index is a free float adjusted market capitalization index consisting of Asian constituent securities, excluding Japan, Australia and New Zealand. The base currency of the Underlying Index is Hong Kong dollars. The index forms part of the FTSE MPF Index Series which is compiled and managed by FTSE International Limited. The FTSE MPF Index Series is based on the FTSE All-World Index Series.

Specifically, the Underlying Index consists of eligible large and mid-cap Hong Kong, Singapore, Malaysia, Indonesia, Philippines, Thailand, Taiwan, South Korea, India and China companies that are listed on the MPFA's approved stock exchanges from the FTSE All-World Index.

The Underlying Index is a hedged total return index – this means that (i) the index will hedge its non-Hong Kong dollar currency exposure in excess of 65% in the index back into Hong Kong dollars and (ii) the index measures the price movements of constituents assuming any cash distributions after dividend withholding tax are reinvested back into the index.

Description of index methodology

In accordance with the rules set out for the management of the FTSE MPF Index Series, exchanges that are not approved by the MPFA will be excluded from the calculation of the FTSE MPF Index Series.

A summary of the screening criteria is set out in Appendix C to this Prospectus. More information about the Underlying Index including the index rules, further information on the index methodology, the latest index value (published monthly), index information, constituents and weighting information, and other important news can be obtained from the website of the Index Provider, FTSE International Limited, at www.ftserussell.com/products/indices/MPF. FTSE International Limited and the Manager (or its Connected Persons) are independent of each other. The index methodology is subject to change from time to time and investors may refer to this website for up-to-date information about the index methodology. Please note that the aforesaid website has not been reviewed by the SFC.

Additional information of the Underlying Index

Base date	30 November 2000
Launch date	1 January 2005
Number of constituent securities*	1,778
Net market capitalization*	HK$47,308 billion

*as at 31 March 2023

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest Net Asset Value.

iShares Hong Kong Equity Index Fund

Investment objective and strategy

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF Hong Kong Index (HKD unhedged total return), the Sub-Fund's Underlying Index.

To achieve its investment objective, the Manager (and, where applicable, the Investment Adviser(s)) intend to invest primarily in securities included in the Underlying Index using a representative sampling strategy. The Sub-Fund may hold securities that are not included in the Underlying Index.

The Sub-Fund will primarily invest directly in the equity securities of the Underlying Index. The Sub-Fund may invest up to 10% of the latest available Net Asset Value of the Sub-Fund in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization.

The Sub-Fund will not directly or indirectly invest in A-Shares, B-Shares and/or debt securities.

The Sub-Fund may invest, in aggregate, not more than 10% of its Net Asset Value in units or shares of other underlying collective investment schemes.

The Sub-Fund currently does not intend to enter into any securities financing transactions. Prior approval from the SFC will be sought and at least one month's prior notice will be given to Unitholders in the event the Manager (and, where applicable, the Investment Adviser(s)) intend to engage in such activities or transactions.

Notwithstanding the investment and borrowing powers and restrictions set out in Appendix A:

- the Sub-Fund will not invest in commodities or make any short sales;
- the Sub-Fund may not invest more than 10% of its Net Asset Value in securities that are not quoted, listed or dealt in on a stock exchange, over-the-counter market or other organized securities market that is open to the international public and on which such securities are regularly traded; and
- the Sub-Fund must not grant loans or act as a guarantor on behalf of third parties.

Underlying Index

The Underlying Index is a free float adjusted market capitalization index consisting of Hong Kong and China constituent securities listed on the Hong Kong and Singapore stock markets[1]. The base currency of the Underlying Index is Hong Kong dollars. The index forms part of the FTSE MPF Index Series which is compiled and managed by FTSE International Limited. The FTSE MPF Index Series is based on the FTSE All-World Index Series. Specifically, the Underlying Index consists of the Hong Kong listed HSBC Holdings and eligible large and mid cap Hong Kong and China companies (H Shares, Red Chips and P Chips listed on the SEHK) from the FTSE All-World Index.

The Underlying Index is an unhedged total return index – this means that (i) the index will not hedge its non-Hong Kong dollar currency exposure in the index back into Hong Kong dollars and (ii) the index measures the price movements of constituents assuming any cash distributions after dividend withholding tax are reinvested back into the index.

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1 At present, there are four Singapore listed Hong Kong companies in the FTSE MPF Hong Kong Index and they are categorized under "Hong Kong" in FTSE's Country Classification.

Description of index methodology
In accordance with the rules set out for the management of the FTSE MPF Index Series, exchanges that are not approved by the MPFA will be excluded from the calculation of the FTSE MPF Index Series.

A summary of the screening criteria is set out in Appendix C to this Prospectus. More information about the Underlying Index including the index rules, further information on the index methodology, the latest index value (published monthly), index information, constituents and weighting information, and other important news can be obtained from the website of the Index Provider, FTSE International Limited, at www.ftserussell.com/products/indices/MPF. FTSE International Limited and the Manager (or its Connected Persons) are independent of each other. The index methodology is subject to change from time to time and investors may refer to this website for up-to-date information about the index methodology. Please note that the aforesaid website has not been reviewed by the SFC.

Additional information of the Underlying Index

Base date	30 November 2000
Launch date	1 January 2005
Number of constituent securities*	330
Net market capitalization*	HK$14,433 billion

*as at 29 March 2024

Use of derivatives / investment in derivatives
The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest Net Asset Value.

iShares World Equity Index Fund
Investment objective and strategy
The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF All-World Index (HKD unhedged total return), the Sub-Fund's Underlying Index.

To achieve its investment objective, the Manager (and, where applicable, the Investment Adviser(s)) intend to invest primarily in securities included in the Underlying Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying Index. The number of securities held by the Sub-Fund will vary according to the size of the Sub-Fund but is not expected to be less than 50% of the number of the index constituents at any point in time. The Sub-Fund may hold up to 10% of the Sub-Fund's Net Asset Value in securities that are not included in, but match the characteristics of, the Underlying Index, in circumstances considered appropriate by the Manager (and, where applicable, the Investment Adviser(s)) (e.g. when the trading of the securities included in the Underlying Index are suspended; due to regulatory restriction or due to stock exchange closure).

While the Manager (and, where applicable, the Investment Adviser(s)) aim to fully replicate where possible, pragmatism is required as it is not always beneficial or possible to replicate fully. Representative sampling is then used to manage the Sub-Fund where high transactions costs make full replication less effective. If not carefully controlled, the execution costs involved in illiquid stock investments can overwhelm the potential benefits of replication. The Manager's (and, where applicable, the Investment Adviser(s)') representative sampling process is based on a risk model, with the goal of creating a portfolio that has risk characteristics similar to those of the Underlying Index. By evaluating a security's risk characteristics - including volatility, size, and industry membership, among other attributes - the representative sampling process allows the Manager (and, where applicable, the Investment Adviser(s)) to systematically trade off the risk of any potential misweights relative to the cost of acquiring that position.

The Sub-Fund may invest up to 10% of the latest available Net Asset Value of the Sub-Fund in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization.

The Sub-Fund may invest less than 30% of its Net Asset Value in A-Shares via the Stock Connects and/or B-Shares.

The Sub-Fund will not directly or indirectly invest in debt securities.

The Sub-Fund may invest, in aggregate, not more than 10% of its Net Asset Value in units or shares of other underlying collective investment schemes.

The Sub-Fund currently does not intend to enter into any securities financing transactions. Prior approval from the SFC will be sought and at least one month's prior notice will be given to Unitholders in the event the Manager (and, where applicable, the Investment Adviser(s)) intend to engage in such activities or transactions.

Notwithstanding the investment and borrowing powers and restrictions set out in Appendix A:

- the Sub-Fund will not invest in commodities or make any short sales;
- the Sub-Fund may not invest more than 10% of its Net Asset Value in securities that are not quoted, listed or dealt in on a stock exchange, over-the-counter market or other organized securities market that is open to the international public and on which such securities are regularly traded; and
- the Sub-Fund must not grant loans or act as a guarantor on behalf of third parties.

Underlying Index
The Underlying Index is compiled and managed by FTSE International Limited. The Underlying Index is a free float adjusted market capitalization index consisting of eligible large and mid cap companies which are listed on MPFA approved stock exchanges and covers 90% of the investable market cap universe.

The base currency of the Underlying Index is HKD. The index forms part of the FTSE MPF Index Series which is compiled and managed by FTSE International Limited. The FTSE MPF Index Series is based on the FTSE All-World Index Series.

The Underlying Index is an unhedged total return index – this means (i) the index will not hedge its non-Hong Kong dollar currency exposure in the index back into Hong Kong dollars and (ii) that the index measures the price movements of constituents assuming any cash distributions after dividend withholding tax are reinvested back into the index.

Description of index methodology
In accordance with the rules set out for the management of the FTSE MPF Index Series, exchanges that are not approved by the MPFA will be excluded from the calculation of the FTSE MPF Index Series.

A summary of the screening criteria is set out in Appendix C to this Prospectus. More information about the Underlying Index including the index rules, further information on the index methodology, the latest index value (published monthly), index information, constituents and weighting information, and other important news can be obtained from the website of the Index Provider, FTSE International Limited, at www.ftserussell.com/products/indices/MPF. FTSE International Limited and the Manager (or its Connected Persons) are independent of each other. The index methodology is subject to change from time to time and investors may refer to this website for up-to-date information about the index methodology. Please note that the aforesaid website has not been reviewed by the SFC.

Additional information of the Underlying Index

Base date	30 November 2000
Launch date	1 January 2005
Number of constituent securities*	3,892
Net market capitalization*	HK$560,331 billion

* as at 29 March 2024

Use of derivatives / investment in derivatives
The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest Net Asset Value.

iShares World Government Bond Index Fund
Investment objective and strategy
The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF World Government Bond Index (HKD hedged total return), the Sub-Fund's Underlying Index.

To achieve its investment objective, the Manager (and, where applicable, the Investment Adviser(s)) intend to invest primarily in securities included in the Underlying Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying Index. In normal circumstances, the number of issuers that the Sub-Fund is exposed to is not expected to be less than 50% of the number of issuers in the Underlying Index. The Sub-Fund may hold up to 20% of the Sub-Fund's Net Asset Value in securities that are not included in the Underlying Index. In selecting the non-index constituent securities, the Manager (and, where applicable, the Investment Adviser(s)) will evaluate whether such securities could closely match with the different characteristics of the Underlying Index of the Sub-Fund such as credit, duration, yield, currency, etc. Examples of such securities include (i) quasi-sovereign bonds the credit risk of which is highly correlated with the credit rating (i.e. investment grade) of the relevant constituent security; and (ii) bonds issued by third party with credit guarantee from the government of the respective constituent country.

The Manager (and, where applicable, the Investment Adviser(s)) will select a representative sample of securities using quantitative analytical models in a technique known as "portfolio sampling". Under this technique, each bond is considered for inclusion in the Sub-Fund based on its contribution to certain liquidity, credit, duration, currency and yield characteristics. The Manager (and, where applicable, the Investment Adviser(s)) seek to construct the portfolio of the Sub-Fund so that, in the aggregate, its investment characteristics perform like those of its Underlying Index. Over time, the Manager (and, where applicable, the Investment Adviser(s)) may alter (or "rebalance") the portfolio composition of the Sub-Fund to reflect changes in the characteristics of its Underlying Index or to bring the performance and characteristics of the Sub-Fund more in line with that of its Underlying Index. The Manager (and, where applicable, the Investment Adviser(s)) will review the Sub-Fund regularly and will adjust its portfolio, when necessary, to conform to changes in the composition of the Underlying Index.

It is not anticipated that the Sub-Fund's investment in securities issued by or guaranteed by any single sovereign issuer with a credit rating below investment grade or which is unrated will exceed 10% of the Sub-Fund's Net Asset Value. A security (or issuer, where relevant) is considered investment grade if it meets at least one of the following credit ratings: BBB- or above by Fitch, Rating & Investment Information or Standard & Poor's, or Baa3 or above by Moody's. For the avoidance of doubt, the Sub-Fund will not actively acquire any security which, at the time of purchase, is below investment grade or unrated. However, where a constituent security of the Underlying Index has been downgraded to below investment grade and remains temporarily as part of the Underlying Index before its month-end rebalancing, the Sub-Fund's portfolio may correspondingly and on a temporary basis contain such securities which have been downgraded to below investment grade before it is rebalanced. The Sub-Fund's aggregate exposure to bonds rated below investment grade or unrated will not exceed 10% of its Net Asset Value, and in normal conditions such exposure is not expected to exceed 5% of its Net Asset Value.

The Sub-Fund may use derivatives to hedge market and currency risk. For the avoidance of doubt, derivatives may be used for investment purposes for up to 10% of the Sub-Fund's Net Asset Value.

The Sub-Fund may invest, in aggregate, not more than 10% of its Net Asset Value in units or shares of other underlying collective investment schemes.

The Sub-Fund currently does not intend to enter into any securities financing transactions. Prior approval from the SFC will be sought and at least one month's prior notice will be given to Unitholders in the event the Manager (and, where applicable, the Investment Adviser(s)) intend to engage in such activities or transactions.

Investment restriction
As provided in paragraph 8.4 of Appendix A, an index fund may invest more than 30% of its latest available Net Asset Value in Government and other public securities of the same issue and may invest all of its assets in Government and other public securities in any number of issues, subject to the approval of the SFC. The Sub-Fund currently does not intend to make use of this flexibility and will invest no more than 30% of its latest available Net Asset Value in Government and other public securities of the same issue, and subject to the foregoing, the Sub-Fund may invest all of its assets in Government and other public securities in at least six different issues.

Notwithstanding the investment and borrowing powers and restrictions set out in Appendix A:
- the Sub-Fund will not invest in commodities or make any short sales;
- the Sub-Fund may not invest more than 10% of its Net Asset Value in securities that are not quoted, listed or dealt in on a stock exchange, over-the-counter market or other organized securities market that is open to the international public and on which such securities are regularly traded; and
- the Sub-Fund must not grant loans or act as a guarantor on behalf of third parties.

Underlying Index
The Underlying Index is compiled and managed by FTSE Fixed Income LLC. The Underlying Index consists of global sovereign bonds that are issued in local currency with fixed rate of coupon and investment grade credit rating, and has exposure limit to individual markets that complies with the MPFA's criteria as stipulated by the Mandatory Provident Fund Schemes (General) Regulation and Guidelines on Debt Securities. The weighting of index constituents is based on the market capitalisation of the bonds. The base currency of the Underlying Index is HKD.

The Underlying Index is a hedged total return index – this means (i) the index is fully hedged to HKD and (ii) that the index measures the price movements of constituents assuming any coupon payments gross of tax are accrued and reinvested back into the index at month end.

A summary of the screening criteria is set out in Appendix C to this Prospectus. More information about the Underlying Index including the index rules, further information on the index methodology, the latest index value (published daily), index information, constituents and weighting information, and other important news can be obtained from the websites of the Index Provider (www.yieldbook.com) and of the Manager (www.blackrock.com/hk). FTSE Fixed Income LLC and the Manager (or its Connected Persons) are independent of each other. The index methodology is subject to change from time to time and investors may refer to this website for up-to-date information about the index methodology. Please note that the aforesaid websites have not been reviewed by the SFC.

Additional information of the Underlying Index

Base date	31 December 2015
Launch date	17 March 2016
Number of constituent securities*	1,059
Net market capitalization*	HK$186,529 billion

* as at 31 March 2024

Use of derivatives / investment in derivatives
The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest Net Asset Value.

Stock Connects
The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("**HKEX**"), SSE and ChinaClear and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, SZSE and ChinaClear. The aim of the Stock Connects is to achieve mutual stock market access between the PRC and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including a Sub-Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible securities listed on the SSE by routing orders to SSE.

Under the Shanghai-Hong Kong Stock Connect, a Sub-Fund, through its Hong Kong brokers may trade certain eligible securities listed on the SSE ("**SSE Securities**"). These include (i) the constituent stocks of the SSE A Share Index that fulfil all of the relevant criteria at any half-yearly review, monthly review or DVR Stock[2] review, as the case may be, and (ii) the SSE-listed A-Shares that are not accepted for Northbound trading by virtue of (i) but which have corresponding H-Shares accepted for listing and trading on SEHK, provided that:

- they are not traded on SSE in currencies other than RMB; and
- they are not under risk alert.

