

AMENDED AND RESTATED
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

28 February 2022

UBS (CAY) CHINA A OPPORTUNITY
(a Cayman Islands Exempted Company)

Minimum Initial Subscription – A Class Shares: US\$ 100,000
Minimum Initial Subscription – B Class Shares: US\$ 5,000,000
Minimum Initial Subscription – K Class Shares: US\$5,000,000
Minimum Initial Subscription – Q Class Shares: US\$100,000
Minimum Initial Subscription – I-A1 Class Shares: US\$10,000,000

Investment Manager:

UBS Asset Management (Hong Kong) Limited

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE “MEMORANDUM”) DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES IN THE FUND (“SHARES”) IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE. AN INVESTMENT IN THE FUND IS SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM.

PROSPECTIVE INVESTORS SHOULD CAREFULLY READ AND RETAIN THIS MEMORANDUM. HOWEVER, THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL, TAX, INVESTMENT OR OTHER ADVICE, AND EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OWN PROFESSIONAL ADVISERS AS TO ALL LEGAL, TAX, REGULATORY, FINANCIAL AND RELATED MATTERS CONCERNING AN INVESTMENT IN UBS (CAY) CHINA A OPPORTUNITY ("THE FUND").

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OF SHARES MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. ANY PERSONS IN POSSESSION OF THIS MEMORANDUM AND ANY PERSONS WISHING TO PURCHASE SHARES IN THE MANNER DESCRIBED IN THIS MEMORANDUM MUST INFORM THEMSELVES OF, AND OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE PURCHASERS OF SHARES SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS GOVERNING THE PURCHASE OF SHARES AND ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND TAXES IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND/OR DOMICILE.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING OF SHARES, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTMENT IN THE FUND INVOLVES SPECIAL CONSIDERATIONS AND RISKS AND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS FOR WHOM AN INVESTMENT IN THE FUND DOES NOT REPRESENT A COMPLETE INVESTMENT PROGRAMME AND WHO FULLY UNDERSTAND AND ARE CAPABLE OF ASSUMING THE RISKS OF INVESTMENT IN THE FUND. THE INVESTMENT IS SUITABLE ONLY FOR INVESTORS WHO ARE WILLING AND HAVE THE FINANCIAL CAPACITY TO PURCHASE A HIGH RISK INVESTMENT. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED. SEE “RISK FACTORS”.

THIS MEMORANDUM WILL BE FURNISHED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS FOR THE PURPOSE OF PROVIDING CERTAIN INFORMATION ABOUT POSSIBLE INVESTMENT IN THE FUND. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR AN INVITATION TO PARTICIPATE IN THE FUND OTHER THAN TO THE RECIPIENT TO WHOM IT HAS BEEN SENT. IT IS NOT A GENERAL OFFER OR INVITATION TO THE PUBLIC. ACCORDINGLY, AS THE DOCUMENT RELATES TO A PRIVATE PLACEMENT, IT HAS NOT BEEN AUTHORIZED BY OR DELIVERED FOR REGISTRATION WITH ANY REGULATORY BODY IN ANY JURISDICTION OTHER THAN THE CAYMAN ISLANDS WHERE A COPY HAS BEEN FILED WITH THE CAYMAN ISLANDS MONETARY AUTHORITY (THE "MONETARY AUTHORITY").

THIS MEMORANDUM CONTAINS A SUMMARY OF THE FUND'S MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE OTHER DOCUMENTS REFERRED TO HEREIN. HOWEVER, THE DISCUSSIONS SET FORTH IN THIS MEMORANDUM DO NOT PURPORT TO BE COMPLETE. THEY ARE SUBJECT TO AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FUND'S MEMORANDUM AND ARTICLES OF ASSOCIATION AND SUCH OTHER DOCUMENTS, COPIES OF WHICH WILL BE PROVIDED TO ANY PROSPECTIVE INVESTOR UPON REQUEST AND WHICH SHOULD BE REVIEWED FOR COMPLETE INFORMATION CONCERNING THE RIGHTS, PRIVILEGES AND OBLIGATIONS OF THE SHAREHOLDERS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE ISSUE OR SALE OF SHARES AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND, THE INVESTMENT MANAGER, THE ADMINISTRATOR OR ANY OTHER PERSON. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR THE ISSUANCE OR SALE OF SHARES IS INTENDED IN ANY WAY TO CREATE ANY IMPLICATION THAT NO CHANGE HAS OCCURRED IN THE AFFAIRS OF THE FUND SINCE THE DATE OF THIS MEMORANDUM OR THAT THE INFORMATION CONTAINED IN THIS MEMORANDUM IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

THERE IS NO PUBLIC MARKET FOR THE SHARES AND NO SUCH MARKET IS EXPECTED TO DEVELOP IN THE FUTURE. THE SHARES ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER, AND POTENTIAL INVESTORS SHOULD BE AWARE OF THEIR LIMITED RIGHTS TO REDEEM SHARES AND THE LIMITED LIQUIDITY OF AN INVESTMENT IN THE FUND.

NO OFFER OR INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE SHARES.

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE SHARES MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY "U.S. PERSON" EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND ANY APPLICABLE STATE LAWS.

THE SHARES ARE BEING OFFERED OUTSIDE THE UNITED STATES PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER REGULATION S UNDER THE 1933 ACT AND

INSIDE THE UNITED STATES IN RELIANCE ON REGULATION D PROMULGATED UNDER THE 1933 ACT AND SECTION 4(A)(2) THEREOF.

THERE IS NO PUBLIC MARKET FOR THE SHARES AND NO SUCH MARKET IS EXPECTED TO DEVELOP IN THE FUTURE. THE SHARES OFFERED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE FUND FOR AN INDEFINITE PERIOD OF TIME.

THE SHARES ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE ABLE TO BEAR THE LOSS OF THEIR INVESTMENT IN THE FUND. THE FUND'S INVESTMENT PROGRAM, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A SUBSTANTIAL DEGREE OF RISK. SUBSCRIBERS FOR SHARES MUST REPRESENT THAT THEY ARE ACQUIRING THE SHARES FOR INVESTMENT.

OFFERING MATERIALS FOR THE OFFERING OF THE SHARES HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER STATE OR FEDERAL REGULATORY AUTHORITY, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR PASSED UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING MATERIALS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS MEMORANDUM HAS NOT BEEN REGISTERED BY THE REGISTRAR OF COMPANIES IN HONG KONG. THE FUND IS A COLLECTIVE INVESTMENT SCHEME AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG (THE "ORDINANCE") BUT HAS NOT BEEN AUTHORISED BY THE SECURITIES AND FUTURES COMMISSION PURSUANT TO THE ORDINANCE. ACCORDINGLY, THE SHARES MAY ONLY BE OFFERED OR SOLD IN HONG KONG TO PERSONS WHO ARE "PROFESSIONAL INVESTORS" AS DEFINED IN THE ORDINANCE AND ANY RULES MADE UNDER THE ORDINANCE; OR IN CIRCUMSTANCES WHICH ARE PERMITTED UNDER THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE OF HONG KONG AND THE ORDINANCE. IN ADDITION, THIS MEMORANDUM MAY NOT BE ISSUED OR POSSESSED FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, AND THE SHARES MAY NOT BE DISPOSED OF TO ANY PERSON UNLESS SUCH PERSON IS OUTSIDE HONG KONG, SUCH PERSON IS A "PROFESSIONAL INVESTOR" WITHIN THE MEANING OF THE ORDINANCE OR ANY RULES MADE UNDER THE ORDINANCE OR AS OTHERWISE MAY BE PERMITTED BY THE ORDINANCE.

YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THIS MEMORANDUM. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS MEMORANDUM, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE OFFER OR INVITATION OF THE SHARES, WHICH IS THE SUBJECT OF THIS MEMORANDUM, DOES NOT RELATE TO A COLLECTIVE INVESTMENT SCHEME WHICH IS AUTHORISED UNDER SECTION 286 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE “SFA”) OR RECOGNISED UNDER SECTION 287 OF THE SFA. THE FUND IS NOT AUTHORISED OR RECOGNISED BY THE MONETARY AUTHORITY OF SINGAPORE (THE “MAS”) AND SHARES ARE NOT ALLOWED TO BE OFFERED TO THE RETAIL PUBLIC. EACH OF THIS MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL ISSUED IN CONNECTION WITH THE OFFER OR SALE OF SHARES IS NOT A PROSPECTUS AS DEFINED IN THE SFA. ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF PROSPECTUSES WOULD NOT APPLY. YOU SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR YOU.

THIS MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MAS. ACCORDINGLY, THIS MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF SHARES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 304 OF THE SFA, (II) TO A RELEVANT PERSON PURSUANT TO SECTION 305(1), OR ANY PERSON PURSUANT TO SECTION 305(2) OF THE SFA, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 305 OF THE SFA, OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE SHARES ARE SUBSCRIBED OR PURCHASED UNDER SECTION 305 BY A RELEVANT PERSON WHICH IS:

- (A) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR**
- (B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR,**

SECURITIES (AS DEFINED IN SECTION 239(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES’ RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE SHARES PURSUANT TO AN OFFER MADE UNDER SECTION 305 OF THE SFA EXCEPT:

- (1) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON DEFINED IN SECTION 305(5) OF THE SFA, OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 305A(3) (I) (B) OF THE SFA;**

- (2) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER;**
 - (3) WHERE THE TRANSFER IS BY OPERATION OF LAW;**
 - (4) AS SPECIFIED IN SECTION 305A(5) OF THE SFA; OR**
 - (5) AS SPECIFIED IN REGULATION 36 OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (COLLECTIVE INVESTMENT SCHEMES) REGULATIONS 2005 OF SINGAPORE.**
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THE INFORMATION CONTAINED IN THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL ANY SECURITIES WITHIN THE PEOPLE'S REPUBLIC OF CHINA (WHICH, FOR SUCH PURPOSES, DOES NOT INCLUDE THE HONG KONG OR MACAU SPECIAL ADMINISTRATIVE REGIONS OR TAIWAN) (THE "PRC").

PERSONS WHO COME INTO POSSESSION OF THIS DOCUMENT ARE REQUIRED BY THE FUND AND ITS REPRESENTATIVES TO OBSERVE THESE RESTRICTIONS.

REGULATION

THE FUND IS A "REGULATED MUTUAL FUND" FOR THE PURPOSES OF THE ACT. THE FUND IS REGISTERED WITH THE MONETARY AUTHORITY PURSUANT TO SECTION 4(3) OF THE ACT AND THIS MEMORANDUM HAS BEEN FILED WITH THE MONETARY AUTHORITY. SUCH REGISTRATION DOES NOT IMPLY THAT THE MONETARY AUTHORITY OR ANY OTHER REGULATORY AUTHORITY IN THE CAYMAN ISLANDS HAS APPROVED THIS MEMORANDUM OR THE OFFERING OF THE SHARES.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE MONETARY AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE MONETARY AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

CONFIDENTIALITY

EXCEPT AS OUTLINED IN THIS MEMORANDUM AND/OR THE SUBSCRIPTION AGREEMENT, ANY INFORMATION FORWARDED TO THE FUND BY A POTENTIAL INVESTOR WILL BE TREATED ON A CONFIDENTIAL BASIS. IF REQUIRED TO DO SO BY LAW OR REGULATION, THE FUND MAY PASS ON THAT INFORMATION TO A RELEVANT THIRD PARTY. BY SUBSCRIBING FOR SHARES, EACH SUBSCRIBER IS DEEMED TO HAVE CONSENTED TO SUCH RELEASE OF CONFIDENTIAL INFORMATION PURSUANT TO SECTION 3(1)(B) (OR ANY AMENDMENT OF THAT PROVISION) OF THE CONFIDENTIAL INFORMATION DISCLOSURE ACT, 2016 OF THE CAYMAN ISLANDS.

RISKS

INVESTMENT IN THE FUND CARRIES SUBSTANTIAL RISK. THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENT OBJECTIVE WILL BE ACHIEVED AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME. THE VALUE OF THE SHARES MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE AMOUNT INVESTED. AN INVESTMENT IN THE FUND IS ONLY SUITABLE FOR SOPHISTICATED INVESTORS WHO ARE ABLE TO BEAR THE LOSS OF A SUBSTANTIAL PORTION OR EVEN ALL OF THEIR INVESTMENT IN THE FUND. AN INVESTMENT IN THE FUND IS NOT INTENDED TO BE A COMPLETE INVESTMENT PROGRAMME FOR ANY INVESTOR.

POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE RISK FACTORS SET OUT IN THE SECTION HEADED "CERTAIN RISK FACTORS" WHEN CONSIDERING WHETHER AN INVESTMENT IN THE FUND IS SUITABLE FOR THEM IN LIGHT OF THEIR CIRCUMSTANCES AND FINANCIAL RESOURCES. INVESTORS ARE ADVISED TO SEEK INDEPENDENT PROFESSIONAL ADVICE ON THE IMPLICATIONS OF INVESTING IN THE FUND.