Investors eligible to trade shares that are listed on the STAR Board of SSE under the Northbound Shanghai Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading under the Shanghai-Hong Kong Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

It is expected that the list of eligible securities may be changed subject to review and approval by the relevant PRC regulators from time to time.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota ("**Daily Quota**"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect are subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Funds, if applicable), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible securities listed on the SZSE by routing orders to SZSE.

Under the Shenzhen-Hong Kong Stock Connect, a Sub-Fund, through its Hong Kong brokers may trade certain eligible securities listed on the SZSE ("**SZSE Securities**"). These include (i) SZSE-listed A-Shares that are constituent stocks of the SZSE Composite Index and fulfil all of the relevant criteria at any half-yearly review, monthly review or DVR Stock[2] review, as the case may be, and (ii) SZSE-listed A-Shares that are not accepted for Northbound trading by virtue of (i) but which have corresponding H-Shares accepted for listing and trading on SEHK**,** provided that:

- they are not traded on SZSE in currencies other than RMB; and
- they are not under risk alert or under delisting arrangement.

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[2] A stock with Differentiated Voting Rights.

Investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

In addition, Hong Kong and overseas investors are able to trade eligible SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading under the Shenzhen-Hong Kong Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

It is expected that the list of eligible securities may be changed subject to review and approval by the relevant PRC regulators from time to time.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect is subject to a Daily Quota. Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect is subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear are responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The SSE Securities and SZSE Securities traded through Stock Connects are issued in scripless form, and investors will not hold any physical shares.

Although HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE Securities and SZSE Securities will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities and SZSE Securities.

In addition to paying trading fees, levies and stamp duties in connection with trading in SSE Securities and SZSE Securities, a Sub-Fund may be subject to other fees and taxes arising from trading of SSE Securities and SZSE Securities via the Stock Connects which are determined by the relevant authorities.

Classes and Form of Units

Units offered in any Sub-Fund shall be divided into different Classes as follows: Class A, Class D, Class I and Class X, representing different charging structures. All Classes of Units shall be issued in registered form or global certificate form and no temporary documents of title or share certificates will be issued. Unless otherwise requested, all Units will be issued as registered Units. Unit Classes shall be sub-divided into Distributing Unit Classes with different dividend distribution structures and non-Distributing Unit Classes which do not pay any dividends. The Manager does not currently intend to offer any Distributing Unit Classes. In the event that the Manager decides to offer Distributing Unit Classes, subject to any applicable regulatory requirement, Unitholders will be notified and this Prospectus and the KFS of the Sub-Funds will be updated accordingly.

Non-Distributing Units of any class are referred to using the number 2 e.g. Class A2.

Units for which dividends are calculated monthly are referred to using the number 3. e.g. Class A3.

Units for which dividends are calculated quarterly are referred to using the number 5. e.g. Class A5.

The following classes of non-Distributing Units will be offered by each of the Sub-Fund:

(i) Class A2 non-Distributing Units are offered for subscription to all investors.

(ii) Class D2 non-Distributing Units are, subject to the discretion of the Manager (taking into account local regulations), intended for providers of independent advisory services or discretionary investment management, or other distributors who: (i) provide investment services and activities; and (ii) have separate fee arrangements with their clients in relation to those services and activities provided; and (iii) do not receive any other fee, rebate or payment from the relevant Sub-Fund in relation to those services and activities.

(iii) Class I2 Units and Class X2 Units are available as non-Distributing Units, and are reserved for subscription to investors who satisfy the eligibility and suitability requirements of institutional investors (as determined by the Manager's discretion). These Units are only available at the Manager’s discretion.

With respect to Sub-Funds denominated in HKD, each Unit Classes may also be made available in unhedged USD Class, and Hedged Unit Classes in USD, SGD and AUD respectively.

Hedged Unit Classes
The hedging strategies applied to Hedged Unit Classes will vary on a fund by fund basis. Sub-Funds will apply a hedging strategy which aims to mitigate currency risk between the Net Asset Value of the Sub-Fund and the currency of the Hedged Unit Class, while taking account of practical considerations including transaction costs.

General
Investors purchasing any Unit Class through a distributor will be subject to the distributor's normal account opening requirements. Title to Units is evidenced by entries in the Trust's Unit register. Unitholders will receive confirmation notes of their transactions. Registered certificates are not issued.

Classes of Units Currently Available to the Hong Kong Public
Classes of Units currently available to the Hong Kong public are:

Available Classes	Dealing Currencies (Unhedged)
A2	HKD
A2	USD
D2	HKD

Dealing in Units
Daily Dealing
Subscription, redemption and conversion of Units can normally be effected daily on any day that is a Dealing Day for the relevant Sub-Fund. Orders for subscription, redemption and conversion of Units should be received by the Trustee before the relevant Dealing Deadline for the relevant Sub-Fund. Such orders shall be processed on that day and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Trustee after the Dealing Deadline will be dealt with on the next Dealing Day. At the discretion of the Manager on behalf of the Trust, dealing orders transmitted by a paying agent, a correspondent bank or other entity aggregating deals on behalf of its underlying clients before the Dealing Deadline but only received by the Trustee after the Dealing Deadline but, before the close of the first market in the benchmark index, may be treated as if they had been received before the Dealing Deadline. Further details and exceptions are described under the sections "**Application for Units**", "**Redemption of Units**" and "**Conversion of Units**". Once given, applications to subscribe and instructions to redeem or convert are irrevocable.

Orders placed through distributors rather than directly with the Trustee may be subject to different procedures which may delay receipt by the Trustee. Investors should consult their distributor before placing orders in any Sub-Fund.

Where Unitholders subscribe for or redeem Units having a specific value, the number of Units dealt in as a result of dividing the specific value by the applicable Net Asset Value per Unit is rounded to two decimal places. Such rounding may result in a benefit to the Sub-Fund or the Unitholder.

Subscription, redemption and conversion of Units may be suspended or deferred as described in the section "**Suspension of the Determination of Net Asset Value**". Redemption of Units is also subject to the Redemption Gate.

Dealing Deadlines and Dealing Days
On certain dates, the stock exchanges in certain jurisdictions will be closed to trading. If the Dealing Deadline and/or the Dealing Day occurs when the stock exchanges in the relevant jurisdictions are already closed to trading, the relevant Sub-Fund will be unable to take appropriate actions in the underlying markets to reflect investments in or divestments out of Units made on that day until such stock exchanges re-open. Dealing Days for the relevant Sub-Fund will be available on the Manager's website at www.blackrock.com/hk.

General
Confirmation notes and other documents sent by post, email or fax will be at the risk of the investor.

Minimum Dealing and Holding Sizes
The Trust may refuse to comply with redemption, conversion or transfer instructions if they are given in respect of part of a holding in the relevant Unit Class which has a value of less than, or if to do so would result in such a holding of less than, HKD 5,000 (or the approximate equivalent in the relevant Dealing Currency) for Class A Units and Class D Units or HKD 8,000,000 (or the approximate equivalent in the relevant Dealing Currency) for Class I Units or HKD 100,000,000 (or the approximate equivalent in the relevant Dealing Currency) for Class X Units. These minima may be varied for any particular case or distributor or generally. Details of any variations to the current minima shown above are available from the local Investor Servicing team.

Prices of Units
Subscription, redemption and conversion prices are determined after the Dealing Deadline. Prices are quoted in the Dealing Currency(ies) of the relevant Sub-Fund. In the case of those Sub-Fund(s) for which two or more Dealing Currencies are available, if an investor does not specify his choice of Dealing Currency at the time of dealing then the Base Currency of the relevant Sub-Fund will be used.

The latest available Net Asset Value per Unit of the Sub-Fund is available on the Manager's website at www.blackrock.com/hk on each Dealing Day or published in such publications as the Manager may decide from time to time. Historic dealing prices for all Units are available from the local Investor Servicing team.

The first issue of Units in the following Classes of the Sub-Funds other than iShares Asia ex-Japan Equity Index Fund is made at the initial subscription price as follows:

	Class D2
Dealing Currency	HKD
Initial subscription price	HKD100 per Unit, excluding initial charge
Minimum initial subscription amounts	HKD5,000
Minimum subsequent subscription amounts	HKD5,000

The Manager may, at its absolute discretion, modify or waive these minimum limits for any particular case or distributor or generally. Investors may also need to satisfy any such minimum limits as imposed by distributors (if applicable).

After the first issue of Units, each Unit may be acquired at its Net Asset Value as at the Valuation Point on the Valuation Day in relation to the relevant Dealing Day (subject to the pricing adjustment mechanism described below). The price will be subject to any relevant charges applicable (see section "**Fees, Charges and Expenses**").

The Units may be redeemed at their Net Asset Value as at the Valuation Point on the Valuation Day in relation to the relevant Dealing Day (subject to the pricing adjustment mechanism described below). The price will be subject to any relevant charges (see section "**Fees, Charges and Expenses**").

The Net Asset Value per Unit is determined on each Dealing Day at the Valuation Point on the Valuation Day unless the determination of the Net Asset Value per Unit is suspended (see section "**Suspension of the Determination of Net Asset Value**").

Pricing Adjustment Mechanism
To ensure all Unitholders are treated fairly, the Manager will (in accordance with the Trust Deed), in determining the subscription / redemption price of a Unit of a Class (as the case may be), assess and impose such adjustment in respect of Units of that Class to be issued/redeemed as shall in the estimation of the Manager be appropriate in order to compensate for the additional duties and charges (such as stamp duty, other taxes, duties or governmental charges, brokerage fees, transaction costs, bank charges, transfer fees, or registration fees) which would be incurred if the investments of the relevant Sub-Fund were to be acquired/sold (as the case may be) at the values attributed to them as a result of the subscription/redemption of Units. Under normal market conditions, the Manager expects that the adjustment will not exceed 1.5% of the Net Asset Value per Unit of the relevant Sub-Fund. However, the percentage may be higher in special circumstances, for example, when a tax or levy is imposed on a large portion of the assets of a Sub-Fund by a regulator or tax authority or where market spreads widen due to a financial crisis.

No redemption fee is payable to the Manager (for its own absolute use and benefit) on redemption of Units.

The management fee and administrator fee will continue to be calculated on the basis of the unadjusted Net Asset Value of the relevant Sub-Fund.

Application for Units
Applications to Subscribe
Applications for Units in respect of any Dealing Day must be made to the Trustee on the application form on or before the relevant Dealing Deadline. Certain distributors or the local Investor Servicing team may allow underlying investors to submit applications through them for onward transmission to the Trustee. For initial applications for Units by fax, applicants will be sent an application form that must be completed and returned by mail to the Trustee to confirm the application. Failure to provide the original application form will delay the completion of the transaction and consequently the ability to effect subsequent dealings in the Units concerned. Subsequent applications for Units may be made in writing

or by fax. The Manager and the Trustee may in their discretion accept applications (including initial and subsequent applications) sent via other electronic means.

Applications for Units should be made for Units having a specified value and fractions of Units will be issued where appropriate.

The Manager reserves the right to reject any application for Units or to accept any application in part only. In addition, issues of Units of any or all Sub-Funds may be deferred until the next Dealing Day or suspended, where the aggregate value of orders for all Unit Classes of a Sub-Fund exceeds a particular value (currently fixed by the Manager at 10% by approximate Net Asset Value of the Sub-Fund) and the Manager considers that to give effect to such orders on the relevant Dealing Day would adversely affect the interests of existing Unitholders. This may result in some Unitholders having subscription orders deferred on a particular Dealing Day, whilst others do not. Applications for Units so deferred will be dealt with in priority to later requests.

If an application for Units is not accepted or rejected by the Manager (in whole or in part only), subscription monies will normally be returned to the applicant within four Business Days without interest provided that all necessary information is available. Subscription monies will be returned to the applicant by telegraphic transfer to the bank account from which the monies originated at the risk and expense of the applicants or in such other manner as the Manager and/or the Trustee may from time to time determine.

Settlement
For all subscription of Units, settlement in cleared funds net of bank charges must be received by the Manager within two Business Days after the relevant Dealing Day unless otherwise specified in the contract note in cases where the standard settlement date is a public holiday for the currency of settlement. If timely settlement is not made (or a completed application form is not received for an initial subscription), the application may not be accepted, and relevant allotment of Units may be cancelled and an applicant may be required to compensate the relevant distributor and/or the Trust.

Payment instructions are summarised in Appendix E. Payments made by cash or cheque will not be accepted.

Settlement should normally be made in the Dealing Currency for the relevant Unit Class. An investor may, by prior arrangement with the Trustee and the Manager, provide the Trustee with any major freely convertible currency and the Trustee and the Manager, in its discretion, may arrange the necessary currency exchange transaction. Any such currency exchange will be effected at the investor's risk and cost.

The Manager may, at its discretion and with the prior consent of the relevant Unitholders, accept subscriptions for Units in specie, or partly in cash and in specie, subject always to the minimum initial subscription amounts and the additional subscription amounts and provided further that the value of such subscription in specie (after deduction of any relevant charges and expenses) equals the subscription price of the Units. Such securities will be valued in accordance with the same valuation procedure in determining the net asset value of the Sub-Funds on the relevant Dealing Day and, in accordance with applicable law.

Minimum Subscription
The minimum initial and subsequent subscription amounts are as follows (or the approximate equivalents in the relevant Dealing Currency):

Class A Units and Class D Units: HKD 5,000
Class I Units: HKD 8,000,000
Class X Units: HKD 100,000,000

The Manager may, at its absolute discretion, modify or waive these minimum limits for any particular case or distributor or generally. Investors may also need to satisfy any such minimum limits as imposed by distributors (if applicable).

Compliance with Applicable Laws and Regulations
Investors who wish to subscribe for Units must provide the Trustee and/or the Manager and/or Custodian with all necessary information which they may reasonably require to verify the identity of the investor in accordance with applicable Hong Kong regulations on the prevention of money laundering and terrorist financing. Failure to do so may result in the Manager rejecting a subscription order.

Furthermore, as a result of any other applicable laws and regulations, including but not limited to, other relevant anti-money laundering legislation, tax laws and regulatory requirements, investors may be required, in certain circumstances, to provide additional documentation to confirm their identity or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if an existing investor. Any information provided by investors will be used only for the purposes of compliance with these requirements and all documentation will be duly returned to the relevant investor. Until the Trustee and/or the Manager and/or the Custodian receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption requests and the Manager reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received.

Pursuant to the provisions of the Personal Data (Privacy) Ordinance ("**PDPO**", Chapter 486 of the Laws of Hong Kong), the Trustee, the Manager, the Custodian, or any of their respective delegates (each a "**Data User**") may collect, hold, use personal data of individual investors in the Sub-Funds only for the purposes for which such data was collected and shall comply with personal data protection principles and requirements as set out in the PDPO and all other applicable regulations and rules governing personal data use in Hong Kong from time to time. Accordingly, each Data User shall take all practicable steps to ensure that personal data collected, held and processed by them are protected against unauthorised or accidental access, processing, erasure or other use.

Redemption of Units

Applications to Redeem

Instructions for the redemption of Units in respect of any Dealing Day should normally be given by fax or in writing to the Trustee on or before the relevant Dealing Deadline (or via other electronic means as agreed by the Manager and the Trustee in their discretion). Certain distributors or the local Investor Servicing team may allow underlying investors to submit instructions for redemptions through them for onward transmission to the Trustee. They may also be given to the Trustee in writing, or by fax followed in each case by confirmation in writing sent by mail to the Trustee unless a coverall renunciation and fax indemnity including instructions to pay the redemption proceeds to a specified bank account has been agreed. Failure to provide written confirmations may delay settlement of the transaction. Written redemption requests (or written confirmations of such requests) must include the full name(s), account number and address of the holders, the name of the Sub-Fund, the Class, the value or number of Units to be redeemed and full settlement instructions and must be signed by all holders. If a redemption order is made for a cash amount or for a number of Units to a higher value than that of the applicant's account then this order will be automatically treated as an order to redeem all of the Units on the applicant's account.

Settlement

Subject to suspension or deferral of redemptions as described in section **"Suspension of the Determination of Net Asset Value"**, redemption payments will normally be despatched in the relevant Dealing Currency for that Unit Class within four Business Days (in relation to iShares Asia ex-Japan Equity Index Fund) or two Business Days (in relation to Sub-Funds other than iShares Asia ex-Japan Equity Index Fund) after the relevant Dealing Day, provided that the relevant documents (as described above and any applicable money laundering prevention information) have been received, and at most within one calendar month upon receipt of the relevant documents, unless the market(s) in which a substantial portion of investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of the redemption money within the aforesaid time period not practicable. In such case, the extended time frame for the payment of the redemption money shall reflect the additional time needed in light of the specific circumstances in the relevant market(s) and payment of the redemption money will be made to Unitholders as soon as practicable, and, under normal circumstances, within four Business Days (in relation to iShares Asia ex-Japan Equity Index Fund) or two Business Days (in relation to Sub-Funds other than iShares Asia ex-Japan Equity Index Fund) after receipt of the relevant sum by the Trustee.

On written request to the Trustee and the Manager, payment may be made in such other currency as may be freely purchased by the Trustee with the relevant Dealing Currency and such currency exchange will be effected at the Unitholder's cost.

The Manager may, subject to the prior consent of a Unitholder and to the minimum dealing and holding amounts and the provisions in the Trust Deed, effect a payment of redemption proceeds in specie. Such redemption in specie will be valued on the relevant Dealing Day.

Suspension on Redemption

Redemptions shall be subject to suspension or deferral of redemptions as described in the section **"Suspension of the Determination of Net Asset Value"**.

The Manager shall, subject to and in accordance with the terms of the Trust Deed, redeem Units in respect of redemption request of any Unitholder which it has received in respect of any Dealing Day before such a suspension.

Any Unitholder who submits a redemption request after a suspension has been declared and before termination of such suspension may withdraw any request for the redemption of Units of such class by notice in writing to the Manager (or via other electronic means as agreed by the Manager in its discretion). If no such notice withdrawing any such request has been received by the Manager before termination of such suspension, the Manager shall, subject to and in accordance with the terms of the Trust Deed, redeem Units in respect of which it has received applications for redemption as at the Dealing Day next following the termination of such suspension.

Compulsory Redemption

If it shall come to the notice of the Manager or the Trustee (who shall inform the Manager as soon as practicable thereafter) that Units of any Class are owned directly, indirectly or beneficially by any person in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Units are listed or in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which in their opinion might result in the Sub-Fund in relation to such Class of Units, the Trust, the Trustee and/or the Manager incurring any liability to taxation or suffering any other pecuniary disadvantage which the Sub-Fund, the Trust, the Trustee and/or the Manager might not otherwise have incurred or suffered or have been subject to, the Manager or the Trustee (in consultation with the Manager) may, acting in good faith and in compliance with any applicable laws and regulations, give notice to such person requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or may give a request in writing for the redemption of such Units. If any person upon whom such a notice is served does not within thirty days after such notice transfer such Units as aforesaid or establish to the satisfaction of the Manager (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiration of thirty days to have given a request in writing for the redemption of all such Units.

Limitation on Redemption

With a view to protecting the interests of all Unitholders the Manager shall be entitled with the approval of the Trustee to limit the total number of Units relating to the Sub-Fund which the Unitholders are entitled to redeem on any Dealing Day to 10% (or such higher percentage as the Manager may from time to time determine) of the total number of Units in issue (disregarding any Units which have been agreed to be issued) (the "**Redemption Gate**"), such limitation to be applied pro rata to all Unitholders of Units of the Sub-Fund who have validly requested redemption to be effected on such Dealing Day so that the proportion redeemed of each holding so requested to be redeemed is the same for all such Unitholders. Any Units which, by virtue of the powers conferred on the Manager are not redeemed, shall be redeemed (subject to any further application of this limitation) on the next succeeding Dealing Day pro rata to all Unitholders whose requested redemption to be effected on the previous Dealing Day has been deferred pursuant to the preceding sentence in priority to subsequent redemption requests. If requests for redemption are carried forward as aforesaid, the Manager will, as soon as practicable, and under normal circumstances, before the next Dealing Day, give notice to the Unitholders of Units affected thereby that such Units have not been redeemed and that (subject as aforesaid) they shall be redeemed on the next succeeding Dealing Day.

Conversion of Units

Switching Between Sub-Funds and Unit Classes

Unitholders may request conversions of their holdings between the same Unit Classes of the Sub-Funds or a different sub-fund of the Trust available for conversion and thereby alter the balance of their portfolios to reflect changing market conditions.

Unitholders may also request conversion from one Unit Class in a Sub-Fund to another Unit Class of either the same Sub-Fund or a different sub-fund of the Trust or between Distributing and Non-Distributing Units of the same Class ~~(where available)~~ or between hedged and un-hedged Units of the same Class (where available).

Unitholders should note that a conversion between Units held in different sub-funds of the Trust may give rise to an immediate taxable event.

As tax laws differ widely from country to country, investors should consult their tax advisers as to the tax implications of such a conversion in their individual circumstances.

Unitholders may request conversions of the whole or part of their holding provided that the Unitholder satisfies the conditions applicable to investment in the Unit Class being converted into (see "**Classes and Form of Units**" above). Such conditions include but are not limited to:

- satisfying any minimum investment requirement;
- demonstrating that they qualify as eligible investors for the purposes of investing in a particular Unit Class;
- the suitability of the charging structure of the Unit Class being converted into; and
- satisfying any conversion charges that may apply.

Provided that the Manager may, at its discretion, elect to waive any of these requirements where it deems such action reasonable and appropriate under the circumstances.

The conversion of Units will be calculated by dividing (a) the value of the number of Units to be converted, calculated by reference to the Net Asset Value per Unit (without any price adjustment as set out in section "**Prices of Units – Pricing Adjustment Mechanism**" in the case of conversion between Unit Classes of the same Sub-Fund) (including any currency conversion adjustment) by (b) the Net Asset Value per Unit of the new Class (without any price adjustment as set out in section "**Prices of Units – Pricing Adjustment Mechanism**" in the case of conversion between Unit Classes of the same Sub-Fund). This calculation will be adjusted where appropriate by the inclusion of a conversion charge. For holders of all Unit Classes, there is normally no conversion charge levied by the Manager. However, Excessive Trading charges may apply in some circumstances – see section **"Fees, Charges and Expenses"**.

Conversion and investment into and out of certain Unit Classes is at the discretion of the Manager.

The Manager may, at its discretion, refuse conversions in order to ensure that the Units are not held by or on behalf of any person who does not meet the conditions applicable to investment in that Unit Class, or who would then hold the Units in circumstances which could give rise to a breach of law, or requirements of any country, government or regulatory authority on the part of that person or the Trust or give rise to adverse tax or other pecuniary consequences for the Trust, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority.

Instructions to Convert
Instructions for the conversion of Units in respect of any Dealing Day should normally be given by instructing the Trustee in writing or by fax (in a format acceptable to the Trust) (or via other electronic means as agreed by the Manager and the Trustee in their discretion) on or before the Conversion Deadline, which is the earlier of: (a) the Dealing Deadline for redemptions from the existing Class out of which Units are to be converted and (b) the relevant dealing deadline for subscriptions in the new class of the same Sub-Fund or a different sub-fund of the Trust being converted into (the "**New Class**"). Conversion instructions received by the Conversion Deadline in respect of a Dealing Day will be dealt with (a) on the relevant Dealing Day, if such Dealing Day is also a dealing day of the New Class, or (b) if the relevant Dealing Day is not a dealing day of the New Class, on the immediate next Dealing Day which is also a dealing day of the New Class. Conversion instructions received after Conversion Deadline will be dealt with on the following Dealing Day which is also a dealing day of the New Class. Certain distributors or the local Investor Servicing team may allow underlying investors to submit instructions for conversions through them for onward transmission to the Trustee. Instructions may also be given by fax or in writing to the Trustee. Written conversion requests (or written confirmations of such requests) must include the full name(s), account number and address of the holder(s), the name of the Sub-Fund, the Class and the value or number of Units to be converted and the sub-fund of the Trust to be converted into (and the choice of Dealing Currency of the sub-fund of the Trust to be converted into where more than one is available).

Where the sub-funds to which a conversion relates have different Dealing Currencies, currency will be converted at the relevant rate of exchange on the Dealing Day on which the conversion is effected.

Transfer of Units
Unitholders holding Units of any Class through a distributor or other intermediary may request that their existing holdings be transferred to another distributor or intermediary.

Any transfer of Units is subject to the Manager's consent. The Registrar may charge a fee (for the benefit and use of the transfer) for the registration of the relevant transfer.

Dividends
Distributions will not be made to the Unitholders of the non-distributing Classes. The investment income and other profits will be accumulated and reinvested on behalf of these Unitholders.

Fees, Charges and Expenses
Fees, Charges and Expenses Payable by the Sub-Funds
Management fee
The Trust will pay a management fee to the Manager for its management services at a rate up to 2% per annum based on the Net Asset Value of each Sub-Fund. The current level of management fee chargeable to each Class of Units of the Sub-Funds is shown in Appendix D.

These fees accrue daily and are paid monthly.

Investment Adviser fee
All fees paid to the Investment Adviser(s) (if any) will be borne by the Manager and paid out of the management fee.

Administration fee
The Trust will pay an administration fee to the Manager for its administration services at a rate up to 0.25% per annum based on the Net Asset Value of each Sub-Fund. The current level of administration fee chargeable to each Sub-Fund is shown in Appendix D. These fees accrue daily and are paid monthly.

The Manager sets the level of the administration fee at a rate which aims to ensure that the total expense ratio of each Sub-Fund remains competitive when compared across a broad market of similar investment products available to investors in the Sub-Fund, taking into account a number of criteria such as the market sector of each Sub-Fund and the Sub-Fund's performance relative to its peer group.

The administration fee is used by the Manager to meet all fixed and variable operating and administrative costs and expenses incurred by the Trust as well as registrar fee, with the exception of the management fee, plus any taxes thereon and any taxes at an investment or Trust level.

These operating and administrative expenses include all third party expenses and other recoverable costs incurred by or on behalf of the Trust from time to time, including but not limited to, Trustee's fees, Custodian's fees, fund accounting fees, transfer agency fees (including sub-transfer agency and associated platform dealing charges), all professional costs, such as consultancy, legal, tax advisory and audit fees, travel expenses, reasonable out-of-pocket expenses, printing, publication, translation and all other costs relating to Unitholder reporting, regulatory filing and licence fees, correspondent and other banking charges, software support and maintenance, operational costs and expenses attributed to the Investor Servicing teams and other global administration services provided by various BlackRock Group companies.

The Manager bears the risk of ensuring that a Sub-Fund's total expense ratio remains competitive. Accordingly the Manager is entitled to retain any amount of the administration fee paid to it which is in excess of the actual expenses incurred by the Trust during any period whereas any costs and expenses incurred by the Trust in any period which exceed the amount of administration fee that is paid to the Manager, shall be borne by the Manager or another BlackRock Group company.

Trustee fee
The Manager will pay a trustee fee to the Trustee for its trust services out of the administration fee receivable by the Manager.

Custodian fee
The Manager will pay a custodian fee to the Custodian for its custody services out of the administration fee receivable by the Manager.

Registrar fee
The Manager will pay a registrar fee to the Registrar for maintaining the register out of the administration fee receivable by the Manager.

Transaction costs
The Trust will pay transactions costs which may include all stamp and other duties, taxes, governmental charges, brokerage commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, transaction fees of the Trustee, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation of any investment.

Establishment expenses
The preliminary establishment expenses of the Trust and the Sub-Funds are covered by the Manager.

Fees, Charges and Expenses Payable by the Unitholders

Initial charge
On application for Units an initial charge, payable to the Manager (for its own absolute use and benefit), of up to 5% of the price of Units subscribed for may be added. The Manager is entitled, at its sole discretion and without recourse or cost to the Trust, to waive any initial charge, in whole or in part. The Manager may pay fees and charges to distributors out of the initial charge. The current level of initial charge payable for the subscription of Units in respect of each Class is shown in Appendix D.

Conversion charge
Conversions of Units are normally free of charge, however selected distributors may impose a charge on each conversion of Units acquired through it, which will be deducted at the time of conversion and paid to the relevant distributor.

Redemption charge
No redemption charge is payable to the Manager (for its own absolute use and benefit) on redemption of Units.

Excessive Trading or Excessive Conversion charges
In addition to the conversion charge (if any) and redemption charge (if any) as set out above, the Manager may, at its discretion, impose an Excessive Conversion or Excessive Trading charge of up to 2% of (i) the Net Asset Value of Units to be converted or (ii) the redemption price of Units on redemption, in the event of Excessive Conversion or Excessive Trading. This charge will be made for the benefit of the Sub-Fund, and affected Unitholders will be notified in their contract notes if such a fee has been charged.

Change in Fees
The current annual rate of fees, charges and expenses as set out in Appendix D may be increased up to the specified permitted maximum level as set out in this Prospectus and the Trust Deed by giving not less than one month's prior notice to the affected Unitholders. Any increase of any fees above the specified permitted maximum level as set out in this Prospectus and the Trust Deed would require prior approval of the SFC and the affected Unitholders at an extraordinary general meeting.

General
Over time, the different charging structures summarised above may result in different Unit Classes of the same Sub-Fund, which were bought at the same time, producing different investment returns. In this context investors may also wish to consider the services provided by their distributor in relation to their Units.

No commission to sales agent arising out of any dealing in Units of the Sub-Funds and expenses arising out of any advertising or promotional activities in connection with the Sub-Funds will be paid from the Sub-Funds' properties.

Liquidity Risk Management
Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or that a Sub-Fund's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of a Sub-Fund's assets may have a negative impact to the value of the relevant Sub-Fund and to the relevant Sub-Fund's ability to meet its investment objectives. Additionally, an inability to sell Sub-Fund assets may have negative implications for investors being able to redeem in a timely fashion, and also to investors who remain invested in the Sub-Fund.

The Manager has established a Liquidity Risk Management Policy which enables it to identify, monitor and manage the liquidity risks of the Sub-Funds. Such policy, combined with the liquidity management tools available, seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders against the redemption behaviour of other investors and mitigate against systemic risk.

The Manager's Liquidity Risk Management Policy is appropriate for each Sub-Fund's specific characteristics and takes into account the relevant Sub-Fund's liquidity terms, asset class liquidity, liquidity tools and regulatory requirements.

Tools to manage liquidity risk
Under the Liquidity Risk Management Policy, tools available to manage liquidity risk include the following:

- The Manager, in determining the subscription/redemption price of a Unit of a Class, may impose such adjustment in respect of Units of that Class to be issued/redeemed as shall in the estimation of the Manager be appropriate in order to compensate for the additional duties and charges.
- A Sub-Fund may borrow up to 10% of its latest available Net Asset Value for the purpose of facilitating the redemption of Units.
- The Manager shall be entitled with the approval of the Trustee to limit the total number of Units relating to a Sub-Fund which the Unitholders are entitled to redeem on any Dealing Day to 10% of the total number of Units in issue.
- The Manager may, subject to the prior consent of a Unitholder, effect a payment of redemption proceeds in specie.
- The Manager may, in consultation with the Trustee, adjust the value of any property of a Sub-Fund or permit some other method of valuation to be used, if it determines that such adjustment is required to reflect more fairly the value thereof and where the interests of the Unitholders or the relevant Sub-Fund so justify.
- The Management Company may suspend the determination of the Net Asset Value of any Class of a Sub-Fund in certain circumstances.

Liquidity risk management policy and framework
The Manager relies on the independent risk management team to implement the Liquidity Risk Management Policy. The risk management team uses a liquidity risk management framework to monitor and manage liquidity risk of each Sub-Fund. Under this framework the Manager and risk management team consider liquidity of holdings; market liquidity and cost to

transact in various market conditions; and ability to meet redemptions and respond to outsized flows. Portfolio liquidity and redemption risk are regularly assessed using different qualitative and quantitative indicators. Key metrics that may be used to measure and monitor liquidity risk include liquidity tiers, projected fund flows and redemption forecasting models. The need for and availability of potential backup liquidity sources are evaluated and operational feasibility of processes to execute extraordinary measures to meet redemptions is considered. Any significantly adverse results are reported to senior management of the Manager.

This framework enables the risk management team to assess, review and decide, in conjunction with the Manager, any necessary course of action at short notice to deal with large redemptions or structurally stressed market conditions, via employing one or more of the tools outlined above. Investors should note that there is a risk that the tools may be ineffective to manage liquidity and redemption risk.