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SUMMARY OF THE TERMS

The information set out below should be read in conjunction with the full text of this Memorandum and is qualified in its entirety by the remainder of this Memorandum and the relevant documents available for inspection referred to towards the end of this Memorandum. (SEE "THE SHARES AND THE ARTICLES OF ASSOCIATION")

The Fund

UBS (CAY) China A Opportunity (the "Fund") is an exempted company incorporated with limited liability under the provisions of the Companies Act (as amended) of the Cayman Islands on January 31, 2007. The Fund is registered as a mutual fund under the Act (defined below).

The Fund may accept subscriptions from UBS AG and its affiliates, other collective investment vehicles promoted by UBS AG and its affiliates and from other investors as approved by the Directors in their absolute discretion.

Investment Objectives

The investment objective of the Fund is to achieve high capital gains and a reasonable return, while giving due consideration to capital security and to the liquidity of assets.

The actively managed Fund, directly or indirectly, will invest at least 70% of its total net assets in equities and other equity interests (such as cooperative society shares and participation shares (participatory instruments and rights), participation certificates and warrants) of companies which are domiciled in or are chiefly active in the PRC.

No assurance can be given that the Fund will achieve its investment objective.

The Directors may elect that the Fund implements its strategy directly, indirectly through another fund managed by an affiliate of UBS AG (the "Underlying Fund"), the investment objective of which is substantially similar to the Fund's investment objective, or a combination of both. Investors may request the Administrator to provide: (i) further information as to the Fund's investment strategy at any time; and (ii) copies of any information memoranda issued by the Underlying Fund.

Any reference in this Memorandum, to the investments of the Fund shall include any direct investments made by the Fund or indirect investments made on behalf of the Fund, unless the context otherwise requires.

Portfolio Management

The Fund has appointed UBS Asset Management (Hong Kong) Ltd., a member of the UBS group (in such capacity, the "Investment Manager") to serve as the Investment Manager to the Fund pursuant to an investment management agreement made between the Fund and the Investment Manager. The Investment Manager may, in its sole

discretion, delegate its mandate, fully or partially, to any entity within the UBS group, as it deems appropriate.

Administration

Northern Trust Global Services PLC has been appointed as administrator to the Fund (in such capacity the “Administrator”) and is responsible for the administrative functions of the Fund pursuant to the terms of administration agreement between the Fund and the Administrator (an “Administration Agreement”).

Custodian

UBS Europe SE, Luxembourg Branch has been appointed as custodian to the Fund (in such capacities the “Custodian”) and holds in safekeeping all of the liquid assets and securities making up the Fund’s assets. The Custodian performs all customary banking duties relating to the Fund’s accounts and securities as well as all routine administrative work that is related to the Fund’s assets pursuant to the terms of a custodian agreement between the Fund and the Custodian (a “Custodian Agreement”).

Fiscal Year; Auditors

The fiscal year of the Fund ends on January 31 each year.

The Fund’s auditors are PricewaterhouseCoopers. The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

Board of Directors

The Fund’s board of Directors is comprised of three members, which anticipate meeting on a regular and ongoing basis, as required, to review the performance of the Fund. The Fund’s current Directors are Suet Ting Wong (Sherry), Richard Ruffer and Christine Fletcher.

Eligible Investors

Shares may be purchased only by Eligible Investors who are financially sophisticated private or institutional investors who are aware of the potential risks of such an investment. Subscriptions are not accepted from “Restricted Persons” (see “DEFINITIONS”).

Minimum Initial Subscription

The Minimum Initial Subscription is US\$100,000 for A Class Shares, US\$5,000,000 for B Class Shares, US\$10,000,000 for I-A1 Class Shares, US\$5,000,000 for K Class Shares and US\$100,000 for Class Q Shares. The Directors may, at their discretion, waive the Minimum Initial Subscription amount, provided that at no time will the Fund accept subscriptions for less than US\$100,000 or such other amount as specified under Cayman Islands law from time to time. The Fund reserves the right to reject subscriptions, in whole or in part, in its absolute discretion.

Minimum subsequent subscriptions in respect of Class K-1 Shares

A Shareholder holding Class K-1 Shares with a Net Asset Value less than US\$5,000,000 calculated as at the close of business on the Business Day immediately preceding the relevant Dealing Day who wishes to increase their holding in Class K-1 Shares on a Dealing Day must make a minimum subsequent subscription for Class K-1 Shares on that

Dealing Day of such amount as is necessary to ensure that the Net Asset Value of such Shareholder's Class K-1 Shares immediately following the subsequent subscription is at least US\$5,000,000.

A Shareholder holding Class K-1 Shares with a Net Asset Value equal to or exceeding US\$5,000,000 calculated as at the close of business on the Business Day immediately preceding the relevant Dealing Day is not subject to any minimum subsequent subscription requirements in respect of that Dealing Day.

Offering of, and Subscription for, Shares

Investment in the Fund is made through the purchase of: (1) various classes of class "A" non-voting, redeemable shares of par value US\$0.001 each (with each such "A" class being issued on identical terms); (2) various classes of class "B" non-voting, redeemable shares of par value US\$0.001 each (with each such "B" class being issued on identical terms); (3) various classes of class "I-A1" non-voting, redeemable shares of par value US\$0.001 each (with each such "I-A1" class being issued on identical terms); (4) various classes of class "K" non-voting, redeemable shares of par value US\$0.001 each (with each such "K" class being issued on identical terms); or (5) various classes of class "Q" non-voting, redeemable shares of par value US\$0.001 each (with each such "Q" class being issued on identical terms, pursuant to this Memorandum. Apart from the Minimum Initial Subscription amounts described above, the minimum subsequent subscription in respect of the Class K-1 Shares (as detailed above), the Class A Management Fee, the I-A1 Class Management Fee, the Class K Management Fee and the Class Q Management Fee described below, the A Class Shares, B Class Shares, I-A1 Class Shares, K Class Shares and Q Class Shares are issued on identical terms. As at the date of the Memorandum, the Fund is offering the following classes of Shares for issue:

Class A Shares
Class A2 Shares
Class A3 Shares
Class A4 Shares
Class A5 Shares
Class A6 Shares
Class A7 Shares
Class A8 Shares
Class A9 Shares

Class B Shares
Class B2 Shares
Class B3 Shares
Class B4 Shares
Class B5 Shares
Class B6 Shares
Class B7 Shares

Class B8 Shares
Class B9 Shares

Class I-A1 Shares

Class K-1 Shares

Class Q Shares.

The Directors retain the discretion to issue new classes of "A" class Shares, "B" class Shares, "I-A1" class Shares, "K" class Shares and "Q" class Shares with identical terms within the respective classes, as the Directors deem necessary for the Fund to efficiently manage its distribution. The Directors may also determine in their sole discretion that the offering of any such "A" class Shares, "B" class Shares, "I-A1" class Shares, "K" class Shares or "Q" class Shares will only be open to certain persons, including sales agents, as they may deem necessary.

A Class Shares, B Class Shares, I-A1 Class Shares and K Class Shares are available to Eligible Investors, subject to the Directors absolute discretion to determine otherwise. Q Class Shares are only available to Q Class Eligible Investors, subject to the Directors absolute discretion to determine otherwise.

Reference to "Shares" throughout this Memorandum shall be construed as referring to A Class Shares, B Class Shares, I-A1 Class Shares, K Class Shares and Q Class Shares, unless the context otherwise requires.

The Shares were initially offered for subscription during the Initial Offering Period (see "DEFINITIONS") at the Initial Offering Price per Share (being US\$100.00), exclusive of any Sales Commissions (as defined below), or such other prices as the Directors, in their absolute discretion, shall determine. Shares may be offered in fractions.

Following the Closing Date, Shares are available for subscription on every Dealing Day (as defined below) at the Net Asset Value per Share (See "THE SHARES AND THE ARTICLES OF ASSOCIATION; Subscriptions").

To subscribe for Shares, each prospective investor must complete, execute and return the Subscription Agreement to the Administrator before 13.00hr (CET) on the relevant Dealing Day or such other time as may be determined by the Directors in their absolute discretion.

Investors must ensure that subscription monies are paid in cleared funds in full within three Business Days of the relevant Dealing Day.

The Directors have the right, in their sole discretion and at any time and from time to time, to issue new classes of shares in the capital of the Fund.

The Directors reserve the right to defer up to 100% of a subscription amount to the next available Dealing Day on which the Fund is able to invest such subscription amount, and the deferred subscription amount will be applied to subscribe for the relevant Class of Shares, at the applicable Subscription Price, on that Dealing Day.

Sales Commission

Sales commissions in favour of the relevant sales agent on the sale of Shares may be charged at a rate of up to 6.00% of the Subscription Price per Share.

Management Fees

The A Class Shares are subject to an annual fee (the “Class A Management Fee”) of 2.00% of the average monthly Net Asset Value (before any anti-dilution adjustment to the Net Asset Value per Share). The A Class Shares are not subject to any performance fees. The Class A Management Fee covers all of the operational fees of the Fund, including the fees of the Investment Manager, the Custodian, the Administrator and sales agents.

The B Class Shares are not subject to any annual or performance fees.

I-A1 Class Shares are subject to an annual fee of (the “Class I-A1 Management Fee”) 1.20% of the average monthly Net Asset Value (before any anti-dilution adjustment to the Net Asset Value per Share). The I-A1 Class Shares are not subject to any performance fees. The Class I-A1 Management Fee covers all of the operational fees of the Fund, including the fees of the Investment Manager, the Custodian, the Administrator and sales agents.

The K Class Shares are subject to an annual fee of (the “Class K Management Fee”) 1.50% of the average monthly Net Asset Value (before any anti-dilution adjustment to the Net Asset Value per Share). The K Class Shares are not subject to any performance fees. The Class K Management Fee covers all of the operational fees of the Fund, including the fees of the Investment Manager, the Custodian, the Administrator and sales agents.

The Q Class Shares are subject to an annual fee of (the “Class Q Management Fee”) 1.30% of the average monthly Net Asset Value (before any anti-dilution adjustment to the Net Asset Value per Share). The Q Class Shares are not subject to any performance fees. The Class Q Management Fee covers all of the operational fees of the Fund, including the fees of the Investment Manager, the Custodian, the Administrator and sales agents.

See “FEES AND EXPENSES” for further details.

Operating Costs and Expenses

Operating costs and expenses, such as regulatory and self-regulatory fees, ongoing auditing fees and directors’ fees, will be deducted from the Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Class Q Management Fee.

Costs arising from managing the Fund’s assets for the purchase and sale of the investments (normal broker’s commission, fees, duties) are generally offset directly against the initial cost or sales value of the investments concerned. Where such costs are significant enough to have

a 'dilution' effect on the Fund because of a net inflow or net outflow of investors on any one Dealing and/or Redemption Day the Directors may, in their absolute discretion, make an anti-dilution adjustment to the Net Asset Value per Share to mitigate the effect of such dilution on the existing Shareholders. For more information on this anti-dilution adjustment see "DETERMINATION OF NET ASSET VALUE".

The Fund also bears all taxes levied on the Fund's assets and income respectively. (See "FEES AND EXPENSES").

**Formation
Expenses**

All expenses incurred in connection with the formation of the Fund were paid out of the Class A Management Fee. All expenses incurred in connection with the formation of the K Class Shares and the Q Class Shares were paid out of the Class K Management Fee and the Class Q Management Fee, respectively. All expenses incurred in connection with the formation of the I-A1 Class Shares were paid out of the Class I-A1 Management Fee. (See "FEES AND EXPENSES").

**Risks and Potential Conflicts
of Interests**

The Fund's investments may be subject to substantial fluctuations. Factors that can trigger such fluctuations or can influence their scale include but are not limited to:

- changes affecting specific companies
- changes in interest rates
- changes in exchange rates
- changes in the prices of raw materials and energy resources
- changes affecting economic factors such as employment, public expenditure and indebtedness, inflation
- changes in the legal and regulatory situation; including, but not limited to, the legal and regulatory situation in the PRC
- changes in the confidence of investors in certain asset classes (e.g. equities), markets, countries, industries and sectors
- changes in securities lending rates
- conflicts of interest between the Fund, Investment Manager, Custodian, Directors, Administrator and/or other members of the UBS group or its affiliated companies.

By diversifying investments, the Investment Manager will endeavour to partially mitigate the negative impact of such risks on the value of the underlying assets held by Fund. (See "RISK FACTORS").

Redemptions

No Shares may be redeemed during such periods as the Directors may from time to time determine in their absolute discretion prior to such Shares being issued. (See the definition of "Lock Up Period" in "DEFINITIONS" below).

Following the expiry of any Lock Up Period, Shares may be redeemed on every Redemption Day (as defined below) . (See “THE SHARES AND THE ARTICLES OF ASSOCIATION; Redemptions”).

The redemption request must be received by the Administrator by 13.00hr (CET) on the relevant Redemption Day.