Taxation

The following summary of Hong Kong and 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, convert 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, the PRC and their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong and 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.

Hong Kong

The Sub-Funds

Profits Tax

As each Sub-Fund has been authorised as a collective investment scheme by the SFC pursuant to section 104 of the SFO, profits of each Sub-Fund arising from the sale or disposal of securities, net investment income received by or accruing to the relevant Sub-Fund and other profits of the relevant Sub-Fund in respect of such specified investment scheme are exempt from Hong Kong profits tax under section 26A(1A)(a) of the Inland Revenue Ordinance.

Other Taxes

Notwithstanding that profits or income of each Sub-Fund are exempt from Hong Kong profits tax, each Sub-Fund may be subject to tax in certain jurisdictions where investments are made on income or capital gains derived from such investments. Furthermore, such taxes (including for example, withholding tax on dividend and/or interest distributions) can be substantial, e.g., tax on distributions from U.S. investments, and the Sub-Funds may not be able to recover those taxes, which could adversely impact the Net Asset Value of the Sub-Funds.

Stamp Duty

No Hong Kong stamp duty is payable by any Sub-Fund on an issue or redemption of Units.

The sale and purchase of Hong Kong stocks by any Sub-Fund will be subject to stamp duty in Hong Kong at the current rate of 0.10% of the stated consideration or the fair market value, whichever is higher, of the shares being sold and purchased respectively (i.e. 0.20% in total). A Sub-Fund will be liable to one half of such Hong Kong stamp duty.

The Unitholders

Profits Tax

Hong Kong profits tax will not be payable by the 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 and on any distributions made by any Sub-Fund. In accordance with the practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus) tax should not be payable in Hong Kong in respect of dividends payable to Unitholders.

Stamp Duty

No stamp duty is payable by an investor in respect of an issue of Units. However, the sale and purchase of Units between investors will be subject to stamp duty at the current rate of total 0.20% of the stated consideration or the fair market value, whichever is higher, of the Units being sold or purchased with half of such stamp duty to be payable by the buyer or seller of the Units, respectively. On redemption or transfer of Units, no Hong Kong stamp duty should be payable if it is effected by cancellation of the Units.

PRC

The Sub-Funds
The following is a general summary of the potential PRC tax consequences of transactions made for the account of the Sub-Funds that may be imposed on the Sub-Funds either directly or indirectly. The summary below should not be taken as a definitive, authoritative or comprehensive statement of the relevant matter.

The PRC tax authorities may issue further guidance on the tax consequences of fund transactions at any time, possibly with retroactive effect; therefore, the PRC tax consequences of fund transactions may differ materially from those discussed below.

In addition, before published guidance is issued and is well established in the administrative practice of the PRC tax authorities, the practices of the PRC tax authorities that collect PRC taxes may differ from, or be applied in a manner inconsistent with, the practices with respect to the analogous investments described herein or any new guidance that may be issued.

Corporate Income Tax
According to PRC tax regulations, a 10% withholding income tax is imposed on PRC sourced dividends and interests from non-government bonds paid to a non-PRC tax resident enterprise, unless the rate is reduced under an applicable tax treaty. From a technical perspective, withholding income tax is also applicable to capital gains realised by foreign investors on the disposal of PRC shares.

There are certain tax exemptions available, some temporary in nature, highlighted below.

A-Shares
The PRC authorities issued Caishui [2014] No. 81 ("**Circular 81**") and Caishui [2016] No. 127 ("**Circular 127**") which state that PRC corporate income tax will be temporarily exempted on capital gains derived by Hong Kong and overseas investors on the trading of A-Shares through the Stock Connects.

B-Shares
From a technical perspective, gains from disposal of B-Shares should be subject to withholding income tax at 10% unless the rate is reduced under an applicable tax treaty. To-date in practice, PRC tax authorities have not actively enforced taxation on capital gains arising from sales of B-Shares by non-PRC tax resident enterprises provided that the purchase and sale of B-Shares are conducted on exchange.

H-Shares
H-Shares are PRC securities listed on the SEHK. It is intended that with respect to the Sub-Funds' direct investment in H-Shares, dividends to be distributed by the PRC resident enterprise will be subject to withholding tax at 10% according to Circular Guoshuihan [2008] No 897. To-date, there is uncertainty as to whether and how capital gains on H-Shares will be taxed, and there has been no official clarification from the PRC tax authorities in this regard, nor has the PRC tax authorities actively enforced taxation on capital gains arising from sales of H-Shares by non-PRC tax resident enterprises.

Value Added Tax ("**VAT**")
With the issuance of Caishui [2016] 36 ("**Circular 36**"), financial services (including the transfer of financial products), which were previously subject to PRC Business Taxes ("**BT**"), are now subject to PRC VAT from 1 May 2016. Circular 36 provides that VAT at 6% plus local surcharges shall be levied on the difference between the selling and buying prices of marketable securities. There are certain tax exemptions available, some temporary in nature, highlighted below.

There is no specific guidance on application of VAT to capital gains derived from trading of offshore PRC marketable securities (e.g. H-Shares). However, such capital gains should not be subject to VAT on the basis that purchase and sale takes place outside of the PRC. Dividends from H-Shares are not subject to VAT.

According to Circular 81, investors in the Hong Kong market (including enterprises and individuals) are temporarily exempt from BT with respect to gains derived from the trading of A-Shares through the Shanghai-Hong Kong Stock Connect. With the expansion of VAT to financial services from 1 May 2016 under Circular 36, BT exemption granted to investors in the Hong Kong market with respect to their gains realised from the trading of A-Shares under the Shanghai-Hong Kong Stock Connect has been grandfathered, which means investors in the Hong Kong market continue to enjoy exemption on gains under the VAT regime.

Pursuant to Circular 127, gains realised by Hong Kong market investors from the trading of A-Shares through the Shenzhen-Hong Kong Stock Connect are also exempted from VAT.

Stamp Duty
Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in the PRC of certain documents, including contracts for the sale of PRC shares traded on the PRC stock exchanges. From 28 August 2023 onwards, only the seller, not the buyer of PRC listed shares is taxable for stamp duty at the rate of 0.05% on the sale.

PRC Tax Provisions
Based on professional tax advice, the Sub-Funds will not provision for PRC tax arising from transfers or sales of their underlying PRC investments.

If the relevant temporary tax exemption is withdrawn and/or if the relevant taxation on capital gains arising from transfers or sales of the Sub-Funds' investments is enforced by the PRC tax authorities, any capital gains tax arising from or to the underlying PRC investments of the Sub-Funds may be directly borne by or indirectly passed on to the Sub-Funds and may result in a substantial impact to their Net Asset Values.

In addition, upon any changes in PRC tax law or future resolution or clarity of tax uncertainties in PRC tax law, the Sub-Funds will, as soon as practicable, make relevant adjustments to the amount of PRC tax provision as it considers necessary, which may materially affect the Net Asset Value of the relevant Sub-Funds, and with possible retrospective effect. Any amounts ultimately determined not to be due to the PRC tax authorities, or any tax relief applied for and approved by the PRC tax authorities, will revert to the Sub-Funds.

As with any Net Asset Value adjustment, investors may be advantaged or disadvantaged depending upon when the investors purchased/subscribed and/or sold/redeemed the Units of the Sub-Funds.

Other Jurisdictional Taxes
Dividends and interest received by the Sub-Funds on their investments may be subject to other taxes, including withholding taxes in the countries of origin which are generally irrecoverable.

FATCA
(a) General information
The Foreign Account Tax Compliance Act ("**FATCA**") is a US tax law enacted in March 2010 with the withholding requirements for new accounts which became effective on 1 July 2014. FATCA attempts to minimise tax avoidance by US persons investing in foreign assets both through their own accounts and through their investments in foreign entities. Unless an intergovernmental agreement (an "**IGA**") is in place, FATCA requires foreign financial institutions ("**FFIs**") to provide information to the US tax authority, the Internal Revenue Service (the "**IRS**"), regarding their US account holders including substantial US owners of certain non-financial foreign entities ("**NFFEs**"). FFIs who fail to commit to meeting certain due diligence, withholding and reporting requirements and certain NFFEs who fail to provide required information on their substantial US owners will be subject to 30% FATCA withholding on most types of income from US investments (as further described below).

Payments of U.S. source fixed, determinable, annual, or periodic income ("**FDAP**"), such as dividends and interest, are subject to withholding beginning on 1 July 2014 when paid to non-participating FFIs ("**NPFFIs**"), non-compliant NFFEs, recalcitrant account holders at participating FFIs ("**PFFIs**"), and electing PFFIs. Payments made in the ordinary course of business for non-financial services are excluded from withholding.

U.S. tax law has detailed rules for determining the source of income. Different rules apply for each type of income. Interest and dividends, two of the most important types of income for investors, are generally sourced by reference to the residence of the obligor. Specifically, dividends are generally treated as U.S. source income when paid by a U.S. corporation with respect to its stock, and interest is generally treated as U.S. source income when paid by a U.S. borrower of money.

If an IGA is in place between the US and the country where the FFI is domiciled, then the terms of the IGA replace FATCA, meaning that all FFIs in the IGA country will generally be able to apply simpler, less burdensome due diligence and tax information sharing requirements, with generally no FATCA tax withholding. On 13 November 2014, the US and Hong Kong executed an US-Hong Kong IGA.

(b) FATCA registration status
The Manager will cause the Trust and/or the Sub-Funds to register as "Sponsored FFIs" within the time prescribed by FATCA in conjunction with the BlackRock Group overall registration process. The Manager has been registered as a Sponsoring FFI for the Trust and/or the Sub-Funds and has obtained its global intermediary identification number.

(c) Impact to the Sub-Funds and Unitholders
In the event that a Sub-Fund holds US securities and is not FATCA compliant, the relevant Sub-Fund may become subject to a 30% FATCA withholding as a result of the FATCA regime, and the value of the Units held by Unitholders in the relevant Sub-Fund may suffer material losses.

The Manager does not support US tax evasion or any request to help investors avoid detection under FATCA. The Manager is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or an applicable IGA for investors' business activities. The Manager strongly encourages Unitholders to seek the advice of an experienced tax adviser to determine what actions Unitholders may need to take.

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, the Trust and/or its agents may further collect information relating to residents of other jurisdictions.

The Trust and the Sub-Funds are required to comply with the requirements of the Ordinance as implemented by Hong Kong, which means that the Trust, each 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 the Trust to, amongst other things: (i) register the Trust's status as a "Reporting Financial Institution" with the IRD (where the Trust maintains "Reportable Accounts"); (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 redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions.

By investing in the Trust and the Sub-Funds and/or continuing to invest in the Trust and the Sub-Funds, Unitholders acknowledge that they may be required to provide additional information to the Trust, the Sub-Funds, the Manager and/or agents of the Trust and the Sub-Funds in order for the Trust and the Sub-Funds to comply with the Ordinance. The Unitholder's information (and information controlling persons including on 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 Trust and the Sub-Funds.

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 the Trust or 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 Trust or the relevant 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 redemption proceeds, to enable the relevant Sub-Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any law, rule, requirement, regulation or agreement relating to AEOI and FATCA).

Meetings, Financial Reports and Documents

Meetings

General meetings of Unitholders will be held at such times and places as are indicated in the notices of such meetings. Notices are sent to registered Unitholders and (when legally required) published in such newspapers as decided by the Manager.

Financial Reports

Financial periods of the Trust end on 30 September each year. The audited annual report of the Trust (to be prepared according to International Financial Reporting Standards) and of the Sub-Funds in respect of the preceding financial period is available within four months of the relevant year-end. An unaudited interim report is available within two months of the end of March the relevant year.

The annual reports and unaudited interim report will be published in English only and will be available from the Manager’s website at www.blackrock.com/hk within the above stated period. Hard copies of these financial reports may also be obtained from the Manager at the registered office of the Trust and from the local Investor Servicing teams free of charge. Unitholders will be notified of the means of getting access to the financial reports as and when the financial reports are issued and available.

Unitholders will be given at least one month's prior notice of any change to the mode of delivery of these financial reports.

Documents

Copies in English of the Trust Deed and material contracts entered into between the Manager and/or the Trustee (with respect to the Trust) and its relevant distributors (as varied or substituted from time to time) are available for inspection free of charge during usual business hours on any weekday (Saturdays and Public Holidays excepted) at the Manager's office of 16th Floor Champion Tower, 3 Garden Road, Central, Hong Kong. English and Chinese copies of the Prospectus are available, without charge, from the Manager. In addition, copies of the Prospectus, in English and Chinese, notices to Unitholders, annual reports and unaudited interim reports of the Trust and the latest available Net Asset Value of the Sub-Funds will be available on the Manager’s website (www.blackrock.com/hk). Please note that this website has not been reviewed by the SFC.

Termination of the Trust

1. The Trust may be terminated by the Trustee if any of the following events shall occur, namely:-

    (a) the Manager shall go 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 shall be appointed over any of its assets and shall not be discharged within 60 days; or

    (b) the Trustee shall form the opinion for good and sufficient reason and shall so state in writing to the Manager that the Manager is incapable of performing its duties under the Trust Deed satisfactorily; or

    (c) the Manager shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Unitholders; or

    (d) any law shall be passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust; or

    (e) either the Trustee shall be unable to find a person acceptable to the Trustee to act as the new Manager within 30 days after the removal of the Manager for the time being pursuant to the Trust Deed or the person nominated by the Trustee shall fail to be approved by an extraordinary resolution of Unitholders; or

    (f) the Trustee shall have decided to retire but within 30 days of the Trustee giving notice to the Manager of its desire to retire the Manager shall be unable to find a suitable person who is willing to act as trustee.

2. The Trust (or in the case of (c), one or more Sub-Funds) may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee:-

(a) on 30 September or any other date falling after a period of three years from the date of the Trust Deed if on such date the aggregate Net Asset Value of all the Units in each sub-fund of the Trust outstanding shall be less than one hundred and fifty million Hong Kong Dollars (HK$150,000,000); or

(b) if any law shall be 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 Trust; or

(c) if any law or regulation shall be passed or amended or any regulatory directive or order is imposed that affects a Sub-Fund and which renders such Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue such Sub-Fund; or

(d) if within a reasonable time and using commercially reasonable endeavours, the Manager shall be unable to find a person acceptable to the Manager to act as the new Trustee after deciding to remove the Trustee for the time being pursuant to the Trust Deed.

3. The Manager may, in its absolute discretion, by notice in writing to the Trustee:-

(a) in respect of any sub-fund of the Trust created prior to 26 April 2019 (i.e. the case of the Sub-Funds), terminate such sub-fund on any date falling after a period of three years from the date of its creation; or

(b) in respect of any sub-fund of the Trust created on or after 26 April 2019, terminate such sub-fund on any date falling after a period of one year from the date of its creation,

if on such date the Net Asset Value of such sub-fund shall be less than one hundred and fifty million Hong Kong Dollars (HK$150,000,000).

4. Notice of termination of a Sub-Fund will be given to Unitholders after the SFC has approved release of the notice. Not less than three months' prior notice will be given to Unitholders in respect of termination of the Sub-Fund. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Sub-Fund and the alternatives available to them, and any other information required by the SFC.

5. Any unclaimed proceeds or other monies held by the Trustee upon termination of the Trust or a Sub-Fund, as the case may be, may at the expiration of twelve 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.

Valuation Rules

The Net Asset Value of the Units and the Sub-Funds shall be calculated by valuing the relevant assets and deducting the liabilities in accordance with the Trust Deed. The Trust Deed provides (inter alia) that:

1. Except when the determination of the Net Asset Value per Unit of the relevant Class or Classes of a Sub-Fund has been suspended, the Manager or the Trustee (as they may decide between themselves) shall determine the Net Asset Value per Unit of such Class or Classes of that Sub-Fund as at the close of business in the last relevant market in which the Sub-Fund's investments are traded to close or such other time on each Business Day as the Manager with the approval of the Trustee may from time to time determine either generally or in respect of a particular Class of Units.

2. The Net Asset Value of each Sub-Fund shall be calculated by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund in accordance with the key terms of the Trust Deed which is summarised below.