In addition, the Directors are empowered, in their sole and absolute discretion, to suspend the redemption of Shares for any reason or no reason.

Redemption Fee

A redemption fee of up to 2.00% of the Redemption Price per Share may be levied on any request for a redemption of Shares at any time, such fee to be payable to the relevant sales agent on the initial sale of such Shares.

Minimum Redemption

A partial redemption of a Shareholder’s holding of Shares is permitted. The Fund reserves the right to compel the redemption of all or part of the Shares of any investor for any reason or no reason. (See "THE SHARES AND THE ARTICLES OF ASSOCIATION; Redemptions").

Distributions

The Fund does not anticipate paying any dividends.

Tax Status

It is the responsibility of all persons interested in purchasing Shares to inform themselves as to any tax consequences from their investing in the Fund and the Fund's operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares.

Investors should therefore seek their own separate tax advice in relation to their holding of Shares and accordingly neither the Fund, the Investment Manager nor the Administrator accept any responsibility for the taxation consequences of any investment into the Fund by an investor. (See “TAXATION”)

Suitability

The Fund is regarded as being suitable as an investment for investors that have a long-term investment horizon and want to invest in a broadly diversified portfolio of equities, with a focus on the PRC

ALL POTENTIAL INVESTORS SHOULD CAREFULLY REVIEW THE INFORMATION PRESENTED IN THE "RISK FACTORS" SECTION SET OUT BELOW FOR A DESCRIPTION OF CERTAIN RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND (INCLUDING THE RISK OF A COMPLETE LOSS OF THEIR INVESTMENT).

DIRECTORY

The Fund	UBS (CAY) China A Opportunity <i>Registered Office:</i> c/o Intertrust Corporate Services (Cayman) Limited One Nexus Way Camana Bay Grand Cayman, KY1-9005 Cayman Islands
Financial Supervisory Authority of the Fund	Cayman Islands Monetary Authority SIX Cricket Square PO Box 10052 Grand Cayman KY1-1001 Cayman Islands Tel. (345) 949 7089
Directors	Suet Ting Wong (Sherry) Richard Ruffer Christine Fletcher
Investment Manager	UBS Asset Management (Hong Kong) Limited 45-52/F, Two International Finance Centre 8 Finance Street Central Hong Kong
Administrator	Northern Trust Global Services PLC 10 rue du Château d'Eau, L-3364 Leudelange, Grand-Duché de Luxembourg
Custodian	UBS Europe SE, Luxembourg Branch 33A avenue J.F. Kennedy L-1855 Luxembourg (B.P. 2, L-2010 Luxembourg)
Auditors	PricewaterhouseCoopers P.O. Box 258 Strathvale House 90 North Church Street Grand Cayman KY1-1104 Cayman Islands
Legal Advisers (as to Cayman Islands Law)	Ogier 11F, Central Tower 28 Queen's Road Central Central Hong Kong

DEFINITIONS

A Class Shares

All classes of class "A" non-voting, participating, redeemable shares of par value US\$0.001 each, which may be issued by the Fund from time to time and, as at the date of this Memorandum, refers to the following:

Class A Shares

Class A2 Shares

Class A3 Shares

Class A4 Shares

Class A5 Shares

Class A6 Shares

Class A7 Shares

Class A8 Shares

Class A9 Shares,

and any other new class of "A" class Shares with identical terms as may be issued by the Directors from time to time.

Act

The Mutual Funds Act (as amended) of the Cayman Islands.

Administrator

Northern Trust Global Services PLC.

Articles of Association

The Articles of Association of the Fund as may be amended from time to time.

Auditors

PricewaterhouseCoopers, Cayman Islands.

B Class Shares

All classes of class "B" non-voting, participating, redeemable shares of par value US\$0.001 each, which may be issued by the Fund from time to time and, as at the date of this Memorandum, refers to the following:

Class B Shares

Class B2 Shares

Class B3 Shares

Class B4 Shares

Class B5 Shares

Class B6 Shares

Class B7 Shares

Class B8 Shares

Class B9 Shares,

and any other new class of "B" class Shares with identical terms as may be issued by the Directors from time to time.

Business Day

Means the normal bank business days (i.e. each day on which banks are open during normal business hours) in Luxembourg, with the exception of December 24 and December 31 and of individual, non-statutory rest days as well as days on which: (a) exchanges in the main countries in which the Fund invests or in Hong Kong or in the PRC are closed; (b) 50% or more of the Fund's investments cannot be adequately valued; or (c) the Stock Connect Northbound Trading exchange in the PRC is closed

Class A Management Fee	As defined under "FEES AND EXPENSES; Application of Management Fees" below.
Class I-A1 Management Fee	As defined under "FEES AND EXPENSES; Application of Management Fees" below.
Class K Management Fee	As defined under "FEES AND EXPENSES; Application of Management Fees" below.
Class Q Management Fee	As defined under "FEES AND EXPENSES; Application of Management Fees" below.
Closing Date	Such date as the Directors in consultation with the Investment Manager may determine.
Custodian	UBS Europe SE, Luxembourg Branch.
Data Protection Legislation	Means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the EU General Data Protection Regulation (EU) 2016/679, European Commission decisions, binding EU and national guidance and all national implementing legislation and the Data Protection Act, 2017, of the Cayman Islands, as may be amended or restated from time to time.
Dealing Day	Means every Business Day.
Directors	The directors of the Fund from time to time.
Eligible Country List A	Means the list of eligible countries denoted as List A and disclosed on www.ubs.com/funds , as may be amended from time to time in the Fund's sole discretion.
Eligible Country List B	Means the list of eligible countries denoted as List B and disclosed on www.ubs.com/funds , as may be amended from time to time in the Fund's sole discretion.
Eligible Country List C	Means the list of eligible countries denoted as List C and disclosed on www.ubs.com/funds , as may be amended from time to time in the Fund's sole discretion.
Eligible Investor	Any person who is not a Restricted Person.
FATCA	Means one or more of the following, as the context requires: <ol style="list-style-type: none"> 1. sections 1471 to 1474 of the US Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, commonly referred to as the US Foreign Account Tax Compliance Act, the Common Reporting Standard ("CRS") issued by the Organisation for Economic Cooperation and Development (the "OECD"), or

	<p>similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes;</p> <p>2. any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and any of the US, the UK or any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations or guidance described in paragraph (1); and</p> <p>3. any legislation, regulations or guidance implemented in the Cayman Islands to give effect to the matters outlined in the preceding paragraphs.</p>
Fee Determination Date	15th calendar day of each month, or if such day is not a Business Day, then on the preceding Business Day or such other day or days as the Directors may determine from time to time.
Fund	UBS (CAY) China A Opportunity.
Financial Year	The period beginning on February 1 of each year and ending on January 31 of the following year.
GDPR	Means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which came into force on 25 May 2018.
I-A1 Class Shares	All classes of class "I-A1" non-voting, participating, redeemable shares of par value US\$0.001 each, which may be issued by the Fund from time to time and, as at the date of this Memorandum, refers to the following: Class I-A1 Shares and any other new class of "I-A1" class Shares with identical terms as may be issued by the Directors from time to time.
Initial Offering Period	The period commencing from the date (being a Business Day) on which the Fund may begin accepting applications for subscriptions in the Fund (or such other date as the Directors in consultation with the Investment Manager may determine), being the date of this Memorandum and ending on the Closing Date.
Initial Offering Price per Share	US\$100.00 per Share.
Investment Manager	UBS Asset Management (Hong Kong) Limited
K Class Shares	All classes of class "K" non-voting, participating, redeemable shares of par value US\$0.001 each, which may be issued by the Fund from time to time and, as at the date of this Memorandum, refers to the following: Class K-1 Shares and any other new class of "K" class Shares with identical terms as may be issued by the Directors from time to time.
Lock Up Period	Such periods as the Directors may from time to time determine in their

	absolute discretion prior to such Shares being issued.
Management Shares	The voting non-redeemable non-participating shares of US\$1.00 each in the capital of the Fund.
Memorandum	This Confidential Private Placement Memorandum in respect of this offering of Shares, as may be amended from time to time.
Memorandum and Articles of Association	The Memorandum of Association and the Articles of Association of the Fund.
Minimum Initial Subscription	The Minimum Initial Subscription amount from each investor for A Class Shares is US\$100,000, for B Class Shares is US\$5,000,000, for I-A1 Class Shares is US\$10,000,000, for K Class Shares is US\$5,000,000 and for Q Class Shares is US\$100,000. The Directors may, at their discretion, waive the Minimum Initial Subscription amount, provided that at no time will the Fund accept subscriptions for less than US\$100,000 or such other amount as specified under Cayman Islands law from time to time.
Monetary Authority	The Cayman Islands Monetary Authority.
Net Asset Value per Share	The Net Asset Value per Share calculated in accordance with this Memorandum and the Articles of Association of the Fund.
Net Asset Value of the Fund	The value of the gross assets of the Fund less its gross liabilities calculated in accordance with this Memorandum and the Articles of Association of the Fund.
PRC	The People's Republic of China.
Q Class Eligible Investors	means Eligible Investors who: (i) are investing on their own behalf, or (ii) who are not allowed to be paid distribution commissions according to regulatory requirements or (iii) who are permitted to invest into retrocession-free classes according to written agreements with their clients. If these conditions are no longer met all of the Shareholder's Q Class Shares (units) may be redeemed compulsorily (forced redemption) at the relevant Redemption Price per Share or may be converted into Shares (units) of another Class. The Fund and /or the Investment Manager are not liable for any taxes and duties levied as a result of such forced redemptions or conversions.
Q Class Shares	All classes of class "Q" non-voting, participating, redeemable shares of par value US\$0.001 each, which may be issued by the Fund from time to time and, as at the date of this Memorandum, refers to the following: Class Q Shares and any other new class of "Q" class Shares with identical terms as may be issued by the Directors from time to time.

QFI	A qualified foreign investor (including, if applicable, qualified foreign institutional investors and Renminbi qualified foreign institutional investors) approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time.
Redemption Day	Following the expiry of any Lock Up Period, every Dealing Day or such other day or days as the Directors may determine from time to time.
Redemption Price per Share	The Redemption Price per Share will be denominated in U.S. dollars. The Redemption Price per Share will be equal to the Net Asset Value per Share at the Valuation Point. The most recent Redemption Price Per Share is available from the Investment Manager and the Administrator on request.
RMB	The lawful currency of the People's Republic of China.
Restricted Person	Any person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no Shares are held by: (a) a U.S. Person from whom an investment would not qualify for an exemption under the U.S. Securities Act of 1933 or would require the Fund to register the Shares under the U.S. federal or state securities laws and causes the Fund to become subject to the United States Investment Company Act of 1940 or causes the Investment Manager to become subject to the United States Investment Advisers Act of 1940; (b) any person or persons in breach of the law or requirements of any country or governmental authority; or (c) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund incurring any liability to taxation or suffering any other pecuniary, fiscal or regulatory disadvantage which the Fund might not otherwise incur or suffer.
Shareholder	The person registered as the holder of a Share.
Shares	The A Class Shares, the B Class Shares, the I-A1 Class Shares, the K Class Shares and the Q Class Shares, unless the context otherwise requires.
Subscription Agreement	The Subscription Agreement in such form as the Administrator or Directors may determine and as may be obtained from the Administrator upon request.
Subscription Price per Share	US\$100.00 during the Initial Offering Period, and thereafter the Net Asset Value per Share at a Valuation Point. The most recent Subscription Price per Share is available from the Investment Manager and the Administrator on request.
United States	The United States of America.

U.S. Person	Any person resident for tax purposes in the United States.
U.S. dollars or US\$	The lawful currency of the United States.
Valuation Point	The close of business on each Dealing Day or (where relevant) each Redemption Day, the last Business Day of each calendar month, or such other time as the Directors from time to time may determine in their absolute discretion.

Expressions which are not defined in this Memorandum have the meanings ascribed to them in the Articles of Association, unless the context otherwise requires.

INVESTMENT OBJECTIVE, STRATEGY AND POLICY

The Fund

The Fund is an exempted company incorporated with limited liability under the provisions of the Companies Act (as amended) of the Cayman Islands on January 31, 2007. The Fund is registered as a mutual fund under section 4(3) of the Act.

Investment Objective

The investment objective of the Fund is to achieve high capital gains and a reasonable return, while giving due consideration to capital security and to the liquidity of assets.

No assurance can be given that the Fund will achieve its investment objective.

Investment Strategy

The Directors may elect that the Fund implements its strategy directly, indirectly through an Underlying Fund, the investment objective of which is substantially similar to the Fund's investment objective, or a combination of both. Investors may request the Administrator to provide: (i) further information as to the Fund's investment strategy at any time; and (ii) copies of any information memoranda issued by the Underlying Fund.