3. The Net Asset Value per Unit of a Class as at a Dealing Day shall be the Net Asset Value of the relevant Sub-Fund calculated as at that Dealing Day before the deduction of any liabilities or the addition of any assets attributable specifically to the Class in question; such amount shall be apportioned between each Class of Units relating to such Sub-Fund by reference to by the Sub-Fund's size represented by all Units of each Class relating to such Sub-Fund in issue; the liabilities and assets specifically attributable to the Class of Units in question shall be deducted from or added to such apportioned amount; and the resulting sum shall be divided by the number of Units of the relevant Class in issue as at the Valuation Point on the relevant Dealing Day.

How value of assets in Sub-Fund shall be calculated

4. The Value of the assets comprised in a particular sub-fund of the Trust shall be calculated on the following basis:-

(a) in case the relevant sub-fund of the Trust is a fund of funds, securities that are quoted, listed, traded or dealt in on any market (other than interest in listed mutual fund corporation or unit trust) 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; or

in case the relevant sub-fund of the Trust is not a fund of funds, 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 or, if the Trustee so requires, by the Manager after consultation with the Trustee;

(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) except as provided for in paragraph (d), the value of any investment which is not listed or quoted shall be the initial value thereof equal to the amount expended on behalf of the relevant sub-fund of the Trust in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may with the approval of the Trustee and shall at the request of the Trustee cause a revaluation to be made by a professional person approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);

(c) the value of any futures contract shall be calculated based on the formulae set out in the Trust Deed;

(d) in case the relevant sub-fund of the Trust is a fund of funds, 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 in respect of the relevant Valuation Day or if not available or appropriate, the average of the latest available bid and offer prices for the share or unit, unless the Manager considers the latest available bid price is more appropriate; or

in case the relevant sub-fund of the Trust is not a fund of funds, 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 average of the latest available bid and offer prices for the share or unit, unless the Manager considers the latest available bid price is more appropriate;

(e) in case the relevant sub-fund of the Trust is a fund of funds, the value of each interest in any listed mutual fund corporation or unit trust shall be the official closing price per share/unit (or if unavailable, the last traded price per share/unit on the market), or the latest available net asset value per share/unit as at the relevant Valuation Point as the Manager may consider in the circumstances to provide fair criterion;

(f) cash, deposits and similar property 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

(g) notwithstanding the above, the Manager may, in consultation with the Trustee, adjust the value of any security, commodity, futures contract or other property or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability or any other considerations it considers relevant, it determines that such adjustment is required to reflect more fairly the value thereof and where the interests of the Unitholders or the relevant sub-fund so justify. Any such adjustment shall be made with due skill, care and diligence and in good faith and will be applied consistently to all Classes of Units of such sub-fund, to the extent where it is applicable.

5. The Manager will perform any currency conversion at prevailing rates it determines appropriate.

6. The liabilities of a particular Sub-Fund shall be all liabilities of whatsoever nature attributable to that Sub-Fund and shall include (without limitation):-

(a) an amount in respect of the management fee in respect of that Sub-Fund accrued to the date as at which the valuation is made but remaining unpaid;
(b) the amount of tax (if any) accrued up to the end of the last accounting period remaining unpaid;
(c) any other costs or expenses payable but not paid which are expressly authorised by the terms of the Trust Deed to be payable out of the relevant Sub-Fund;
(d) an appropriate allowance for any contingent liabilities;
(e) the aggregate amount for the time being outstanding on any borrowing effected pursuant to the Trust Deed and the amount of any interest and expenses incurred in relation thereto remaining unpaid; and
(f) an amount equal to the value of any futures contract which is a negative amount.

7. Liabilities shall (where appropriate) be treated as accruing from day to day.

8. Where a third party is engaged in the valuation of the assets of a Sub-Fund, the Manager shall exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of such third party in ensuring such entity possesses the appropriate level of knowledge, experience and resources that commensurate with the valuation policies and procedures for the relevant Sub-Fund. The valuation activities of such third party should be subject to ongoing supervision and periodic review by the Manager.

The above summary contains the key terms of how the various assets of a Sub-Fund are valued. Investors are encouraged to review the specific provisions of the Trust Deed in relation to valuation of assets.

Suspension of the Determination of Net Asset Value

The Manager may suspend the determination of the Net Asset Value, and thus suspend the issue or conversion of Units and/or the right of each Unitholder to require redemption of Units on any Dealing Day and/or delay payment of any redemption proceeds of the Units of any Class or Classes of a Sub-Fund in accordance with the Trust Deed. The Trust Deed provides, inter alia, that:

1. The Manager may, after consultation with the Trustee, having regard to the best interests of Unitholders, declare a suspension of the determination of the Net Asset Value, and thus suspend the issue or conversion of Units and/or the right of each Unitholder to require redemption of Units on any Dealing Day and/or delay payment of any redemption proceeds of the Units of any Class or Classes of a Sub-Fund for the whole or any part of any period during which:-

(a) there is a closure of or the restriction or suspension of trading on any market on which a substantial part of the securities of that Sub-Fund is normally traded or a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the prices of securities or determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant Class; or
(b) any period when clearing or settlement of a substantial portion of the securities of the relevant Sub-Fund in the relevant clearing or settlement system is disrupted; or
(c) when the issue, conversion and/or redemption by the Manager or transfer of Units would result in the violation of any applicable law; or
(d) any period when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(e) there is in existence any state of affairs prohibiting the normal disposal of a substantial portion of the investments of the relevant Sub-Fund; or

(f) 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 substantial portion of the securities 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; or

(g) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial portion of the securities 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 Units of the relevant Class; or

(h) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, a substantial portion of the securities of that Sub-Fund or the subscription, conversion or redemption of Units of the relevant Class is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange.

2. Any suspension shall take effect upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund until the suspension is terminated on the earlier of (a) the Manager declaring the suspension 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 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 www.blackrock.com/hk or in such publication as it decides, and/or cause a notice to be given to Unitholders and to all those (whether Unitholders or not) whose applications to subscribe for, convert or redeem Units shall have been affected by such suspension stating that such declaration has been made, or by posting prominent message(s) on its website at www.blackrock.com/hk with a hyperlink to the published notice of suspension.

3. No Units will be issued, converted or redeemed during any period of suspension of the Net Asset Value.

Conflicts of Interest and Relationships within the BlackRock Group

The Manager and other BlackRock Group companies undertake business for other clients. BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Manager and its clients.

BlackRock maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The types of conflict scenario giving rise to risks which BlackRock considers it cannot with reasonable confidence mitigate are disclosed below. This document, and the disclosable conflict scenarios, may be updated from time to time.

Conflicts of interest from relationships within the BlackRock Group

Personal accounts dealing

BlackRock Group employees may be exposed to clients' investment information while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would affect the value of a client's transaction. BlackRock Group has implemented a Personal Trading Policy designed to ensure that employee trading is pre-approved.

Employee relationships

BlackRock Group employees may have relationships with the employees of BlackRock's clients or with other individuals whose interests conflict with those of a client. Such an employee's relationship could influence the employee's decision-making at the expense of clients' interests. BlackRock Group has a Conflicts of Interest Policy under which employees must declare all potential conflicts.

Conflicts of interest of the Manager

Provider Aladdin

BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Provider Aladdin, a form of Aladdin software, to access data used by the Manager. Each service provider remunerates BlackRock Group for the use of Provider Aladdin. A potential conflict arises whereby an agreement by a service provider to use Provider Aladdin incentivises the Manager to appoint or renew appointment of such service provider. To mitigate the risk, such contracts are entered on an 'arm's length' basis.

Distribution relationships
The Manager may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Trust and the Sub-Funds to investors against that client's best interests. BlackRock Group companies comply with all legal and regulatory requirements in the jurisdictions in which such payments are made.

Dealing costs
Dealing costs are created when investors deal into and out of the Sub-Funds. There is a risk that other clients of the Sub-Funds bear the costs of those joining and leaving. BlackRock Group has policies and procedures in place to protect investors from the actions of others including anti-dilution controls.

Timing of competing orders
When handling multiple orders for the same security in the same direction raised at or about the same time, the Manager seeks to achieve the best overall result for each order equitably on a consistent basis taking into account the characteristics of the orders, regulatory constraints or prevailing market conditions. Typically, this is achieved through the aggregation of competing orders. Conflicts of interest may appear if a trader does not aggregate competing orders that meet eligibility requirements, or does aggregate orders that do not meet eligibility requirements; it may appear as if one order received preferential execution over another. For a specific trade instruction of the Sub-Funds, there may be a risk that better execution terms will be achieved for a different client. For example, if the order was not included in an aggregation. BlackRock Group has Order Handling Procedures and an Investment Allocation Policy which govern sequencing and the aggregation of orders.

Commissions and research
With respect to a Sub-Fund (or portion of a Sub-Fund) for which they provide investment management and advice, companies within the BlackRock Group may select brokers (including, without limitation, brokers who are affiliated with the BlackRock Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in BlackRock Group's view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is that their provision can reasonably be expected to benefit the Sub-Fund as a whole and may contribute to an improvement in the Sub-Fund's performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions were used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that BlackRock uses its clients' commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

Each BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process. Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that BlackRock Group company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to BlackRock Group clients, to the extent permitted by applicable law.

Concurrent long and short positions
The Manager may establish, hold or unwind opposite positions (i.e. long and short) in the same security at the same time for different clients. This may prejudice the interests of the Manager's clients on one side or the other. Additionally, investment management teams across the BlackRock Group may have long only mandates and long-short mandates; they may short a security in some portfolios that are held long in other portfolios. Investment decisions to take short

positions in one account may also impact the price, liquidity or valuation of long positions in another client account, or vice versa. BlackRock Group operates a Long Short (side by side) Policy with a view to treating accounts fairly.

MNPI
BlackRock Group companies receive Material Non-Public Information ("**MNPI**") in relation to listed securities in which BlackRock Group companies invest on behalf of clients. To prevent wrongful trading, BlackRock Group erects information barriers and restricts trading by one or more investment team(s) concerned in the security concerned. Such restrictions may negatively impact the investment performance of client accounts. BlackRock has implemented a Material Non-Public Information Barrier Policy.

BlackRock's investment constraints or limitations and its related parties
The Trust may be restricted in its investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the accounts of clients of the BlackRock Group. Such restrictions may adversely impact clients through missed investment opportunities. BlackRock Group manages the conflict by following an Investment and Trading Allocation Policy, designed to allocate limited investment opportunities among affected accounts fairly and equitably over time.

Investment in related party products
While providing investment management services for a client, the Manager may invest in products serviced by BlackRock Group companies on behalf of other clients. BlackRock may also recommend services provided by BlackRock or its affiliates. Such activities could increase BlackRock's revenue. In managing this conflict, BlackRock seeks to follow investment guidelines and has a Code of Business Conduct and Ethics.

For investments in the units/shares of other collective investment schemes that are managed, directly or by delegation, by the Manager itself or by any other Connected Persons, no management, subscription or redemption fees may be charged to the Sub-Funds on their investment in the units/shares of such other collective investment schemes.

Brokers and dealers
Neither the Manager, the Investment Adviser(s) nor any of their Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions of the Trust to such broker or dealer save that goods and services may be retained if:

(a) the goods or services are of demonstrable benefit to the Unitholders;

(b) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;

(c) periodic disclosure is made in the Trust's annual report in the form of a statement describing the soft dollar policies and practices of the Manager or the Investment Adviser(s), including a description of the goods and services received by them; and

(d) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Goods and services falling within paragraph (a) above may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

Notwithstanding the above, in transacting with brokers or dealers connected to the Manager, the Investment Adviser(s), the Trustee or any of their Connected Persons, the Manager will ensure that:

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

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

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

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

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

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer will be disclosed in the Trust's annual report.

Cross-trades
Cross-trades between sub-funds of the Trust and/or other funds managed by the Manager or its affiliates may be undertaken where the Manager considers that, as part of its portfolio management, cross-trades between such sub-funds or funds would be in the best interests of the Unitholders to achieve the investment objective and policy of the relevant Sub-Fund. By conducting cross-trades, the Manager may achieve trading efficiencies and savings for the benefit of the Unitholders.

In conducting transactions, the Manager will ensure that the trades are executed on arm's length terms at current market value and the reason for such trades shall be documented prior to execution, in accordance with the SFC's Fund Manager Code of Conduct.

Investment allocation and order priority
When executing a transaction in a security on behalf of a client, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades executed with other client orders result in the need to allocate those trades. The ease with which the Manager can allocate trades to a certain client's account can be limited by the sizes and prices of those trades relative to the sizes of the clients' instructed transactions. A process of allocation can result in a client not receiving the whole benefit of the best priced trade. The Manager manages this conflict by following an Investment and Trading Allocation Policy, which is designed to ensure the fair treatment of all clients' accounts over time.

Fund look through
BlackRock Group companies may have an informational advantage when investing in proprietary BlackRock funds on behalf of client portfolios. Such an informational advantage may lead a BlackRock Group company to invest on behalf of its client earlier than the Manager invests for the Sub-Funds. The risk of detriment is mitigated through BlackRock Group's pricing of units and anti-dilution mechanisms.

Side-by-side management: performance fee
The Manager manages multiple client accounts with differing fee structures. There is a risk that such differences lead to inconsistent performances levels across client accounts with similar mandates by incentivising employees to favour accounts delivering performance fees over flat or non-fee accounts. BlackRock Group companies manage this risk through a commitment to a Code of Business Conduct and Ethics Policy.

Appendix A – Investment and Borrowing Powers and Restrictions

If any of the restrictions or limitations set out in this Appendix A is breached, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy such breach, taking due account of the interests of the Unitholders.

Both the Trustee and the Manager will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which the scheme was authorised.

The investment restrictions applicable to each sub-fund of the Trust that are included in the Trust Deed are set out below (which are applicable to the investments in relation to each sub-fund of the Trust individually unless otherwise specified in the prospectus of the relevant sub-fund):

1. Investment limitations applicable to each sub-fund

No holding of any security may be acquired for or added to a sub-fund which would be inconsistent with achieving the investment objective of the sub-fund or which would result in, or no cash deposits may be made which would result in:-

(A) the aggregate value of the sub-fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following exceeding 10% of the latest available Net Asset Value of the relevant sub-fund:

(i) investments in securities issued by that entity;

(ii) exposure to that entity through underlying assets of financial derivative instruments; and

(iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

For the avoidance of doubt, restrictions and limitations on counterparty as set out in sub-paragraphs 1(A), 1(B) and 4.4(C) of this Appendix A will not apply to financial derivative instruments that are:

(a) transacted on an exchange where the clearing house performs a central counterparty role; and

(b) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

The requirements under this sub-paragraph 1(A) will also apply in the case of sub-paragraphs 6(E) and (J) of this Appendix A.

(B) subject to sub-paragraphs 1(A) and 4.4(C) of this Appendix A, the aggregate value of the sub-fund's investments in, or exposure to, entities within the same group through the following exceeding 20% of the latest available Net Asset Value of the relevant sub-fund:

(i) investments in securities issued by those entities;

(ii) exposure to those entities through underlying assets of financial derivative instruments; and

(iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

For the purposes of sub-paragraphs 1(B) and 1(C) of this Appendix A, "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.

The requirements under this sub-paragraph 1(B) will also apply in the case of sub-paragraphs 6(E) and (J) of this Appendix A.

(C) the value of the sub-fund's cash deposits made with the same entity or entities within the same group exceeding 20% of the latest available Net Asset Value of the relevant sub-fund provided that the 20% limit may be exceeded in the following circumstances:

(i) cash held before the launch of the sub-fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or

(ii) cash proceeds from liquidation of investments prior to the merger or termination of the sub-fund, whereby the placing of cash deposits with various financial institutions would not, in the opinion of the Manager, be in the best interests of investors; or

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

For the purposes of this sub-paragraph 1(C), "cash deposits" generally refer to those that are repayable on demand or have the right to be withdrawn by the sub-fund and not referable to provision of property or services.

(D) the sub-fund's holding of any ordinary shares (when aggregated with all other sub-funds' holdings of such ordinary shares) exceeding 10% of any ordinary shares issued by any single entity.

(E) the value of the sub-fund's investment 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 organized securities market that is open to the international public and on which such securities are regularly traded (each a "**Market**"), exceeding 15% of the latest available Net Asset Value of such sub-fund.

(F) the value of the sub-fund's total holding of Government and other public securities of the same issue exceeding 30% of the latest available Net Asset Value of such sub-fund (subject to the foregoing, the sub-fund may invest all of its assets in Government and other public securities in at least six different issues). For the avoidance of doubt, Government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.