The actively managed Fund, directly or indirectly, will invest at least 70% of its total net assets in equities and other equity interests (such as cooperative society shares and participation shares (participatory instruments and rights), participation certificates and warrants) of companies which are domiciled in or are chiefly active in the PRC. The majority of the Fund's assets are invested directly or indirectly in Chinese A-shares ("A-Shares"). A-Shares are RMB-denominated shares of companies domiciled in the PRC; these A-Shares are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The Investment Manager has full discretion in selecting the equities from the investment universe and the investment strategy does not restrict the weightings of the equity investments in order to take advantage of specific investment opportunities. The Fund may use standardised and non-standardised (customised) derivative financial instruments for hedging purposes. It may conduct such transactions on a stock exchange or other regulated market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (OTC trading). The base currency of the Fund is U.S. dollars.

All or most of the investment in the PRC is intended to be made and held through (i) QFI investments registered with the QFI status of UBS Asset Management (Hong Kong) Limited and/or (ii) investments through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. On an ancillary basis the Fund may also hold convertible bonds to get exposure to the Chinese market traded on the China Interbank Bond Market ("CIBM").

QFI includes qualified foreign institutional investors and Renminbi qualified foreign institutional investors approved pursuant to the relevant PRC laws and regulations.

Investment universe restrictions apply to the Fund and are captured in the Sustainability Exclusion Policy. The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applicable to the

investment universe of the Fund. The Sustainability Exclusion Policy of the Investment Manager can be found here <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>.

Any reference in this Memorandum to the investments of the Fund shall include any direct investments made by the Fund or indirect investments made on behalf of the Fund, unless the context otherwise requires.

Borrowing and leverage

The Fund is authorised to borrow cash on a temporary basis under loans and other credit facilities up to a maximum of 10% of the latest available Net Asset Value of the Fund in order to pay expenses, to fund the redemption of Shares, to fund acquisitions of investments in advance of proceeds being received from a preceding sale of investments or for other liquidity purposes, as may be determined by the Investment Manager. The assets of the Fund may be charged or pledged as security for any such borrowings.

It is not currently intended that the Fund will be leveraged.

Securities lending and repurchase/reverse repurchase transactions

The Fund does not currently intend to engage in securities lending, repurchase or reverse repurchase transactions. Should the Investment Manager decide to enter into such arrangements in the future, this Memorandum will be amended to provide details of the arrangements.

Underwriting

The Fund does not currently intend to engage in underwriting transactions.

Risk management

The Investment Manager has adopted risk management procedures intended to identify, measure, manage and monitor risks in connection with the investment of the assets of the Fund, including market risk, liquidity risk, issuer and counterparty and credit risk and operational risk, taking into account the nature, scale and complexity of the business of the Investment Manager and the investment objective and strategy of the Fund. Other risks may arise from time to time. There is no guarantee that such risk management procedures will be effective to mitigate the effect of such risks on the Fund.

Liquidity risk management policy

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 the Fund's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of the Fund's assets may have a negative impact to the value of the Fund and to the Fund's ability to meet its investment objectives. Additionally, an inability to sell the Fund's assets may have negative implications for investors being able to redeem in a timely fashion, and also to Shareholder of the Fund.

A summary of the liquidity risk management policy of the Investment Manager is set out in the Appendix at the end of this Memorandum.

A detailed description of the risks connected with the Fund is given under "RISK FACTORS" below. The Fund is only suitable for investors who are willing to accept these risks.

INFORMATION ON THE DIRECTORS, THE INVESTMENT MANAGER, THE ADMINISTRATOR AND OTHER ADVISERS

The Directors

The Directors of the Fund have overall authority over, and responsibility for, the operations and management of the Fund respectively. The Fund has, however, delegated the management of the Fund and its investments to the Investment Manager, the administration of the Fund to the Administrator and the custody of the Fund's assets to the Custodian on the terms of the Investment Management Agreement, Administration Agreement and Custodian Agreement respectively.

The Fund's board of Directors is currently comprised of three members, which anticipate meeting on a regular and on-going basis, as required, to review the performance of the Fund. The current Directors of the Fund are Suet Ting Wong (Sherry), Richard Ruffer and Christine Fletcher.

Suet Ting Wong (Sherry) is an independent Director of the Fund based in Singapore. She was Head of Products, APAC at UBS Asset Management from 2015 to 2021, responsible for the design and management of UBS Asset Management's product suite, as well as executing product strategy in the APAC region. Her responsibilities also include providing product communication to all relevant functions and promoting regional connectivity on global and regional product initiatives.

Sherry expanded her role as the Head of Asset Management business for Singapore and South East Asia in 2018 and was a Board of Director of the Singapore Asset Management entity from 2018 to 2021. Prior to UBS, Sherry headed up regional product development and management teams in Legg Mason and Eastspring Investments in Singapore. Before that, she had regional product responsibilities at Fidelity and Jardine Fleming in Hong Kong. She has experience in the formation, structuring and the product life cycle of investment funds in international domiciles such as Cayman Islands, Ireland and Luxembourg, as well as various Asian jurisdictions including Australia, China, Hong Kong, Japan, Korea, Singapore and Taiwan.

Sherry obtained a Bachelor of Commerce Degree from the University of Western Australia in 1997. She is a CFA charter holder and received the Sustainable Finance certificate from the University of Cambridge in May 2021. Sherry is registered as a Director with the Cayman Islands Monetary Authority pursuant to the Directors Registration and Licensing Act (as amended from time to time).

Richard Ruffer is an independent Director of the Fund. Richard is a director at Ironstone Global Solutions, an Intertrust Group company. Based in New York City, Richard serves as an independent director on private equity funds, hedge funds and special purpose vehicles. Prior to joining Intertrust in 2008, Richard co-founded an opportunity fund focused on commercial real estate debt investments, both cash and synthetic, and asset-based lending. Until 2007, Richard was a Senior Managing Director at Bear, Stearns & Co. Inc. in New York City where he was Head of Commercial Mortgage Securitization and Co-Head of Commercial Real Estate CDO Banking. Richard also sat on the Bear Stearns commercial mortgage loan credit committee. After graduating from law school in 1990, Richard practiced as a tax attorney in New York City at Brown & Wood (which has since merged with Sidley Austin) and at Rogers & Wells (which has since merged with Clifford Chance), where he specialized in investment funds and structured finance. In 1994, he joined Moody's Investors Service as a Senior Analyst in their mortgage finance group.

Richard received a BA, magna cum laude, from Hamilton College, a JD, cum laude, from Cornell Law School and an LLM in Taxation from New York University School of Law. Richard is a retired member of

the New York and New Jersey Bars and is licensed as a director with the Monetary Authority pursuant to the Directors Registration and Licensing Act (as amended from time to time).

Christine Fletcher is an independent Director of the Fund. Christine is an independent director with the fiduciary team of Ironstone Global Solutions. Christine was previously an Associate at the international law firm Mourant Ozannes for almost 10 years and left their investment funds practice group to join Intertrust. At Mourant Ozannes Christine specialized in all areas of corporate/commercial work, with a particular emphasis on investment funds.

She has experience advising a broad range of clients in respect of the formation, restructuring, management and termination of Cayman investment funds. Prior to moving to the Cayman Islands Christine articulated in the Legal Affairs Department of Kraft Canada in Ontario, Canada, working in corporate law, marketing and advertising law and intellectual property law. Christine has also worked for Myers, Fletcher & Gordon, working in the corporate department and real estate department.

Christine obtained a Bachelor of Arts Degree with Honours from the University of the West Indies in 1994 and a Bachelor of Laws Degree with Honours from the University of Liverpool, England in 1998. She was admitted as an Attorney in New York in 1999 (currently non-practicing), as an Attorney in the Supreme Court of Jamaica in 2000 (currently non-practicing), as a Solicitor and Barrister-at-Law in Ontario, Canada 2005 (currently non-practicing) and as an Attorney in the Grand Court of the Cayman Islands in 2005 (currently non-practicing). Christine is an Accredited Director with the Chartered Governance Institute of Canada and is registered as a Director with the Cayman Islands Monetary Authority pursuant to the Directors Registration and Licensing Act (as amended from time to time).

For the purposes of this Memorandum, the address of the Directors is the registered office of the Fund, as set out in the Directory.

The Investment Manager

UBS Asset Management (Hong Kong) Limited acts as investment manager of the Fund pursuant to the terms of the Investment Management Agreement between the Fund and the Investment Manager (the "Investment Management Agreement").

The Investment Manager was incorporated with limited liability in Hong Kong on 9 April 1992. It is licensed by the Securities and Futures Commission of Hong Kong ("SFC") to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities with CE number AGP568. The Investment Manager's licence is subject to the conditions that the Investment Manager shall not hold client assets. The terms "hold" and "client assets" are as defined under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) ("SFO").

The directors of the Investment Manager are Adolfo Oliete Galiano, Mary Ann Yarisantos, Akiko Yagi (nee Ueno) and James Alexander Benady. The biographies of Adolfo, Mary Ann, Akiko and James are set out below.

Adolfo Oliete Galiano is the Head of Asia Pacific Investments for UBS Hedge Fund Solutions. He is primarily responsible for spearheading investment research in the region. He is a member of the UBS Asset Management APAC Committee and the Management Committee. Adolfo leads research on markets, hedge fund investment due diligence and co-investments in Asia. He has a senior management role in Asia and represents the region in portfolio management meetings.

Adolfo joined UBS Asset Management's A&Q investment team in London in 2012. Prior to joining UBS in 2012, he spent one year as a hedge fund consultant at Casteel Capital (2011-2012). Before that, Adolfo worked at Highbridge Capital Management in New York and London where he was a Senior Vice President (1997-2009). During his last six years at Highbridge, he traded European convertible bonds and helped manage the European convertible bond arbitrage portfolio.

Adolfo has over 22 years of investment industry experience and holds a BBA from the University of Massachusetts at Amherst in the United States.

Mary Ann Yarisantos is the Regional Head of Risk Control of UBS Asset Management, Asia Pacific, based in Hong Kong. In June 2018, she also became the Global Head of UBS Asset Management Counterparty Risk Control. Mary Ann is the primary point of contact and responsible for risk oversight for all Asia Pacific UBS Asset Management Risk Control activities. She is a member of the UBS Asset Management Global Risk Management Committee and the APAC Risk Executive Committee.

Prior to her current role, Mary Ann had a short stint as Head of Credit and Operational Risk, Hong Kong for the National Bank of Abu Dhabi with responsibility for the risk management of the entire credit portfolio and oversight of the operational risk of the Hong Kong Branch. Prior to that role, she was the Head of Credit Risk, North Asia for UBS Investment Bank based in Hong Kong and also held various credit risk roles that covered monitoring, approval and review of UBS Investment Bank's counterparties and borrowers in Emerging Markets Asia. Mary Ann was with UBS Investment Bank for about 15 years and was a member of the APAC Risk Management Committee. Prior to joining UBS Investment Bank, she also held positions in Credit Risk Management with Chase Manhattan NA, ING Bank and Mellon Bank, all based in Hong Kong.

Mary Ann graduated with a Bachelor of Science in Management Engineering from the Ateneo de Manila University in The Philippines.

Akiko Yagi (nee Ueno) is the Regional Head of Hedge Fund Specialists, APAC within UBS Asset Management's Hedge Fund Solutions Team. Akiko is primarily responsible for providing hedge fund product content and covering client portfolios in the region. Previously, she was responsible for manager research, with a focus on Japan and the Asia Pacific region as a Senior Investment Officer. Prior to joining UBS Hedge Fund Solutions in 2005, Akiko was a Senior Product Specialist with the predecessor business to A&Q where she was primarily responsible for business development and client servicing in Japan and Korea (2001-2005). Previously, Akiko spent over three years at Bear Stearns as an alternative asset management product specialist, where she was involved in marketing and structuring all hedge fund products in Japan (1998-2001). She began her career as a Certified Public Accountant for Deloitte & Touche Tohmatsu in San Francisco and Hong Kong (1995-1997). Akiko has over 25 years of investment industry experience and holds a Bachelor of Science (Hons) from the University of Toronto in Canada.

James Alexander Benady is the APAC Regional Operating Officer for UBS Asset Management. James has a solid background in compliance, operational risk control and investments business management in the financial industry spanning nearly 22 years. James has been with the Investment Manager since 2014, most recently as the APAC Investments Business Manager where he was instrumental in supporting the strategic growth agenda for the Investments area. Previously, he held roles in Business Risk and C&ORC. Prior to joining UBS, James spent 15 years working in operational and business risk roles for Morgan Stanley, ABN AMRO and BNP Paribas in London, New York and Abu Dhabi. James holds a BA (Hons) in Business Economics from the University of Exeter in the United Kingdom.

The Fund grants the Investment Manager a mandate to manage the assets of the Fund in accordance with the provisions and investment guidelines as provided for within the Investment Management Agreement. The Investment Manager is generally authorized by the Fund to take all necessary measures to ensure that the transactions related to the asset management mandate of the Fund are properly executed.

Within the context of the Investment Management Agreement, the Investment Manager shall assume no responsibility for ensuring the investment guidelines contained in the Investment Management Agreement are in line with the Fund's needs and risk capacity. The Fund alone shall be responsible for complying with those laws, ordinances and provisions which must be observed by the Fund.

The Investment Manager may, in its sole discretion, delegate its mandate, fully or partially, to any entity within the UBS group, as it deems appropriate. The Investment Manager's liability to the Fund shall not be affected by any such delegation.

The Investment Manager shall be liable for any damage they cause by violating the Investment Management Agreement intentionally or through gross negligence.

The Investment Management Agreement may be terminated by any party in writing at any time.

For the purposes of this Memorandum, the address of the directors of the Investment Manager is the address of the Investment Manager, as set out in the Directory.

The Administrator

Northern Trust Global Services PLC has been appointed as administrator of the Fund pursuant to the terms of an administration agreement between the Fund and the Administrator (the "Administration Agreement").¹

The Administrator is responsible for providing administrative services required in connection with the Fund's operations, including, maintaining administrative records of the Fund, preparing annual financial statements for the Fund, compiling and publishing the Net Asset Value of the Fund and the Net Asset Value per Share, providing registrar and transfer agent services in connection with the issue, transfer and redemption of Shares and collecting subscription payments and disbursing redemption payments.

The Administration Agreement may be terminated by the Fund on 90 days' prior written notice and otherwise in certain stated situations including the liquidation of the Administrator, redemption of all of the Shares or if the Administrator has shown malfeasance, gross negligence or wilful disregard of its obligations thereunder. The Administrator can terminate the Administration Agreement upon 90 days' prior written notice and in certain stated situations similar to those referred to above. The Administration Agreement also provides that the Administrator or its directors or its shareholders shall not be liable to the Fund for any losses, damages, expenses or claims occasioned by the Administrator in connection with the performance of its services other than as a result of its own malfeasance, gross negligence or wilful disregard of its obligations under the Administration Agreement.

¹ The Fund, the Fund's previous administrator, UBS Fund Services (Luxembourg) S.A. (the "Old Administrator") and the Administrator entered into a novation agreement effective 1 October 2017 whereby the parties agreed to novate the previous administration agreement between the Fund and the Old Administrator so that the services provided under that previous administration agreement will be provided by the Administrator effective 1 October 2017.

The Administrator shall not be responsible for determining that the Shares are marketed and sold in compliance with all applicable securities and other laws of any relevant jurisdiction.

The Custodian

UBS Europe SE, Luxembourg Branch has been appointed as custodian to the Fund pursuant to the terms of a custodian agreement between the Fund and the Custodian (the “Custodian Agreement”). The Custodian is a Luxembourg branch of UBS Europe SE, a European company (Societas Europaea, SE), with its registered office in Frankfurt am Main, Germany, entered in the Commercial Register of the District Court of Frankfurt am Main, Germany, under HRB 107046. The address of the Custodian is 33A, avenue J.F. Kennedy, L-1855 Luxembourg, and it is entered in the Commercial Register of the District Court of Frankfurt am Main, Germany, under B 209.123.

The Custodian will act as custodian of the Fund’s securities, cash and other authorised assets which will be held either directly by the Custodian or through its sub-custodians, nominees, agents or delegates. In this capacity, the Custodian shall, inter alia, receive subscription and redemption monies. The appointment of the Custodian may be terminated at any time by either the Custodian or the Fund giving to the other not less than 3 months’ notice in writing and in certain other circumstances described in the Custodian Agreement.

The Fund has agreed to indemnify and hold harmless the Custodian, in its capacity as Custodian and its officers, directors and employees from any and all costs, liabilities and expenses resulting directly or indirectly from the fact that these persons have acted for the Custodian in its capacity as Custodian of the Fund pursuant to the Custodian Agreement and in accordance with proper instructions where required, other than in respect of such costs, liabilities and expenses arising from gross negligence or wilful misconduct of the Custodian or of such agents or correspondents as may be appointed from time to time by the Custodian, for which the Custodian, in its capacity as the Custodian shall be responsible to the Fund to the extent as further defined in the Custodian Agreement.

The Auditors

PricewaterhouseCoopers, Cayman Islands have been appointed as the auditors for the Fund and provide annual audit services. PricewaterhouseCoopers conduct their audits in accordance with International Standards on Auditing.

FEES AND EXPENSES

A Class Shares

The holders of the A Class Shares will be charged an annual fee ("Class A Management Fee") of 2.00% p.a. of the average monthly Net Asset Value of the A Class Shares (before any anti-dilution adjustment to the Net Asset Value per Share), calculated and payable monthly in arrears within 30 calendar days of each Fee Determination Date.

B Class Shares

The holders of B Class Shares will not be charged any annual, performance, administration or custodian fees.

I-A1 Class Shares

The holders of the I-A1 Class Shares will be charged an annual fee ("Class I-A1 Management Fee") of 1.20% p.a. of the average monthly Net Asset Value of the I-A1 Class Shares (before any anti-dilution adjustment to the Net Asset Value per Share), calculated and payable monthly in arrears within 30 calendar days of each Fee Determination Date.

K Class Shares

The holders of the K Class Shares will be charged an annual fee ("Class K Management Fee") of 1.50% p.a. of the average monthly Net Asset Value of the K Class Shares (before any anti-dilution adjustment to the Net Asset Value per Share), calculated and payable monthly in arrears within 30 calendar days of each Fee Determination Date.

Q Class Shares

The holders of the Q Class Shares will be charged an annual fee ("Class Q Management Fee") of 1.30% p.a. of the average monthly Net Asset Value of the Q Class Shares (before any anti-dilution adjustment to the Net Asset Value per Share), calculated and payable monthly in arrears within 30 calendar days of each Fee Determination Date.

Application of Class A Management Fee, Class I-A1 Management Fee, Class K Management Fee and Class Q Management Fee

The Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Class Q Management Fee cover the fees of the Fund for the services of the Investment Manager, the Custodian, the Administrator and sales agents.

The Fund shall deduct from the Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Class Q Management Fee pro rata to the Net Asset Value of the A Class Shares, the I-A1 Class Shares, the K Class Shares and the Class Q Shares, respectively, all of the costs payable by the Fund, as the case may be, incurred in connection with the management, administration, portfolio management and safekeeping of the Fund's assets and any retrocession fees owed to one or more distributors, such as ongoing auditing fees, legal fees, directors' annual fees, Registrar fees and fees for maintaining the ownership of the Management Shares, which are held on trust by Intertrust Fund Services

(Cayman) Limited.

All costs and expenses associated with the launch of the Fund and ongoing maintenance of the Fund prior to the launch of the I-A1 Class Shares, K Class Shares and the Q Class Shares, including government incorporation charges and professional fees and expenses in connection with the launch of the Fund (including the preparation of previous private placement memoranda of the Fund) were deducted from the Class A Management Fee. All costs and expenses associated solely with the launch of the I-A1 Class Shares were deducted from the Class I-A1 Management Fee. All costs and expenses associated solely with the launch of the K Class Shares were deducted from the Class K Management Fee. All costs and expenses associated solely with the launch of the Q Class Shares were deducted from the Class Q Management Fee. The Investment Manager, the Administrator, the Custodian and sales agents are responsible for providing and paying for all office personnel, office space and office facilities required for the performance of their respective services to the Fund.

The Investment Manager may from time to time at its sole discretion and out of its own resources rebate to some or all of the holders of A Class Shares or their agents or to intermediaries, part or all of the Class A Management Fee. Any such rebates may be applied in paying up additional Shares to be issued to some or all of the holders of A Class Shares.

The Investment Manager may from time to time at its sole discretion and out of its own resources rebate to some or all of the holders of I-A1 Class Shares or their agents or to intermediaries, part or all of the Class I-A1 Management Fee. Any such rebates may be applied in paying up additional Shares to be issued to some or all of the holders of I-A1 Class Shares.

The Investment Manager may from time to time at its sole discretion and out of its own resources rebate to some or all of the holders of K Class Shares or their agents or to intermediaries, part or all of the Class K Management Fee. Any such rebates may be applied in paying up additional Shares to be issued to some or all of the holders of K Class Shares.

The Investment Manager may from time to time at its sole discretion and out of its own resources rebate to some or all of the holders of Q Class Shares or their agents or to intermediaries, part or all of the Class Q Management Fee. Any such rebates may be applied in paying up additional Shares to be issued to some or all of the holders of Q Class Shares.

In addition to the Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Q Class Management Fee, the Fund bears all incidental costs arising from managing the Fund's assets for the purchase and sale of the investments (normal broker's commission, fees, duties etc) (subject to any anti-dilution adjustment to the Net Asset Value per Share as detailed below under the heading "DETERMINATION OF NET ASSET VALUE"). Such costs are offset directly against the initial cost or sales value of the investments concerned.

The Fund also bears all taxes levied on the Fund's assets and income.

Fees of other service providers

Administration fees

The Administrator will receive administration fees for providing administration services to the Fund. Such fees will be calculated by reference to the Net Asset Value as at each Valuation Day and will be charged at reasonable rates as agreed between the Fund and the Administrator from time to time.

Custodian's fees

The Custodian will receive custodian fees for acting as the Fund's custodian. Such fees will be calculated by reference to the Net Asset Value as at each Valuation Day and will be charged at reasonable rates as agreed between the Fund and the Custodian from time to time.

Auditor's fee

The Fund will pay the Auditor a customary fee charged at rate(s) to be agreed between the Fund and the Auditor from time to time and reflective of services rendered.

Legal service providers fees

Legal counsel to the Fund have received fees calculated on a combination of fixed fee and time spent basis in connection with the formation and launch of the Fund and in connection with ongoing legal and regulatory advice and may continue to receive fees on such basis in connection with ongoing legal and regulatory advice.

The fees charged by the Administrator, the Custodian, the Auditor and legal service providers to the Fund will be deducted from the Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Class Q Management Fee.

Director fees

The remuneration of the Directors is determined by a resolution of the Directors. Currently Mr. Ruffer and Ms. Fletcher are entitled to receive a fee of USD10,000 per annum per director and Ms. Wong is currently entitled to receive a fee of USD10,000 per annum.

The fees charged by any Director for the provision of services to the Fund will be deducted from the Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Class Q Management Fee.

Legal counsel to the Fund receive fees calculated on a combination of fixed fee and time spent basis in connection with ongoing legal and regulatory advice provided to the Fund.

DETERMINATION OF NET ASSET VALUE

The Fund will adopt the below provisions set out in this section headed "DETERMINATION OF NET ASSET VALUE" as its Net Asset Value calculation policy (the "NAV Policy"). The NAV Policy has been developed to ensure that the calculation of the Fund's Net Asset Value is fair, complete, neutral and free from material error and is verifiable.

The Administrator, as a duly authorised agent of the Fund, shall determine the Net Asset Value per Share as at the Valuation Point in accordance with this Memorandum and the Articles of Association. The Net Asset Value per Share shall be calculated by dividing the gross assets of the Fund less the gross liabilities, by the number of Shares, adjusted to the nearest three decimal places at the reasonable discretion of the Administrator.

The value of the assets of the Fund shall be determined as set out below.

- (a) The value of the investments of the Fund shall be calculated with care and in good faith by the Administrator on the basis of the probable realisation value for the assets of the Fund as at the Valuation Point.
- (b) Investments in other funds are valued at their net asset value, as reported by such funds. Where definitive values are not available at the relevant time, estimated values of the Fund's investments in such funds may be used in calculating the Net Asset Value of the Fund. No adjustment shall be made to such values, notwithstanding any subsequent adjustment to the estimated valuation provided in respect of the relevant fund. The Administrator generally relies on such information in reporting portfolio valuations, although the Investment Manager reserves the right to make adjustments to such valuations if in the reasonable judgment of the Investment Manager (on behalf of the Fund), at its discretion, the reported price for an investment does not accurately reflect the value of such investment. All values assigned by the Administrator shall be final and conclusive as to all Shareholders.
- (c) Any investments of the Fund that are listed on a securities exchange will be valued at their last sales price or "exchange close" at the Valuation Point on the primary exchange or market on which such securities are traded, or evaluation price from vendors.
- (d) In the event that any of the investments of the Fund, other than other collective investment schemes, as at the Valuation Point are not listed or traded on any stock exchange or regulated market, such securities shall be valued at their probable realisation value as at the Valuation Point, as determined by the Administrator with care and in good faith. Such probable realisation value will be determined:
 - (i) by using the original purchase price plus any accrued profit on the investments;
 - (ii) where the Administrator believes the investment has suffered a diminution in value, by using the original purchase price which shall be discounted to reflect such a diminution.

Alternatively, the Administrator may use such probable realisation value estimated with care and in good faith as may be recommended by a competent professional appointed by the Administrator or the Investment Manager. Due to the nature of such unquoted investments and the difficulty in obtaining a valuation from other sources, such competent professional may be the Investment

Manager or may be affiliated to the Investment Manager.