(G) (i) the value of the sub-fund's investment in units or shares in other collective investment schemes (namely "underlying schemes") which are non-eligible schemes (the list of "eligible schemes" is as specified by the SFC from time to time) and not authorised by the SFC in aggregate exceeding 10% of its latest available Net Asset Value; and

(ii) the value of the sub-fund's investment in units or shares in each underlying scheme which is either an eligible scheme (the list of "eligible schemes" is as specified by the SFC from time to time) or a scheme authorised by the SFC exceeding 30% of its latest available Net Asset Value unless the underlying scheme is authorised by the SFC, and the name and key investment information of the underlying scheme are disclosed in the Prospectus of that sub-fund,

provided that:

(a) no investment may be made in any underlying scheme the investment objective of which is to invest primarily in any investment prohibited by Chapter 7 of the Code;

(b) where an 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. For the avoidance of doubt, a sub-fund may invest in underlying scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under 8.7 of the Code), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total net asset value, and Qualified Exchange Traded Funds in compliance with sub-paragraphs 1(G)(i) and (ii) of this Appendix A;

(c) the underlying scheme's objective may not be to invest primarily in other collective investment scheme(s);

(d) all initial charges and redemption charges on the underlying scheme(s) must be waived if the underlying scheme is managed by the Manager or its Connected Persons; and

(e) 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 its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

For the avoidance of doubt:

(aa) unless otherwise provided under the Code, the spread requirements under sub-paragraphs 1(A), (B), (D) and (E) of this Appendix A do not apply to investments in other collective investment schemes by a sub-fund;

(bb) unless otherwise disclosed in the Prospectus of a sub-fund, the investment by a sub-fund in a Qualified Exchange Traded Fund will be considered and treated by the Manager, in its discretion, as listed securities for the purposes of and subject to the requirements in sub-paragraphs 1(A), (B) and (D) of this Appendix A. Notwithstanding the aforesaid, the investments by a sub-fund in Qualified Exchange Traded Funds shall be subject to sub-paragraph 1(E) of this Appendix A and the relevant investment limits in Qualified Exchange Traded Funds by a sub-fund shall be consistently applied;

(cc) where investments are made in listed real estate investment trusts, the requirements under sub-paragraphs 1(A), (B) and (D) of this Appendix A apply and where investments are made in unlisted real estate investment trusts, which are either companies or collective investment schemes, then the requirements under sub-paragraphs 1(E) and (G)(i) of this Appendix A apply respectively; and

(dd) where a sub-fund invests in index-based financial derivative instruments, the underlying assets of such financial derivative instruments are not required to be aggregated for the purposes of the investment restrictions or limitations set out in sub-paragraphs 1(A), (B), (C) and (F) of this Appendix A provided that the index is in compliance with the requirements under 8.6(e) of the Code.

2. Investment prohibitions applicable to each sub-fund

The Manager shall not, unless otherwise specifically provided for in the Code, on behalf of any sub-fund:-

(A) invest in physical commodities unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary;

(B) invest in any type of real estate (including buildings) or interests in real estate (including any options or rights but excluding shares in real estate companies and interests in real estate investment trusts);

(C) make short sales unless (i) the liability of the relevant sub-fund to deliver securities does not exceed 10% of its latest available Net Asset Value;(ii) the security which is to be sold short is actively traded on a Market where short selling activity is permitted; and (iii) the short sales are carried out in accordance with all applicable laws and regulations;

(D) carry out any naked or uncovered short sale of securities;

(E) subject to sub-paragraph 1(E) of this Appendix A, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements as set out in sub-paragraphs 5.1 to 5.4 of this Appendix A are not subject to the limitations in this sub-paragraph 2(E);

(F) acquire any asset or engage in any transaction which involves the assumption of any liability by the relevant sub-fund which is unlimited. For the avoidance of doubt, the liability of Unitholders of a sub-fund is limited to their investments in that sub-fund;

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

(H) invest in any security where a call is to be made for any sum unpaid on that security, unless the call could be met in full out of cash or near cash from the sub-fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purposes of sub-paragraphs 4.5 and 4.6 of this Appendix A.

3. Feeder funds

A sub-fund which is a feeder fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme ("underlying scheme") in accordance with the following provisions –

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

(B) no increase in the overall total of initial charges, redemption charges, management fees, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the feeder fund may result, if the master fund in which the feeder fund invests is managed by the Manager or by a Connected Person of the Manager;

(C) notwithstanding proviso (c) to sub-paragraph 1(G) of this Appendix A, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in sub-paragraphs 1(G)(i) and (ii) and proviso (a), (b) and (c) to sub-paragraph 1(G) of this Appendix A. A master fund which is a UCITS fund from a specified jurisdiction* shall be deemed to have generally complied in substance with the foregoing investment restrictions.

* The term "specified jurisdiction" has the meaning given in the Application of the Code on Unit Trusts and Mutual Funds on UCITS funds published by the SFC on 17 December 2018, as amended from time to time.

4. Use of financial derivative instruments

4.1 A sub-fund may acquire financial derivative instruments for hedging purposes. For the purposes of this sub-paragraph 4.1, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all 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.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned, with due consideration on the fees, expenses and costs, to enable the relevant sub-fund to meet its hedging objective in stressed or extreme market conditions.

4.2 A sub-fund may also acquire financial derivative instruments for non-hedging purposes ("investment purposes") subject to the limit that such sub-fund's net exposure relating to these financial derivative instruments ("net derivative exposure") does not exceed 50% of its latest available Net Asset Value provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes under sub-paragraph 4.1 of this Appendix A will not be counted towards the 50% limit referred to in this sub-paragraph 4.2 so long as there is no residual derivative exposure arising from such hedging arrangement. Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time.

4.3 Subject to sub-paragraphs 4.2 and 4.4 of this Appendix A, a sub-fund may invest in financial derivative instruments provided that the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the sub-fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in sub-paragraphs 1(A), (B), (C), (F), (G)(i) and (ii), proviso (a) to (c) to sub-paragraph 1(G) and sub-paragraph 2(B) of this Appendix A.

4.4 The financial derivative instruments invested by a sub-fund shall be either listed/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, currencies, or other asset classes acceptable to the SFC, in which the sub-fund may invest according to its investment objectives and policies;

(B) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;

(C) subject to sub-paragraphs 1(A) and (B) of this Appendix A, a sub-fund's net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of its latest available Net Asset Value provided that the exposure of the sub-fund to a counterparty of over-the-counter financial derivative instruments may be lowered by the collateral received (if applicable) by the sub-fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments with that counterparty, if applicable; and

(D) the valuation of the financial derivative instruments is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the financial derivative instruments through measures established by the Manager such as the establishment of a valuation committee or engagement of third party services. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the sub-fund's initiative. Further, the Manager or the Trustee or their nominees, agents or delegates should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.

4.5 A sub-fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in financial derivative instruments in respect of a sub-fund are adequately covered on an ongoing basis. For the purposes of this sub-paragraph 4.5, assets that are used to cover the sub-fund's payment and delivery obligations incurred under transactions in financial derivative instruments shall be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a security, and cannot be applied for any other purposes.

4.6 Subject to sub-paragraph 4.5 of this Appendix A, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a sub-fund shall be covered as follows:

(A) in the case of financial derivative instruments transactions which will, or may at the sub-fund's discretion, be cash settled, the sub-fund shall at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(B) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the sub-fund shall 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 provided further that the sub-fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

4.7 The requirements under sub-paragraphs 4.1 to 4.6 of this Appendix A shall apply to embedded financial derivative. For the purposes of this Prospectus, an "embedded financial derivative" is a financial derivative instrument that is embedded in another security.

5. Securities financing transactions

5.1 A sub-fund may engage in securities financing transactions, where the Manager believes it is in the best interests of Unitholders of such sub-fund to do so and the associated risks have been properly mitigated and addressed, provided that the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

5.2 A sub-fund shall have at least 100% collateralisation in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions.

5.3 All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for services rendered in connection with the securities financing transactions, shall be returned to the sub-fund.

5.4 A sub-fund shall only enter into a securities financing transaction if the terms of such securities financing transaction include the power for the sub-fund at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction or terminate the securities financing transaction(s) into which it has entered.

6. Collateral

In order to limit the exposure to each counterparty as set out in sub-paragraphs 4.4(C) and 5.2 of this Appendix A, a sub-fund may receive collateral from such counterparty, provided that the collateral complies with the requirements set out below:

(A) Liquidity – the collateral is sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing;

(B) Valuation – the collateral is marked-to-market daily by using reference to a pricing source that is independent of the counterparty;

(C) Credit quality – the collateral is of high credit quality provided that, in the event 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, such collateral shall be replaced immediately;

(D) Haircut – the collateral is subject to a prudent haircut policy;

(E) Diversification – the collateral is appropriately diversified so as to avoid concentrated exposure to any single entity and/or entities within the same group. A sub-fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in sub-paragraphs 1(A), 1(B), 1(C), 1(F), 1(G)(i) and (ii) and provisos (a) to (c) of sub-paragraph 1(G) and sub-paragraph 2(B) of this Appendix A;

(F) Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions in such a way that would undermine the effectiveness of the collateral. For this purpose, securities issued by the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions or any of their related entities should not be used as collateral;

(G) Management of operational and legal risks – the Manager has appropriate systems, operational capabilities and legal expertise for proper collateral management;

(H) Independent custody – the collateral is held by the Trustee or by duly appointed nominee, agent or delegate;

(I) Enforceability – the collateral is readily accessible or enforceable by the Trustee without further recourse to the issuer of the financial derivative instruments, or the counterparty of the securities financing transactions;

(J) Re-investment of collateral – any re-investment of collateral received for the account of the relevant 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 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 this Appendix A. 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, the Manager shall take into account the credit quality, the liquidity profile of the money market instruments and such other factors as the Manager considers relevant;

(ii) non-cash collateral received may not be sold, re-invested or pledged;

(iii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in sub-paragraphs 7(B) and 7(J) of this Appendix A;

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

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

(K) the collateral is free of prior encumbrances; and

(L) the collateral generally does not include (i) structured products whose payouts rely on embedded financial derivatives or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitized products; or (iv) unlisted collective investment schemes.

Further details relating to the collateral policy of the Sub-Funds are disclosed in Appendix B.

7. <u>Money market funds</u>

In the exercise of its investment powers in relation to a sub-fund which is a money market fund ("Money Market Fund") authorised by the SFC under 8.2 of the Code, the Manager shall ensure that the core requirements as set out in paragraphs 1, 2, 4, 5, 6, 9, 10.1 and 10.2 of this Appendix A shall apply with the following modifications, exemptions or additional requirements:-

(A) subject to the provisions set out below, a Money Market Fund may only invest in short-term deposits and high quality money market instruments (i.e. securities normally dealt in on the money markets including government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptances, asset-backed securities such as asset-backed commercial papers), and money market funds that are authorised by the SFC 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;

(B) a Money Market Fund shall maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days (or two years in the case of Government and other public securities). For the purposes herein;

(i) "**weighted average maturity**" is a measure of the average length of time to maturity of all the underlying securities in a Money Market Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Money Market Fund to changing money market interest rates; and

(ii) "**weighted average life**" is the weighted average of the remaining life of each security held in a Money Market Fund; and is used to measure the credit risk, as well as the liquidity risk,

provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity;

(C) notwithstanding sub-paragraphs 1(A) and 1(C) of this Appendix A, the aggregate value of a Money Market Fund's holding of instruments issued by a single entity, together with any deposits held with that same issuer may not exceed 10% of the latest available Net Asset Value of such Money Market Fund except:-

  (i) the value of a Money Market Fund's holding of instruments and deposits issued by a single entity may be increased to 25% of the latest available Net Asset Value of such Money Market Fund if the entity is a substantial financial institution, provided that the total value of such holding does not exceed 10% of the entity's share capital and non-distributable capital reserves; or

  (ii) up to 30% of a Money Market Fund's latest available Net Asset Value may be invested in Government and other public securities of the same issue; or

  (iii) in respect of any deposit of less than US$1,000,000 or its equivalent in the Base Currency of the relevant Money Market Fund where such Money Market Fund cannot otherwise diversify as a result of its size;

(D) notwithstanding sub-paragraphs 1(B) and 1(C) of this Appendix A, the aggregate value of a Money Market Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its latest available Net Asset Value provided that:

  (i) the aforesaid limit will not apply in respect of cash deposit of less than US$ 1,000,000 or its equivalent in the Base Currency of such Money Market Fund, where it cannot otherwise diversify as a result of its size;

  (ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;

(E) the value of a Money Market Fund's holding of money market funds that are 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 may not in aggregate exceed 10% of its latest available Net Asset Value;

(F) the value of a Money Market Fund's holding of investments in the form of asset-backed securities may not exceed 15% of its latest available Net Asset Value;

(G) subject to paragraphs 5 and 6 of this Appendix A, a Money Market Fund may engage in sale and repurchase transactions, and reverse repurchase transactions in compliance with the following additional requirements:

  (i) the amount of cash received by the Money Market Fund under sale and repurchase transactions may not in aggregate exceed 10% of its latest available Net Asset Value;

  (ii) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the latest available Net Asset Value of the Money Market Fund;

  (iii) collateral received may only be cash, high quality money market instruments and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality as determined by the Manager; and

  (iv) the holding of collateral, together with other investments of the Money Market Fund, must not contravene the investment limitations and requirements set out in the other provisions of this paragraph 7 of this Appendix A;

(H) a Money Market Fund may use financial derivative instruments for hedging purposes only;

(I) the Manager shall manage the currency risk of a Money Market Fund and shall seek to hedge any material currency risk that arises from investments of the Money Market Fund that are not denominated in its Base Currency;

(J) a Money Market Fund must hold at least 7.5% of its latest available Net Asset Value in daily liquid assets and at least 15% of its latest available Net Asset Value in weekly liquid assets. For the purposes herein:

(i) daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and

(ii) weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities.

(K) the Manager shall carry out periodic stress testing of the assets of the Money Market Fund in order to monitor the liquidity of the Money Market Fund.

8. Index funds

8.1 In the exercise of its investment powers in relation to a sub-fund the principal objective of which is to track, replicate or correspond to an Underlying Index, with an aim of providing or achieving investment results or returns that closely match or correspond to the performance of the Underlying Index ("Index Fund"), the Manager shall ensure that the core requirements in paragraphs 1, 2, 4, 5, 6, 9.1, 10.1 and 10.3 of this Appendix A shall apply with the modifications or exceptions as set out in sub-paragraphs 8.2 to 8.4 below.

8.2 Notwithstanding sub-paragraph 1(A) of this Appendix A, more than 10% of the latest available Net Asset Value of an Index Fund may be invested in constituent securities issued by a single entity provided that:-

(A) it is limited to any constituent securities that each accounts for more than 10% of the weighting of the Underlying Index; and

(B) the Index Fund's holding of any such constituent securities may not exceed their respective weightings in the Underlying Index, except where weightings are exceeded as a result of changes in the composition of the Underlying Index and the excess is only transitional and temporary in nature.

8.3 Investment restrictions in sub-paragraphs 8.2(A) and (B) of this Appendix A do not apply if:

(A) an Index Fund adopts a representative sampling strategy which does not involve the full replication of the constituent securities of the Underlying Index in the exact weightings of such Underlying Index;

(B) the strategy is clearly disclosed in the Prospectus of the Index Fund;

(C) the excess of the weightings of the constituent securities held by the Index Fund over the weightings in the Underlying Index is caused by the implementation of the representative sampling strategy;

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

(E) limits laid down for the Index Fund pursuant to sub-paragraph 8.3(D) of this Appendix A must be disclosed in the Prospectus of the Index Fund; and

(F) disclosure must be made in the Index Fund's interim and annual reports as to whether the limits imposed for the Index Fund itself pursuant to sub-paragraph 8.3(D) of this Appendix A have been complied with in full.

8.4 Subject to approval of the SFC, the investment restrictions in sub-paragraphs 1(B) and (C) of this Appendix A may be modified and the 30% limit in sub-paragraph 1(F) of this Appendix A may be exceeded, and an Index Fund may invest all of its assets in Government and other public securities in any number of different issues despite sub-paragraph 1(F) of this Appendix A.