- (e) Cash and other liquid assets will be valued at their face value.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above, or if such valuation is not representative of the fair market value, the Administrator is entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific investment. Without limiting the foregoing, certain of the Fund's assets and liabilities may not have readily observable market prices and the valuation of such assets may rely on quoted prices in inactive markets or models that have observable inputs. Certain other categories of assets (principally level 3 assets) may lack any readily available market information and, accordingly, the valuation of such assets may rely substantially on models and significant unobservable inputs including assumptions from market participants or the Administrator, as applicable, may seek approval of prices from the Directors. As such assets are not actively traded, their value can only be estimated using a combination of complex market prices, mathematical models and subjective assumptions. When applying any pricing models, the Administrator shall take into account all information which is reasonably available at the Valuation Point that would be considered by a market participant but need not undertake exhaustive efforts to obtain that information.

Prospective investors should be aware that situations involving uncertainties as to the valuation of positions could have an adverse effect on the net assets of the Fund if the Administrator's judgments regarding appropriate valuations should prove incorrect. In the absence of bad faith or manifest error, the Administrator's net asset value determinations are conclusive and binding on all holders of Shares. In addition, the Administrator shall not incur any individual liability or responsibility for any determination made or other action (including, for the avoidance of doubt, relying, without enquiry, on valuations supplied by administrators of non-listed collective investments schemes or other third parties) in the absence of manifest error or bad faith.

The Administrator (and the Investment Manager to the extent it is involved in the calculation of the Net Asset Value and Net Asset Value per Share) will apply all methodologies associated with the calculation of Net Asset Value on a consistent basis. The involvement of the Investment Manager in valuing hard to value assets and in connection with management exceptions is an integral part of the Fund's established NAV Policy. This is because there are certain circumstances in which the Investment Manager is party to information regarding the Fund's assets which is not generally available or because there is no publicly available information upon which the Administrator, as applicable, may rely in calculating the net asset value of a certain asset. This is particularly the case with respect to level 3 assets in respect of which subjective assumptions may be key to mark to model valuation. Consistent methodologies are applied in respect of unobservable inputs and sensitivity analysis wherever applicable.

The assets of the Fund shall be deemed to include:

- (a) all securities owned or contracted to be acquired and all unrealised gains (or losses) on such Securities;
- (b) all cash on hand, on loan or on deposit including accrued interest thereon;
- (c) all bills and demand notes and amounts receivable (including proceeds of securities sold but not delivered);

- (d) all interest accrued on any interest-bearing securities owned by the Fund, except to the extent that the same is included or reflected in the principal amount of such securities; and
- (e) all other assets of every kind and nature, including, without limitation, prepaid expenses.

There will be deducted from the total value of the assets of the Fund all accrued debts and liabilities, including: (a) management and other fees and disbursements of the Investment Manager but not yet paid; (b) investments contracted to be sold; (c) the gross acquisition consideration of investments or other property contracted to be purchased; (d) reserves authorised or approved by the Administrator and Custodian for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis); (e) the aggregate amount of all borrowings, commitment fees and other charges arising in connection therewith (accrued where appropriate on a day-to-day basis); and (f) other liabilities of the Fund of whatsoever nature (which shall, where appropriate, be deemed to accrue from day-to-day) including outstanding payments on any Shares previously redeemed and, as from the record date in respect thereof, any distributions declared and not paid (contingent liabilities (if any) being valued in such manner as the Administrator may determine from time to time or in any particular case).

Notwithstanding the above, the Administrator retains absolute discretion to make, from time to time, any appropriate adjustments as in its opinion are required to safeguard the interests of the holders of the Shares.

The calculation of the Net Asset Value per Share as of the last business day of each calendar month is primarily for the purpose of communicating the same to the Shareholders of the Fund for the calculation of the management fees of the Fund, as referred to under the "Fees and Expenses" section of this Memorandum, though such calculation may also be used for other purposes at the discretion of the Directors, as may be determined by any one Director as he/she deems fit.

However, the Net Asset Value per Share may also be calculated on days on which no Shares are issued or redeemed in accordance with this Memorandum. Such Net Asset Value per Share may be published but may only be used for performance calculations and statistics or fee calculations, but in no case as a basis for subscription and redemption orders.

Accounting principles adopted in the calculation of the Net Asset Value

Luxembourg GAAP is notable for the many options they afford, especially in terms of asset recognition. For instance, financial assets may be recognised at either 1) acquisition or production cost, 2) fair value, 3) the lower of cost or market value, depending on financial statement line items. Since the Law of 30 July 2013 was passed, profits arising from revaluation of assets recognised at fair value may not be distributed as dividends. The Law also defines the accounting framework applicable under Luxembourg GAAP, especially the principles relevant to the preparation of financial statements, especially the prudence principle under which unrealised gains are not recognised except where fair value is applicable

Publication of Net Asset Value

The most recent Net Asset Value per Share of the Fund will be available from the Investment Manager and the Administrator on request. The Net Asset Value per Share of the relevant Fund will generally be available for reporting to investors following completion of the calculation of Net Asset Value of that Fund.

Review of NAV Policy

The Directors have ultimate responsibility for oversight of the entire valuation process, and approve and the Directors and the Investment Manager review at least annually the NAV Policy and any models adopted in respect of the pricing of the Fund's assets.

Anti-dilution adjustments to the Net Asset Value per Share

The actual costs of purchasing or selling assets and investments for the Fund may deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of the Fund and are known as “dilution”. To mitigate the effects of dilution, the Directors may, at their discretion, make a anti-dilution adjustment to the Net Asset Value per Share.

Shares will in principle be issued and redeemed on the basis of a single price, i.e., the Net Asset Value per Share. However – to mitigate the effect of dilution – the Net Asset Value per Share will be adjusted on any Valuation Point in the manner set out below depending on whether or not the Fund is in a net subscription position or in a net redemption position at such Valuation Point. Where there is no dealing in the Fund or in a class of the Fund at any Valuation Point, the applicable price will be the unadjusted Net Asset Value per Share. The Directors retain the discretion in relation to the circumstances under which to make such a anti-dilution adjustment and intend to utilise a partial swing pricing mechanism. As a general rule, the requirement to make an anti-dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the Fund. An anti-dilution adjustment may be made if the existing Shareholders (in the case of subscriptions) or the remaining Shareholders (in the case of redemptions) might otherwise be adversely affected, as determined by the Directors in their absolute discretion. In particular, the anti-dilution adjustment may be made where, for example, but without limitation:

- (a) the Fund is in continual decline (i.e. is experiencing a net outflow of redemptions resulting in a continuous net redemption position)
- (b) the Fund is experiencing large levels of net subscriptions relevant to its size, resulting in a significant net subscription position;
- (c) the Fund is otherwise experiencing a net subscription position or a net redemption position at any Valuation Point; or
- (d) in any other case where the interests of the existing Shareholder or the remaining Shareholders, as applicable, is require the imposition of an anti-dilution adjustment, as determined by the Directors in their absolute discretion.

The anti-dilution adjustment will involve adding to, when the Fund is in a net subscription position, and deducting from, when the Fund is in a net redemption position, the Net Asset Value per Share such figure as the Directors consider, in their absolute discretion, represents an appropriate figure to meet duties and charges and spreads, but subject to a maximum of 2% of the then applicable Net Asset Value per Share. In particular, when the anti-dilution adjustment is applied, the Net Asset Value per Share will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Fund and (iii) the estimated bid/offer spread of the assets in which the Fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net subscription positions than for net redemption positions.

The Net Asset Value per Share of each class in the Fund will be calculated separately but any anti-dilution adjustment will be applied to the Net Asset Value per Share of each class in an identical manner. The anti-dilution adjustment will be applied on the capital activity at the level of the Fund and will not address the specific circumstances of each individual investor transaction.

For the avoidance of doubt, the Class A Management Fee, the I-A1 Class Management Fee, the Class K Management Fee and the Class Q Management Fee will be calculated based on the Net Asset Value of the relevant class, prior to any anti-dilution adjustment being made to the Net Asset Value per Share.

The latest Subscription Price per Share and Redemption Price per Share (each after adjustment to the Net Asset Value per Share in accordance with the above, if applicable) are available on request from the Administrator.

SOFT COMMISSION

The Investment Manager may receive goods or services from a broker or a dealer in consideration of directing transaction business on behalf of the Fund to such broker or dealer provided that (i) the goods or services are of demonstrable benefit to the Fund, and (ii) the transaction execution is consistent with best execution and is not in excess of customary full service brokerage rates.

Services may take the form of benefits including (i) research, (ii) special execution capabilities, (iii) clearance and settlement, (iv) net price, (v) on-line pricing, (vi) block trading and positioning capabilities, (vii) willingness to execute difficult transactions in the future, (viii) on-line access to data regarding clients' accounts, (ix) performance measurement and market information data, (x) advice, (xi) technical data, (xii) efficiency of execution and error resolution, (xiii) quotation services, (xiv) the availability of stocks to borrow, (xv) custody, (xvi) record keeping, and (xvii) payment of certain expenses, such as newswire and data processing charges, quotation services, and periodical subscription fees.

The goods and services which the Investment Manager is permitted to receive may not include (i) travel, (ii) accommodation, (iii) entertainment, (iv) general administrative goods and services, (v) general office equipment or premises, (vi) membership fees, (vii) employee salaries, (viii) direct money payments or (ix) any other goods and services as may be prescribed from time to time in any code or guideline issued by the SFC.

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

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

The relationships with brokerage firms that provide "soft" dollar services to the Investment Manager may influence the Investment Manager's judgement in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute brokerage transactions. The brokerage commissions that the Investment Manager pays to those firms, however, do not differ materially from and are not in excess of customary full brokerage commissions that it pays to other firms for comparable services.

THE SHARES AND THE ARTICLES OF ASSOCIATION

The rights and obligations of the holders of Shares are governed by the Memorandum and Articles of Association of the Fund. Prospective investors should examine those documents carefully and consult with their own legal counsel concerning their rights and obligations before subscribing for Shares. Copies of the Memorandum and Articles of Association of the Fund may be inspected and obtained free of charge during normal business hours on any week day (Saturdays and public holidays excepted) in Hong Kong at the office of the Investment Manager. The following statements and other statements in this Memorandum concerning the Memorandum and Articles of Association and related matters are only a summary, do not purport to be complete, and in no way modify or amend the Memorandum and Articles of Association.

The Fund's Share Capital

The Fund's authorized share capital is US\$10,000 divided into:

- (a) 9,900,000 Shares being non-voting participating redeemable shares of US\$0.001 par value each. Shares are redeemable at the option of the Shareholder (subject to the Lock Up Period, if any) in accordance with the terms set out in the Memorandum and the Articles of Association of the Fund and are subject to compulsory redemption in certain circumstances. Although not anticipated to be paid, dividends may, in the absolute discretion of the Directors, be paid to the Shareholders out of the profits available for distribution. Shares may be designated as different classes of shares of the Fund. In a liquidation, after the payment of the capital paid up on the Management Shares, the assets available for distribution are to be distributed to the holders of the Shares *pari passu* with such distribution being made in proportion to the Net Asset Value per Share immediately following the date of liquidation; and
- (b) 100 Management Shares being voting non-redeemable non-participating shares of US\$1.00 each, all of which have been issued and are held by Intertrust Fund Services (Cayman) Limited. On a show of hands, holders of Management Shares present shall have one vote. On a poll, Management Shares carry one vote per Management Share held. Management Shares do not carry any right to dividends. In a liquidation the Management Shares rank only for a return of the nominal amount paid up on those shares before any payment of the assets available for distribution to the Shareholders and holders of any other shares ranking *pari passu* with the Shares in a liquidation.

Subject to the terms of the Articles of Association, authorised but unissued shares may be redesignated and/or issued at the discretion of the Directors and there are no pre-emption rights with respect to the issue of additional Shares or any other class of share of the Fund. The Directors may also authorise the division of Shares into any number of classes and the different classes shall be established and designated (or redesignated as the case may be) and any variations in the relative rights, restrictions, preferences, privileges and payment obligations as between the different classes shall be fixed and determined by the Directors.

The Fund may by ordinary resolution of the voting shareholders increase its authorised share capital and by special resolution of the voting shareholders reduce its authorised share capital.

Eligible Investors

Shares may be purchased only by investors who are financially sophisticated or institutional investors aware of the risks associated with the trading activities to be undertaken by the Fund, do not require immediate

liquidity from their investments and are aware that there can be no assurance that the Fund or the Shares will be profitable or that the Fund will be able to meet its investment objective.

A Class Shares, B Class Shares, I-A1 Class Shares and K Class Shares are available to Eligible Investors, subject to the Directors absolute discretion to determine otherwise. Q Class Shares are only available to Q Class Eligible Investors, subject to the Directors absolute discretion to determine otherwise.

Other than set out above, investors who are Restricted Persons and who may not invest in Shares, and subject to the Fund's absolute discretion to reject or accept any subscription, there are no other restrictions on who may purchase Shares.

Subscriptions

Investment in the Fund is made through the purchase of: (1) various classes of class "A" non-voting, redeemable shares of par value US\$0.001 each (with each such "A" class being issued on identical terms); (2) various classes of class "B" non-voting, redeemable shares of par value US\$0.001 each (with each such "B" class being issued on identical terms); (3) various classes of class "I-A1" non-voting, redeemable shares of par value US\$0.001 each (with each such "I-A1" class being issued on identical terms), (4) various classes of class "K" non-voting, redeemable shares of par value US\$0.001 each (with each such "K" class being issued on identical terms); (5) various classes of class "Q" non-voting, redeemable shares of par value US\$0.001 each (with each such "Q" class being issued on identical terms), pursuant to this Memorandum. With the exception of: (i) the Class A Management Fee, the Class I-A1 Management Fee, the Class K Management Fee and the Q Class Management Fee structure referred to above (see "FEES AND EXPENSES", the Minimum Initial Subscription amounts (referred to below) and the minimum subsequent subscription in respect of Class K-1 Shares, A Class Shares, B Class Shares, I-A1 Class Shares, K Class Shares and Q Class Shares are issued on identical terms. Reference to "Shares" throughout this Memorandum shall be construed as referring collectively to A Class Shares, B Class Shares, I-A1 Class Shares, K Class Shares and Q Class Shares.

The Shares are initially offered for subscription during the Initial Offering Period at US\$100.00, exclusive of any Sales Commissions, or such other prices as the Directors, in their absolute discretion, shall determine.

Following the Closing Date, Shares are available for subscription on every Dealing Day at the Net Asset Value per Share. The Directors may determine in their sole discretion that the offering of any Shares will only be open to certain persons, including sales agents, as they may deem necessary.

Sales Commissions in favour of the relevant sales agent on the sale of Shares may be charged at a rate of up to 6.00% of the Subscription Price per Share.

The Minimum Initial Subscription from each investor in A Class Shares is US\$100,000, the Minimum Initial Subscription from each investor in B Class Shares is US\$5,000,000, the Minimum Initial Subscription from each investor in I-A1 Class Shares is US\$10,000,000, the Minimum Initial Subscription from each investor in K Class Shares is US\$5,000,000 and the Minimum Initial Subscription from each investor in Q Class Shares is US\$100,000. The Directors may, at their discretion, waive the Minimum Initial Subscription amount, provided that at no time will the Fund accept subscriptions for less than US\$100,000 or such other amount as specified under Cayman Islands law from time to time. Subscriptions will only be accepted in U.S. dollars. The acceptance of subscriptions as of each Dealing Day is subject to confirmation of the prior receipt of cleared funds before the time set out below to the Fund's subscription account. Details of the account are set out in the Subscription Agreement. Shares may be offered in

fractions.

A Shareholder holding Class K-1 Shares with a Net Asset Value less than US\$5,000,000 calculated as at the close of business on the Business Day immediately preceding the relevant Dealing Day who wishes to increase their holding in Class K-1 Shares on a Dealing Day must make a minimum subsequent subscription for Class K-1 Shares on that Dealing Day of such amount as is necessary to ensure that the Net Asset Value of such Shareholder's Class K-1 Shares immediately following the subsequent subscription is at least US\$5,000,000.

A Shareholder holding Class K-1 Shares with a Net Asset Value equal to or exceeding US\$5,000,000 calculated as at the close of business on the Business Day immediately preceding the relevant Dealing Day is not subject to any minimum subsequent subscription requirements in respect of that Dealing Day.

The Fund reserves the right to reject or accept subscriptions and transfers in its absolute discretion and without assigning any reason therefore. In addition, due to the nature of the Fund's investment activities, limits may be placed on the Fund with respect to its ability to acquire securities subsequent to a Dealing Day. As a result of this, the Directors reserve the right to defer up to 100% of a subscription amount to the next available Dealing Day on which the Fund is able to invest such subscription amount, and a party whose subscription amount has been so deferred will be deemed to have submitted a subscription application to have the remaining balance of its subscription amount, as specified in the original Subscription Agreement, applied to subscribe for the relevant Class of Shares, at the applicable Subscription Price, on that next available Dealing Day.

Subscription applications which have been deferred to a subsequent Dealing Day shall always be subject to the aforementioned discretion of the Directors to further defer each such application, save that priority shall be given to the first in time of the subscription applications received.

The Directors will impose such a deferral if they believe that this is in the best commercial interests of the Fund and results in equitable treatment to all Shareholders by not diluting the capital of the Fund with amounts that are not invested according to the investment objectives of the Fund. In the event that the Directors do impose a deferral, as noted below, the Subscription Agreement is irrevocable.

To subscribe for Shares, each prospective investor will be required to complete, execute and return a Subscription Agreement. The completed Subscription Agreement should be sent to the Administrator at the address shown on the Subscription Agreement no later than 13.00hr (CET) on relevant Dealing Day, or such other time as may be determined by the Directors in their absolute discretion.

The subscription amount must be paid by prospective investors in cleared funds in full within three Business Days of the relevant Dealing Day. Failure to submit payment on time may result in the order being cancelled. In such event, the individual investor may be held liable for any loss to the Fund.

Subscription Agreements will (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant.

Contract notes will be sent to applicants on approval of their application as soon as practicable after the relevant Dealing Day.

Shares will be issued in registered form meaning that a Shareholder's entitlement will be evidenced by an entry in the register of members of the Fund and not by a certificate. No certificates will be issued unless

the Directors determine otherwise.

Redemptions

No redemptions of Shares will be allowed during the Lock Up Period, if any.

Following the expiry of the Lock Up Period, and except as noted under "Deferral of Redemptions" and "Suspension of Redemptions" below, a Shareholder may redeem some or all of its Shares on a Redemption Day provided that a written redemption request is received by the Administrator by 13.00hr (CET) on the relevant Redemption Day. Once submitted to the Administrator, a redemption request may not be withdrawn except with the consent of the Directors. If the redemption request is received after the deadline for receipt of requests for redemption for any particular Redemption Day, it shall (unless otherwise determined by the Administrator) be invalid. The redemption request may be sent by facsimile at the risk of the investor, however the Fund reserves the right to delay processing a redemption request until the original signed redemption request has been received by the Administrator.

A redemption fee of up to 2.00% of the Redemption Price per Share may be levied on any request for a redemption of Shares at any time, such fee to be payable to the relevant sales agent on the initial sale of such Shares.

The Directors in consultation with the Investment Manager may permit redemptions-in-specie.

The Fund has the right to compulsorily redeem all or some of the Shares held by a Shareholder (for any or no reasons) at the Net Asset Value per Share as at the Valuation Point immediately prior to the date such redemption is to take effect if the Directors determine in their absolute discretion to do so. The Directors intend to compulsorily redeem Shares where:

- (i) any of the representations or warranties of a Shareholder was not true when made or such Shareholder has breached an agreement with the Fund; or
- (ii) the Shares have been transferred or attempted to be transferred without the permission of the Fund; or
- (iii) the ownership of the Shares by the Shareholder is unlawful or may be harmful or injurious to the business or reputation of the Fund, the Investment Manager, or the Administrator, as determined by the Directors in their sole discretion or the Shares are held by or for the benefit (directly or indirectly) of any Restricted Person.

Deferral of Redemptions

If redemption requests are received in respect of any Redemption Day which, if satisfied in full, would result in the redemption of Shares representing in aggregate more than ten per cent (10%) (or such higher percentage as the Directors determine, either generally or in respect of any particular Redemption Day) of the Net Asset Value of the Fund (the **Redemption Threshold**), the Directors may reduce those redemption requests pro rata amongst all Shareholders seeking to redeem Shares on the relevant Redemption Day and carry out only sufficient redemptions which, in aggregate, amount to the Redemption Threshold. Shares which are not redeemed as a result of the imposition of the Redemption Threshold will be redeemed on the next Redemption Day in priority to any other Shares for which redemption requests have been received (but subject to further deferral if the deferred requests themselves exceed the Redemption Threshold).

Shares will be redeemed at the Redemption Price per Share prevailing on the Redemption Day on which they are redeemed.

The Directors currently do not expect to exercise their power to defer redemptions except to the extent that they consider that the Fund would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable laws or regulations.

It is currently expected that no redemption request will be deferred for more than 20 consecutive Business Days. Accordingly, unless the Directors otherwise determine, Shares in relation to which a redemption request has been submitted will be redeemed on the immediately following Redemption Day if such request has been deferred for more than 20 consecutive Business Days.

For the avoidance of doubt, compulsory redemptions effected on the relevant Redemption Day shall be included as redemption requests on that Redemption Day for the purpose of calculating the Redemption Threshold.

Suspension of Redemptions and Subscriptions

The Fund may suspend the determination of the Net Asset Value of the Fund, the redemption of Shares and/or the issuance of additional Shares, in whole or in part, upon the occurrence of any of the following circumstances (and in each case for the whole or any part of a period):

- (a) when any securities exchange or organised over-the-counter market on which a significant portion of the Fund's assets is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended;
- (b) whenever, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund, disposal of the assets of the Fund or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or withdrawal of securities is not reasonably practicable;
- (c) in which there is a breakdown in the means of communication normally employed in determining the price of any of the investments held by the Fund or when for any other reason the value of any of the investments or other assets of the Fund cannot reasonably or fairly be ascertained;
- (d) when the Fund or the Administrator is unable to repatriate funds required for the purpose of making payments on redemption or during which any transfer of funds involved in the realisation or acquisition of assets or when payments due on redemption cannot in the opinion of the Administrator be effected at normal rates of exchange;
- (e) when proceeds of any sale or redemptions of Shares cannot be transmitted to or from the account of the Fund;
- (f) if a resolution calling for the liquidation and dissolution of the Fund has been adopted;
- (g) if substantial redemptions which would necessitate payments in excess of the Fund's liquidity as at any Redemption Day are received by the Fund;
- (h) during the existence of any state of affairs under which, in the opinion of the Directors, disposal of

investments by the Fund would not be reasonably practicable or would be seriously prejudicial to the Shareholders of the Fund;

- (i) during the existence of any circumstances in which the Directors or the Administrator are unable to determine the Net Asset Value per Share; or
- (j) in order to comply with the rules and regulations (as may be amended from time to time) of any applicable governmental or regulatory authority in which the Fund's investments or underlying investments are subject.

The Fund may withhold payment to any person whose Shares have been tendered for redemption until after any suspension has been lifted. Notice of any suspension will be given to any Shareholder who has tendered his Shares for redemption and to whom full payment of the redemption proceeds has not yet been remitted. If a redemption request is not withdrawn by a Shareholder following notification of a suspension, the redemption will be completed as of the Redemption Day next following the day on which such suspension is ended, unless the Directors determine otherwise, on the basis of the Net Asset Value per Share as at the close of business on such next Redemption Day.

Modification of Rights attaching to the Shares

The special rights attached to the Shares may from time to time (whether or not the Fund is being liquidated) be varied or abrogated with the consent in writing of the holders of at least two-thirds of the issued Shares affected by such variation or abrogation, or with the sanction of a resolution passed by at least a two-thirds majority of the holders of all the Shares affected by such variation or abrogation then in issue present in person or by proxy at a separate general meeting of the holders of Shares affected.

To every such separate general meeting the provisions of the Articles of Association relating to general meetings of the Fund shall mutatis mutandis apply, but so that the necessary quorum at any such meeting shall be two more persons holding or representing by proxy at least two-thirds of the issued Shares affected by such variation or abrogation. If the above quorum is not present at any adjourned meeting of such holders, those Shareholders present in person or by proxy shall be quorum.

The rights attaching to the Shares shall be deemed not to be varied by: (a) the creation, allotment or issue of further shares ranking pari passu with the Shares or subsequent to them; (b) the redemption or repurchase of any Shares; or (c) the passing of Directors resolutions to change or vary the investment objective, investment technique and strategy and/or investment policy in relation to the Shares.

Winding up and termination

The Fund may voluntarily commence to wind up and dissolve by a special resolution of the holders of the Management Shares.

Directors

The Articles of Association contain, inter alia, provisions relating to Directors, a summary of which is set out as follows:

- (a) provided a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Fund declares (whether by specific or general notice) the nature of his interest at a meeting of the Directors that Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration;
- (b) a Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine;
- (c) every Director, alternate director, secretary, assistant secretary, or other officer for the time being and from time to time of the Fund (other than the Fund's auditors) and the personal representatives of the same ("Indemnified Persons") shall be indemnified and secured harmless out of the assets and funds of the Fund from and against any loss, expense, judgment, settlement cost, fee and related expenses (including attorneys' fees and expenses), costs or damages suffered or sustained by reason of being or having been a person in the class of Indemnified Persons or arising out of or in connection with any action or failure to act on the part of such Indemnified Person, unless such act or failure to act was the result of the wilful misconduct, fraud, bad faith or dishonesty of such Indemnified Person;
- (d) no Director, alternate director, managing director, secretary, assistant secretary or other officer of the Fund shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Fund or (ii) by reason of his having joined in any receipt for money not received by him personally or (iii) for any loss on account of defect of title to any property of the Fund or (iv) on account of the insufficiency of any security in or upon which any money of the Fund shall be invested or (v) for any loss incurred through any bank, broker or other similar person or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own dishonesty, wilful misconduct or negligence; and
- (e) the remuneration of the Directors may be determined by the Fund's board of Directors or by ordinary resolution of the holders of the Management Shares attending meetings of the Directors or in connection with the business of the Fund.