9. Borrowing and Leverage

The expected maximum level of leverage of each sub-fund is as follows:

Cash borrowing

9.1 No borrowing shall be made in respect of a sub-fund which would result in the principal amount for the time being of all borrowings made pursuant to the Trust Deed for the account of the relevant sub-fund exceeding an amount equal to 10% of the latest available Net Asset Value of the relevant sub-fund provided always that back-to-back loans do not count as borrowing. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements as set out in sub-paragraphs 5.1 to 5.4 of this Appendix A are not borrowings for the purpose of, and are not subject to the limitations in this sub-paragraph 9.1.

9.2 The Trustee may at the request of the Manager borrow for the account of any sub-fund any currency, and charge or pledge assets of the relevant 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 any sub-fund; or

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

9.3 Notwithstanding sub-paragraphs 9.1 and 9.2 of this Appendix A, a Money Market Fund may borrow only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Leverage from the use of financial derivative instruments

9.4 A sub-fund may also be leveraged through the use of financial derivative instruments and its expected maximum level of leverage through the use of financial derivative instruments (i.e. expected maximum net derivative exposure) is set out in the relevant Prospectus of the sub-fund.

9.5 In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the relevant sub-fund are converted into their equivalent positions in their underlying assets. The net derivative exposure is calculated in accordance with the requirements and guidance by the SFC which may be updated from time to time.

9.6 The actual level of leverage may be higher than such expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

10. Name of sub-fund

10.1 If the name of a sub-fund indicates a particular objective, investment strategy, geographic region or market, the sub-fund must, under normal market circumstances, invest at least 70% of its latest available 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.

10.2 The name of a Money Market Fund must not appear to draw a parallel between the Money Market Fund and the placement of cash on deposit.

10.3 The name of an Index Fund must reflect the nature of an index fund.

Appendix B – Collateral valuation and management policy
The Manager employs a collateral management policy in relation to collateral received in respect of OTC financial derivative transactions entered into in respect of a Sub-Fund.

A Sub-Fund may receive collateral from a counterparty to an OTC derivative transaction in order to reduce its counterparty risk exposure, subject to the investment restrictions and requirements applicable to collateral under Appendix A.

Nature and quality of the collateral
A Sub-Fund may receive both cash and non-cash collateral from a counterparty. Eligible collateral should be sufficiently liquid, of sound quality, with a sizable and active market where the group of buyers and sellers is not concentrated and pricing is transparent with quotes readily available. Cash collateral may include cash, cash equivalents. Non-cash collateral may comprise of equity securities traded on recognised markets, long or short term government bonds (whether investment grade or non-investment grade).

No maturity constraints will apply to the collateral received.

Criteria for selecting counterparties
The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of OTC derivative transactions which shall include amongst other considerations, fundamental creditworthiness (e.g. ownership structure, financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

OTC counterparties are reviewed and approved by Chief Counterparty Credit Officer with a minimum long term debt rating of BBB- from Standard & Poor's, Baa3 from Moody's or equivalent from another major recognised credit rating agency. Unrated counterparties may be approved where they benefit from appropriate credit support arrangements, including parental guarantees from an entity with the requisite minimum long term ratings.

Valuation of collateral
The collateral received is marked-to-market daily by using reference to a pricing source that is independent of the counterparty.

Enforceability of collateral
Collateral (subject to any net-off or set-off, if applicable) must be capable of being fully enforced at any time without reference to or approval from the counterparty.

Haircut policy
Collateral schedules reflecting the need of the specific business areas / transaction types are in place. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut specified for each collateral asset received by the relevant Sub-Fund may vary depending on the transaction to which the collateral is used to provide protection. This is typically related to the volatility profile of the transaction type and the correlation of the collateral asset to the exposure of the transaction. The following considerations are taken into account when establishing the collateral haircuts for each proposed collateral asset:

- Credit quality, default risk and liquidity
- Price volatility
- Maturity
- Suitability of collateral asset type in relation to the transaction
- Commercial viability within negotiations with counterparties
- Correlation of the collateral asset class to be received against the asset class being loaned from the portfolio
- The creditworthiness of the borrowing counterparty, to determine any additional collateral haircut requirements/adjustments beyond the established standard levels
- The results of any prescribed set of stress analysis carried out under normal and exceptional market liquidity conditions to assess the liquidity risk of the collateral security

Further details of the applicable haircut arrangement for each asset class can be available from the Manager upon request.

Diversification and correlation of collateral
Collateral must be sufficiently diversified. The exposures of a Sub-Fund to the collateral issuers are monitored in

accordance with the relevant restrictions on exposure to a single entity and/or entities within the same group as set out in in Appendix A.

Collateral received must be issued by an entity that is independent from the relevant counterparty.

Cash collateral reinvestment policy
A Sub-Fund shall not sell, pledge or re-invest any non-cash collateral received by it.

Subject to the applicable restrictions in respect of collateral in Appendix A, cash collateral received by a Sub-Fund may be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

Up to 100% of the cash collateral received by a Sub-Fund may be reinvested.

Safe-keeping of collateral
The collateral received by a Sub-Fund is held by the Trustee or by duly appointed nominee, agent or delegate.

A description of collateral holdings of each Sub-Fund will be disclosed in its interim and annual reports as required under Appendix E of the Code.

Appendix C – Summary of the constituent selection requirements

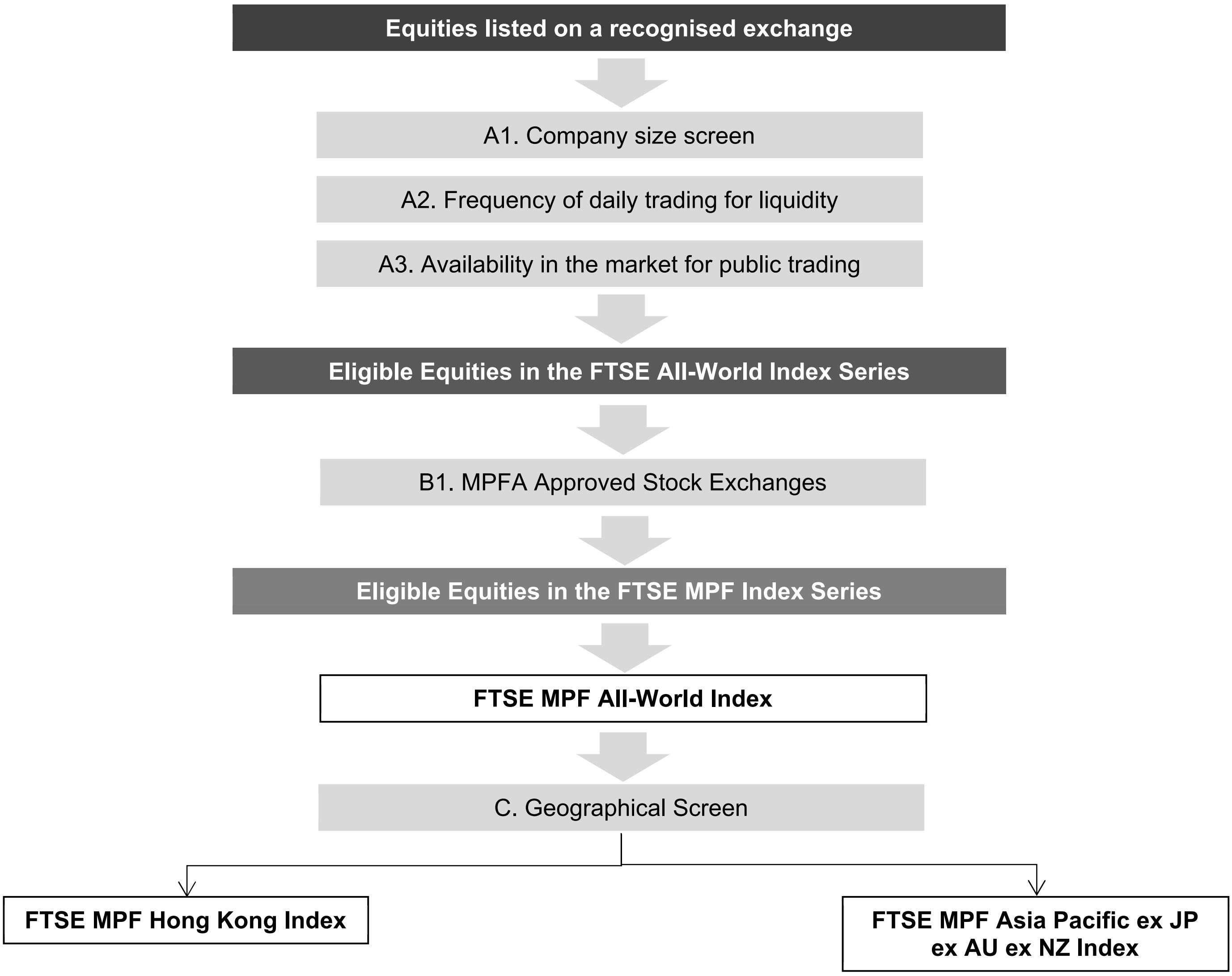
I. The FTSE MPF Hong Kong Index, the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index, and the FTSE MPF All-World Index

In 2001, FTSE launched the FTSE Mandatory Provident Fund (MPF) Index Series, based on the widely used FTSE All-World Index Series, as benchmarks for equity portfolios that invest within the framework of MPF regulatory requirements. Constituents of the FTSE MPF Index Series are selected from the constituents of the FTSE All-World Index Series subject to screening by MPF regulatory requirements as described further below.

The FTSE MPF Hong Kong Index, the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index, and the FTSE MPF All-World Index are part of the FTSE MPF Index Series. Their constituents are selected from the constituents of the FTSE MPF Index Series subject to geographical screening as described further below.

Index Construction Method:

The index construction below outlines the major components of the rules-



A. Selection of Equities from FTSE All-World Index Series

1. Company size screen

   Index stock level constituents for the MPF series are selected based on a number of criteria, initially using the standard FTSE All-World index methodology:

   - The FTSE All-World Index Series aims to cover, on average, the largest 90% of the investable market of large and mid-sized companies ranked by the full market capitalisation (price multiplied by the number of shares in issue). Countries are grouped into regions for the purpose of review. Regions include Asia Pacific ex China ex Japan, China, Developed Europe, Emerging Europe, Japan, Latin America, Middle East & Africa, North America.
   - A size screen is applied to all eligible companies in respective regions including the Asia Pacific ex China ex Japan region and the China region. The companies are ranked in descending order by

their full market capitalisation, and only the largest 98% of all companies in respective regions are eligible for selection.

2. Frequency of daily trading for liquidity
   - The eligible companies are tested for the stock's liquidity, based on the volume of shares traded to ensure constituents of the indices are sufficiently liquid and investable. Measured by the median daily trading volume per month compared to the free float adjusted shares, a company may be excluded from the Index if there is insufficient trading activity. To reduce index turnover, the liquidity rules differ between potential new constituents and current constituents
   - Equities that are being reviewed for selection must trade at least 0.05% of their shares in issue (after the adjustment of free float and foreign ownership restrictions) based on their median daily trading volume per month in ten of the twelve months prior to a full market review.
   - To remain in the index universe, equities must trade at least 0.04% of their shares in issue (after the adjustment of free float and foreign ownership restrictions) based on their median daily trading volume per month in at least eight of the twelve months prior to a full market review.
   - New issues must have a minimum 3 months trading record when reviewed and trade at least 0.05% of their shares in issue (after the adjustment of free float and foreign ownership restrictions) based on their median daily trading volume each month, on a pro-rata basis since their listing.

   For further details please refer to the FTSE Global Equity Index Series - Guide to Calculation Method for the Median Liquidity Test which can be accessed using the following link: https://research.ftserussell.com/products/downloads/Guide_to_Calculation_Methods_for_GEIS_Liquidity.pdf

3. Availability in the market for public trading
   Companies are further adjusted for free float and foreign ownership restrictions, and therefore are assessed according to how much share capital is available for public investment, meaning that only shares that are publicly traded are included in the index.

   In addition, a constituent's investibility weight will be further adjusted when there is a limited foreign room available. Besides, there will be additional screening of company which is the subject of a high concentration warning notice by a regulatory authority.

   Except where the investable market capitalisation of the security exceeds 10 times the regional inclusion percentage level (see the FTSE Global Equity Index Series Ground Rules), securities with a free float of 5% or below are excluded from the index.

   For further details of the screens applied to eligible securities, please refer to Section on 'Eligible Security Screens' of FTSE Global Equity Index Series Ground Rules which can be accessed using the following link: https://research.ftserussell.com/products/downloads/FTSE_Global_Equity_Index_Series.pdf

B. FTSE MPF Index Series

Each constituent of the FTSE MPF Indices must be a current constituent of FTSE All-World Index (with exception of the Hong Kong listed HSBC in the FTSE MPF Hong Kong Index). A newly eligible P Chip whose associated N-share is already a constituent of the FTSE All-World Index will be eligible for inclusion in the FTSE MPF Index Series at the next quarterly review after a minimum 3-month trading period.

MPF Regulation Screening - Approved Stock Exchanges

Securities admitted to trading and listed on stock exchanges that are not approved by the MPFA will be excluded from the calculation of the FTSE MPF Index Series. Please see MPFA Guideline III.4 for a list of stock exchanges approved by the MPFA from time to time https://www.mpfa.org.hk/en/-/media/files/information-centre/legislation-and-regulations/guidelines/current-version/part-iii/iii-4/annex_a_to_iii_4.pdf). Please note that the aforesaid website has not been reviewed by the SFC.

Non-Eligible Instruments:

Please refer to Section 4 (Eligible Securities) of the FTSE MPF Index Series Ground Rules (https://research.ftserussell.com/products/downloads/FTSE_MPF_Index_Series.pdf) for details of securities which are not eligible for inclusion. Please note that the aforesaid website has not been reviewed by the SFC.

C. Geographical Screening

As indicated above, the constituents of the FTSE MPF Hong Kong Index and the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index are selected from the constituents of the FTSE MPF Index Series subject to geographical screening as set out below. Only constituents allocated to the relevant countries/share classes will be eligible for selection. Each company will be allocated to a single country based normally on the country of incorporation. If the company is not listed in the country of incorporation, it will normally be allocated to the country with greatest liquidity.

Index	Countries / Share Classes included	Stock Exchange
FTSE MPF Hong Kong Index	HSBC (the Hong Kong listed line) Hong Kong companies China (Red Chips[3], P Chips[4], H-shares[5])	Stock Exchange of Hong Kong Singapore Exchange
FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index	Hong Kong (Hong Kong companies)	Stock Exchange of Hong Kong
	China (Red Chips, P Chips, H-shares)	New York Stock Exchange
	China (N-shares[6])	NASDAQ
	China (S Chips[7])	Singapore Exchange
	China (A-Shares[8], B-Shares[9])	Shanghai Stock Exchange and Shenzhen Stock Exchange
	India	National Stock Exchange of India
	Indonesia	Indonesia Stock Exchange
	Malaysia	Bursa Malaysia
	Philippines	Philippine Stock Exchange
	Singapore	Singapore Exchange
	South Korea	Korea Exchange
	Taiwan	Taiwan Stock Exchange
	Thailand	Stock Exchange of Thailand

Index Calculation Method:
The FTSE MPF Hong Kong Index, the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index, and the FTSE MPF All-World Index are market capitalisation-weighted indices where the weights are determined by the free float adjusted market capitalisation of each company.

A security's free float adjusted market capitalisation is calculated by multiplying a security's price by its shares in issue and free float, a factor which aims to reflect the actual availability of stock in the market for public investment (typical examples of free float exclusion are director and government holdings).

The indices distinguish the market capitalisation at the start of the day and by the end of the day. The starting market capitalisation is adjusted for corporate events from the closing market capitalisation on previous trading day.

The FTSE MPF Hong Kong Index (HKD unhedged total return), the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index (HKD hedged total return), and the FTSE MPF All-World Index (HKD unhedged total return) are total return indices which measure the price movements of constituents assuming any cash distributions after dividend withholding tax are reinvested back into the index. The price movement of a security with a larger free float adjusted market capitalisation will, therefore, have a larger effect on the index performance than a security with a smaller free float adjusted market capitalisation.

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3 A Red Chip is a company incorporated outside the PRC that trades on the SEHK and is a company that is substantially owned, directly or indirectly, by Mainland China state entities with the majority of its revenue or assets derived from mainland China.

4 A P Chip is a company controlled by mainland individuals, with the establishment and origin of the company in mainland China. It must be incorporated outside of the PRC and traded on the SEHK with a majority of its revenue or assets derived from mainland China.

5 H Shares are securities of companies incorporated in the PRC that trade on the SEHK. They are traded in HKD.

6 N-shares are securities of companies incorporated outside of the PRC, traded on the New York Stock Exchange, the NASDAQ exchange, or the NYSE American, and controlled by mainland Chinese entities, companies or individuals, with a majority of its revenue or assets derived from the PRC.

7 An S Chip is a company incorporated outside the PRC, traded on the Singapore Exchange, and controlled by mainland Chinese entities, companies or individuals, with a majority of its revenue or assets derived from the PRC.

8 A Shares are securities of Chinese incorporated companies that trade on either the SSE or SZSE. They are traded in Renminbi (Chinese Yuan). They can only be traded by residents of the PRC or under the Qualified Foreign Institutional Investor (QFII), the Renminbi Qualified Foreign Institutional Investor (RQFII) rules, or via the Stock Connect programs.

9 B Shares are securities of Chinese incorporated companies that trade on either the SSE or SZSE. They are traded in USD on the SSE and HKD on the SZSE.

Currency Hedging Requirements:
Currency hedging will not apply to the FTSE MPF Hong Kong Index (HKD unhedged total return) as the index mainly invests in Hong Kong Dollar securities and is nearly 100% exposed to Hong Kong Dollar. Currency hedging will not apply to the FTSE MPF All-World Index (HKD unhedged total return).

For the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index (HKD hedged total return), the MPF regulations stipulate that at least 30% of a fund's exposure must be to Hong Kong Dollar risk assets. The currency hedged indices will hedge non-Hong Kong Dollar currency exposure in the indices in excess of 65% to ensure they stay well within the regulations. The FTSE currency hedging methodology allows exposure to non-Hong Kong dollar risk assets in the Index to behave like an investment fund hedged in accordance with the Hong Kong Mandatory Provident Fund regulations. The indices hedge each currency in two stages. The first stage calculates the impact of hedging for each country; the second stage applies this calculation to the hedged index. Please refer to Appendix C in the ground rules of the FTSE MPF Index Series for the detail currency hedging methodology. The non-Hong Kong Dollar currency exposure will be reviewed twice a year in March and September (one business day prior to the last business day of the review month) to determine if the index needs to be hedged in the coming six months.

Periodic Review:
The FTSE MPF Index Series is reviewed semi-annually in March and September on a region by region basis as part of the reviews of the FTSE All-World Index on the same dates. Changes arising from the semi-annual reviews are implemented after the close of business on the third Friday (i.e. effective Monday) of March and September. Initial public offerings ("**IPOs**") from all regions which do not immediately qualify at the IPO will be reviewed in June and December, besides being reviewed at semi-annual reviews. Any constituent changes resulting from the June and December reviews are implemented after the close of business on the third Friday (i.e. effective Monday) of June and December.

FTSE, in association with the HKIFA, and Willis Towers Watson (formerly known as Towers Watson) conduct a market consultation every three years. The aim of the consultation is to account for any change in investment restrictions and to ensure that the indices provide the most precise benchmark for the market. The results of the consultation will be reviewed by an independent review panel and then announced to the market along with any changes in the index series.

All FTSE MPF Indices are subject to a 9% monthly rebalancing so that no constituent accounts for more than 9% of the index using prices adjusted for corporate actions as at the close of business on the second Friday each month. The limit is in line with the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended, or replaced, from time to time). Any constituent with a weight of over 9% at the close of business on the second Friday each month will be capped at 9%. Appropriate adjustments will also be made with respect to corporate action (such as rights issue, script issue and consolidation) with respect to the constituent companies of the indices. The capping is implemented after close of business on the third Friday each month.

The above description is accurate as at the date of this Prospectus, a full set of the ground rules for the management of the relevant index is also available on www.ftserussell.com. The index methodology is subject to change from time to time and investors should refer to this website for up-to-date information about index methodology. Please note that the aforesaid website has not been reviewed by the SFC.

Index Provider Disclaimer:
The Sub-Funds have been developed solely by the BlackRock Group. The Sub-Funds are 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 FTSE MPF Hong Kong Index, the FTSE MPF Asia Pacific ex Japan, Australia & New Zealand Index, and the FTSE MPF All-World Index (the "**Underlying Indices**") vest in the relevant LSE Group company which owns the relevant Underlying Index. "FTSE®" is a trade mark(s) of the relevant LSE Group company and is used by any other LSE Group company under licence.

The Underlying Indices are calculated by or on behalf of FTSE International Limited 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 Underlying Indices or (b) investment in or operation of the Sub-Funds. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Funds or the suitability of the Underlying Indices for the purpose to which it is being put by BlackRock Asset Management North Asia Limited.

II. The FTSE MPF World Government Bond Index
The FTSE MPF World Government Bond Index is a MPF compliant index designed to serve the Hong Kong Mandatory Provident Fund pension market.

The index is based on the FTSE World Government Bond Index (the "**WGBI**") which measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. The MPF version of the index incorporate additional criteria as stipulated by the Mandatory Provident Fund Schemes (General) Regulation and Guidelines on Debt Securities.

Index Construction Method and Index Calculation Method:
Index Design Criteria and Calculation Assumptions for FTSE World Government Bond Index

Currency	Australian Dollar (AUD), Canadian Dollar (CAD), Swiss Franc (CHF), Danish Krone (DKK), Euro (EUR), British Pound (GBP), Japanese Yen (JPY), Mexican Peso (MXN), Malaysian Ringgit (MYR), Norwegian Krone (NOK), Polish Zloty (PLN), Swedish Krona (SEK), Singapore Dollar (SGD), United States Dollar (USD), South African Rand (ZAR)
Coupon	Fixed-rate
Minimum Maturity	At least one year
Minimum Market Size	Entry: At least USD 50 billion, EUR 40 billion, JPY 5 trillion Exit: Below USD 25 billion, EUR 20 billion, JPY 2.5 trillion
Minimum Issue Size	Americas: CAD 2.5 billion, MXN 10 billion, USD 5 billion Europe, the Middle East and Africa: DKK 20 billion, EUR 2.5 billion, NOK 20 billion, PLN 5 billion, ZAR 10 billion, SEK 25 billion, CHF 4 billion, GBP 2 billion Asia Pacific and Japan: AUD 750 million, JPY 500 billion, 20+ year bonds JPY 450 billion (excludes Bank of Japan holdings and Ministry of Finance buybacks), MYR 4 billion, SGD 1.5 billion
Minimum Credit Quality	Entry: A- by S&P and A3 by Moody's, for all new markets Exit: Below BBB- by S&P and Baa3 by Moody's
Barriers-to-Entry	Entry: A market being considered for inclusion should actively encourage foreign investor participation and show a commitment to its own policies. Exit: Circumstances can change over time and a country may find that revising its policies makes sense for its national welfare. However, it is possible that new policies, including but not limited to ownership restrictions and capital controls, can have the effect of limiting investors' ability to replicate the returns of that country's portion of the index. In that case, it may be necessary to remove that country from the FTSE MPF World Government Bond Index.
Weighting	Market capitalization
Rebalancing	Once a month at the end of the month
Reinvestment of Cash Flow	At daily average of the local currency one-month Euro deposit rate calculated from the actual scheduled payment date of the cash flow through the end of the reporting period.
Pricing	Refinitiv pricing except for Malaysia (provided by Amanah Butler and Affin), Mexico (provided by Proveedor Integral de Precios S.A. de C.V.), Poland (provided by BondSpot), Singapore (provided by Monetary Authority of Singapore) and South Africa (provided by Johannesburg Stock Exchange).
Calculation Frequency	Daily
Settlement Date	Monthly - Settlement is on the last calendar day of the month

	Daily - Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day of the month
Fixing Date	Each month, the upcoming month's index constituents are "fixed" on the profile fixing date. Each year's scheduled fixing dates are published on the FTSE Yield Book Fixed Income Indices website.

Additional Index Design Criteria and Calculation Assumptions for FTSE MPF World Government Bond Index (HKD hedged total return) (in accordance with the MPFA's criteria as stipulated by the Mandatory Provident Fund Schemes (General) Regulation and Guidelines on Debt Securities)

Capping	Maximum 9.0% for non-exempt authority as per Mandatory Provident Fund Schemes (General) Regulation and III.1 Guidelines on Debt Securities' definition of exempt authority
Credit Quality	Minimum credit quality is per Mandatory Provident Fund Schemes (General) Regulation and III.1 Guidelines on Debt Securities. Bond level rating is required per Mandatory Provident Fund Schemes (General) Regulation and III.1 Guidelines on Debt Securities.
Hedging	100% in HKD

Currency Hedging Requirements:
The FTSE MPF World Government Bond Index (HKD hedged total return) is fully hedged to Hong Kong Dollar. Currency hedging is applied on a monthly basis to each non-Hong Kong dollar exposure within the FTSE MPF World Government Bond Index. The related currency-hedged return that is included in the index value is calculated by using a rolling one-month forward exchange contract as a hedging instrument. Please refer to the index methodology of the FTSE MPF World Government Bond Index (HKD hedged total return) for further details of the currency hedging methodology.

Periodic Review:
The FTSE MPF World Government Bond Index is rebalanced monthly at month-end.

Index Provider Disclaimer:
The iShares World Government Bond Index Fund (the "**Sub-Fund**") has been developed solely by the BlackRock Group. 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.

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The Underlying 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 Underlying 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 Underlying Index for the purpose to which it is being put by BlackRock Asset Management North Asia Limited.

Appendix D – Summary of Charges and Expenses

For all Unit Classes, the administration fee may be charged at a rate of up to 0.25% of the Net Asset Value of the relevant Sub-Fund per annum and the management fee may be charged at a rate of up to 2% of the Net Asset Value of the relevant Sub-Fund per annum. The current rate of management fee and administration fee charged may be increased up to the specified permitted maximum level by giving not less than one month's prior notice to the affected Unitholders.

In addition to the conversion charge (if any) and redemption charge (if any), the Manager may, at its discretion, impose an Excessive Conversion or Excessive Trading charge of up to 2%.

	iShares Asia ex-Japan Equity Index Fund				
	Charges and Expenses Payable by the Sub-Fund		Charges and Expenses Payable by Unitholders		
	Management Fee	Administration Fee	Initial Charge	Conversion Charge	Redemption Charge
Class A	0.55%	Up to 0.25%	Up to 3%	Nil	Nil
Class I	0.15%	Up to 0.25%	Nil	Nil	Nil
Class X	N/A*	Up to 0.25%	Nil	Nil	Nil

	iShares Hong Kong Equity Index Fund				
	Charges and Expenses Payable by the Sub-Fund		Charges and Expenses Payable by Unitholders		
	Management Fee	Administration Fee	Initial Charge	Conversion Charge	Redemption Charge
Class A	0.55%	Up to 0.15%	Up to 3%	Nil	Nil
Class D	0.15%	Up to 0.15%	Up to 3%	Nil	Nil
Class I	0.15%	Up to 0.15%	Nil	Nil	Nil
Class X	N/A*	Up to 0.15%	Nil	Nil	Nil

	iShares World Equity Index Fund				
	Charges and Expenses Payable by the Sub-Fund		Charges and Expenses Payable by Unitholders		
	Management Fee	Administration Fee	Initial Charge	Conversion Charge	Redemption Charge
Class A	0.55%	Up to 0.10%	Up to 3%	Nil	Nil
Class D	0.15%	Up to 0.10%	Up to 3%	Nil	Nil
Class I	0.15%	Up to 0.10%	Nil	Nil	Nil
Class X	N/A*	Up to 0.10%	Nil	Nil	Nil

	iShares World Government Bond Index Fund				
	Charges and Expenses Payable by the Sub-Fund		Charges and Expenses Payable by Unitholders		
	Management Fee	Administration Fee	Initial Charge	Conversion Charge	Redemption Charge
Class A	0.45%	Up to 0.10%	Up to 3%	Nil	Nil
Class D	0.15%	Up to 0.10%	Up to 3%	Nil	Nil
Class I	0.15%	Up to 0.10%	Nil	Nil	Nil
Class X	N/A*	Up to 0.10%	Nil	Nil	Nil

Note:

* Unitholders of Class X Units are subject to a separate management fee payable to the Manager or its affiliate under the relevant investment management agreement between such holder and the Manager or its affiliate.

Any increase of any fees above the specified permitted maximum level as set out in this Prospectus and the Trust Deed would require prior approval of the SFC and the affected Unitholders at an extraordinary general meeting.

Appendix E – Summary of Subscription Procedure and Payment Instructions in respect of the Sub-Funds

1. **Application Form**
   For initial subscriptions for Units you must complete the application form which may be obtained from the Trustee or the local Investor Servicing teams and the form must be signed by all joint applicants. Subsequent subscriptions may be made in writing or by fax stating your account details and the amount to be invested. Completed application forms must be sent to the Trustee or through the local Investor Servicing teams (if applicable). The Manager and the Trustee may in their discretion accept applications (including initial and subsequent applications) sent via other electronic means.

2. **Money Laundering Prevention**
   Please read the notes on the application form regarding the identification documents required and ensure that you provide these to the Trustee or through the local Investor Servicing teams (if applicable) together with your application form.

3. **Payment**
   A copy of your bank account's telegraphic transfer instructions should be supplied with your application (see sections 4 and 5 below).

4. **Payment by Telegraphic Transfer**
   Payment by SWIFT/bank transfer in the relevant currency should be made to one of the accounts below.

   An applicant's obligation to pay for Units is fulfilled once the amount due has been paid in cleared funds into this account.

iShares Asia ex-Japan Equity Index Fund
Bank Details:
HKD:
Correspondent Bank: Citibank N.A., Hong Kong Branch
Correspondent Bank SWIFT: CITIHKHX
Beneficiary Bank: Citibank N.A., Hong Kong Branch
For the account of: CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-iShares Asia ex-Japan Equity Index Fund-Collection AC
Account Number: 1238358015
Quoting Reference: Please quote the applicant's account number and the Dealing Day

USD:
Correspondent Bank: Citibank, N.A. New York
Correspondent Bank SWIFT: CITIUS33
Beneficiary Bank: Citibank N.A., Hong Kong Branch
*For RTGS payment in HK (i.e. non cross-border transfer), CHATS code 006 and Branch code 391.
Beneficiary Bank SWIFT: CITIHKHX
Beneficiary Bank Account Number: 10990845
For the account of: CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-iShares Asia ex-Japan Equity Index Fund-Collection AC
Account Number: 1238358007
Quoting Reference: Please quote the applicant's account number and the Dealing Day

iShares Hong Kong Equity Index Fund
Bank Details
HKD:
Correspondent Bank: Citibank N.A., Hong Kong Branch
Correspondent Bank SWIFT: CITIHKHX
Beneficiary Bank: Citibank N.A., Hong Kong Branch
For the account of: CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-iShares Hong Kong Equity Index Fund-Collection AC
Account Number: 1217081005
Quoting Reference: Please quote the applicant's account number and the Dealing Day

iShares World Equity Index Fund
Bank Details
HKD:
Correspondent Bank: Citibank N.A., Hong Kong Branch
Correspondent Bank SWIFT: CITIHKHX

Beneficiary Bank: Citibank N.A., Hong Kong Branch
For the account of: CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-iShares World Equity Index Fund-Collection AC
Account Number: 1066613018
Quoting Reference: Please quote the applicant's account number and the Dealing Day

iShares World Government Bond Index Fund
Bank Details
HKD:
Correspondent Bank: Citibank N.A., Hong Kong Branch
Correspondent Bank SWIFT: CITIHKHX
Beneficiary Bank: Citibank N.A., Hong Kong Branch
For the account of: CITITRUST LIMITED AS TRUSTEE OF BLACKROCK PREMIER FUNDS-iShares World Government Bond Index Fund-Collection AC
Account Number: 1066621002
Quoting Reference: Please quote the applicant's account number and the Dealing Day

5. **Foreign Exchange**
If you wish to make payment in a currency other than that in the Dealing Currency (or one of the Dealing Currencies) of the Sub-Fund, this must be made clear at the time of application.

Want to know more?

www.blackrock.com/hk | General enquiries: +852 3903-2800 | Fund enquiries: +852 3903-2688

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