Variation of offering terms

Subject to applicable law, the Fund may amend this Memorandum without the approval of Shareholders, to vary the offering terms applicable to any Shares (as distinct from the modification of the rights attaching to a Class, as discussed above) in any of the following ways:

- (a) by making any change that, in the opinion of the Directors, will not adversely affect the Shareholders in any material respect; or
- (b) by making a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any relevant regulator, court of competent jurisdiction, government or government entity, including any tax authority, provided that such change is made in a manner that minimises, to the extent practicable,

any adverse effect on the Shareholders; or

- (c) by making any change that the Directors consider may or is likely to adversely affect the Shareholders in a material respect (including amendments to the trading program, fees charged to the Fund by Investment Manager and the liquidity terms of the Shares), provided that any such amendment does not become effective until after the affected Shareholders have been given written notice of the change and have had the opportunity to redeem any Shares so affected.

The Fund may amend this Memorandum to vary the offering terms applicable to any Shares with the approval of the Shareholders owning a majority by value of all outstanding Shares of the relevant Class or Classes at the time of the amendment provided that such amendment does not discriminate amongst Shareholders. A meeting convened to consider such an amendment will generally follow the provisions of the Articles of Association relating to general meetings. If the Fund seeks such approval from Shareholders, then following the giving of notice of the proposed amendment, the Fund shall request a response for or against the proposed amendment. The Fund shall deem a lack of response from a Shareholder to constitute the consent of such Shareholder to the amendment.

Documents available for inspection

Copies of the Memorandum and Articles of Association and the latest financial reports of the Fund may be inspected and obtained free of charge during normal business hours on any week day (Saturdays and public holidays excepted) in Hong Kong at the office of the Investment Manager.

ADDITIONAL INFORMATION

Data Protection

In the course of business, the Fund will collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Fund is a data controller within the meaning of Data Protection Legislation and undertakes to hold any personal data provided by investors in accordance with Data Protection Legislation.

The Fund and/or any of its delegates or service providers may process prospective investor's personal data for any one or more of the following purposes and legal bases:

- (1) to operate the Fund, including managing and administering a Shareholder's investment in the Fund on an on-going basis which enables the Fund and investors to satisfy their contractual duties and obligations to each other;
- (2) to comply with any applicable legal, tax or regulatory obligations on the Fund and/or any of its delegates or service providers under any applicable laws and anti-money laundering and counter-terrorism legislation. If any such obligations derive from the laws of a non-European Economic Area country, the Fund and/or any of its delegates or service providers will be obliged to comply with those obligations in connection with the provision of services to investors;
- (3) for any other legitimate business interests' of the Fund or a third party to whom personal data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes; or
- (4) for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Fund and/or any of its delegates or service providers may disclose or transfer personal data, whether in the Cayman Islands or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Fund (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Fund and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection, appropriate safeguards are in place or relies on one of the derogations provided for under GDPR. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Fund and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission).

The Fund will not keep personal data for longer than is necessary for the purpose(s) for which it was

collected. In determining appropriate retention periods, the Fund shall have regard to any applicable statutes of limitation and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Fund will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw at any time. Investors have the right to request access to their personal data kept by the Fund; and the right to rectification or erasure of their data and to restrict or object to processing of their data, subject to any restrictions imposed by Data Protection Legislation.

Where processing is carried out on behalf of the Fund, the Fund shall engage a data processor, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Fund will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process personal data only in accordance with the documented instructions from the Fund.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required personal data or an objection to processing may result in the Fund being unable to permit, process, or release the investor's investment in the Fund and this may result in the Fund terminating its relationship with the investor.

In connection with the Fund's compliance with the Data Protection Act, 2017 of the Cayman Islands, as may be amended or restated from time to time, by subscribing for Shares in the Fund, each subscriber acknowledges receipt of the privacy notice attached to the Subscription Agreement and consents to its non-public personal data being disclosed to, held, processed and transferred by the Fund and any Data Processor (as defined under the Data Protection Act, 2017, of the Cayman Islands as amended from time to time and any regulations or orders promulgated pursuant thereto) as set out in such privacy notice. For a copy of the latest privacy notice, please contact the Fund.

Side Letters

The Fund and/or the Investment Manager may enter into side letter arrangements with investors granting an investor preferred economic and other terms as compared to other Shareholders. These may include, but are not limited to, rebates of fees and/or charges payable to the Investment Manager or its associates, the reservation of capacity in the Fund, preferential rights of redemption, and the provision of additional liquidity, co-investment opportunities or additional information to the investor. The Fund and/or the Investment Manager may also agree to consult with or obtain prior approval from particular investors before taking certain actions. Where the Fund has granted preferential rights of redemption, the material terms relating to such preferential rights will be made available on request.

Taxation

It is the responsibility of all persons interested in purchasing Shares to inform themselves as to any tax consequences from their investing in the Fund and the Fund's operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. Investors should therefore seek their own separate tax advice in relation to their holding of Shares and accordingly neither the Fund, the Investment

Manager nor the Administrator accept any responsibility for the taxation consequences of any investment into the Fund by an investor.

The following is based on the Fund's understanding of certain aspects of the law and practice in force in Hong Kong and the PRC at the date of this Memorandum. There can be no guarantee that the tax position or proposed tax position at the date of this Memorandum or at the time of an investment will not be changed.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Hong Kong Tax Considerations

Taxation of the Fund

The Fund has not registered, and does not intend to register, a branch in Hong Kong pursuant to Part 16 of the Companies Ordinance (Cap 622) of Hong Kong. It is not intended that the Fund will have any place of business in Hong Kong. However, the Fund may be considered to have a permanent establishment in Hong Kong by virtue of the activities of the Investment Manager. As such no assurance can be given that the Fund, notwithstanding being incorporated offshore Hong Kong, will not be considered by the Hong Kong Inland Revenue Department to be subject to Hong Kong profits tax. It is intended that the affairs of the Fund will be conducted and managed in a manner which seeks to minimise any potential liability to Hong Kong profits tax.

Hong Kong imposes profits tax at a flat rate of 16.5% on incorporated persons, such as the Fund, on profits (i) which have a Hong Kong source, and (ii) which are attributable to a trade, business or profession carried on in Hong Kong. Capital gains derived from the sale of investments generally are not considered to be profits for Hong Kong tax purposes, and thus are not subject to any Hong Kong tax. However, gains which are considered to be derived from a trading activity as opposed to mere investment activity carried on in Hong Kong may potentially be subject to Hong Kong profits tax.

Under Section 20 AN of the Inland Revenue Ordinance ("IRO"), a fund will be exempt from Profits Tax under the Profit Tax exemption effective 1 April 2019 ("Funds Exemption") where:

- The fund falls within the definition of a fund under Section 20AM of the IRO;
- The fund's profits are derived from qualifying transactions or incidental transactions; and
- The qualifying transactions have been carried out through or arranged by a specified person, which includes a corporation holding any licenses issued by the SFC under Part V of the SFO, or, (ii) the fund is otherwise a qualified investment fund.

Qualifying transactions are broadly defined to include transactions in securities such as shares, debentures, loan stock, funds, bonds or notes of, or issued by, an incorporated or unincorporated body, a government, and a private company or a Special Purpose Entity ("SPE") and the related rights, options or certificates of interest. In this context, a "private company" is defined to mean a company incorporated in or outside of Hong Kong that is not allowed to issue any invitation to the public to subscribe for any shares or debentures of the company. Subject to certain carve-outs, the investment in certain Hong Kong private companies is permissible under the Funds Exemption (excluding investment in Hong Kong real property).

Qualifying transactions also include futures contracts, foreign exchange contracts, and deposits other than by way of money-lending business, foreign currencies and exchange-traded commodities.

If a transaction is not a qualifying transaction, but it is considered to be incidental to the carrying out of a qualifying transaction, the income from the incidental transaction will be exempt under the Funds Exemption provided that such income does not exceed 5% of the fund's total receipts derived from incidental transactions and qualifying transactions in a particular year. Examples of transactions which could be considered incidental to a qualifying transaction are dividends earned from listed securities and interest income derived from debentures, notes or bonds. If the income from the incidental transaction exceeded 5% of the total receipts derived from incidental transactions and qualifying transactions, the Hong Kong sourced income from such incidental transactions would be subject to tax in Hong Kong unless it is specifically exempt under another provision of the IRO (e.g. dividend income).

If a fund carries out transactions that do not fall within the definition of qualifying transactions, profits from such transactions may be subject to tax if they are considered as Hong Kong sourced and are not specifically otherwise exempt from tax.

It is intended that the activities of the Fund will be conducted and managed in a manner such that the Fund should qualify as exempt from Hong Kong Profits Tax under the Funds Exemption, or the Fund would not derive any Hong Kong sourced profits / income. However, no assurance can be given that gains, profits and other income from certain investments will not give rise to a liability to Profits Tax in Hong Kong. By way of example, the Fund could be exposed to Hong Kong Profits Tax to the extent that it trades certain non-qualifying investments and derives Hong Kong sourced profits from such investments.

Taxation of the Shareholders

(i) Profits Tax

Profits arising from the disposal or redemption of shares in the Fund will be subject to Profits Tax only if Shareholders are considered as carrying on a trade, profession or business in Hong Kong and such profits (except gains from the sale of capital assets) arose in or are derived from Hong Kong from such trade, profession or business carried on in Hong Kong. The nature of an asset as trading or capital will depend on the particular circumstances of each Shareholder. Shareholders should seek their own independent Hong Kong tax advice on this issue.

Hong Kong does not impose withholding tax on dividends and interest. Any distribution received by Shareholders from their investment in the Fund should generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise) under the current law.

Under the Funds Exemption, Hong Kong resident investors in the Fund may be deemed to be taxable on their share of the Fund's underlying Hong Kong sourced trading profits made in the relevant year of income, notwithstanding the Fund itself is exempted and no distribution has been made by the Fund. These deeming provisions generally apply only where the Hong Kong resident, inter alia, alone or jointly with associates, holds a 30% or more beneficial interest in the Fund which is tax exempt under the IRO. The deeming provisions can also apply where the Hong Kong resident investor holds any percentage of the beneficial interest in such exempt fund that is an associate of the Hong Kong resident investor. The deeming provision would not apply to a Hong Kong investor where the exempt fund is otherwise considered a bona fide widely held fund.

If a fund is authorised by the SFC under the SFO as a public fund, profits of that fund arising from the sale or disposal of securities, net investment income received by or accruing to that fund and other profits of that fund will be exempt from profits tax.

(ii) *Stamp Duty*

The registers of members of the Fund will be maintained outside Hong Kong. Accordingly the Shares will not be considered as ‘Hong Kong Stock’ under the Stamp Duty Ordinance (Cap 117) of Hong Kong and a charge to Hong Kong stamp duty should not arise on the redemption or transfer of any Shares. There are no exchange controls in Hong Kong.

PRC Tax Considerations

By investing in the PRC Securities, the Fund may be subject to withholding income tax and other taxes imposed by the PRC tax authorities.

PRC Corporate Income Tax (“CIT”)

If the Fund is considered as a PRC tax resident enterprise, it will be subject to PRC CIT at 25% on its worldwide taxable income; if the Fund is considered as a non-PRC tax resident enterprise but has a permanent establishment (“PE”) in the PRC, the profits and gains attributable to that PE would be subject to PRC CIT at 25%.

It is the intention of the Manager to operate the affairs of the Fund such that they should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with PE in the PRC for PRC CIT purposes, although this cannot be guaranteed. If the Fund is a non-PRC tax resident enterprise without PE in the PRC, the PRC sourced income derived by it from the investment in PRC Securities would be subject to 10% PRC withholding income tax (“WIT”) in the PRC, unless exempt or reduced under the laws and regulations or any relevant tax treaty.

(i) Dividends and interest

Unless a specific exemption or reduction is available under current PRC tax laws and regulations or any relevant tax treaties, non-tax resident enterprises without PE in the PRC are subject to CIT on a withholding basis, generally at a rate of 10%, to the extent it directly derives PRC sourced passive income. PRC sourced passive income (such as dividend income or interest income) may arise from investments in the PRC Securities. Accordingly, the Fund may be subject to WIT on any cash dividends, distributions and interest it receives from its investment in PRC Securities.

On 22 November 2018, the Ministry of Finance (“MOF”) and State Taxation Administration (“STA”) of the PRC jointly released circular Caishui [2018] No. 108 (“Circular 108”) to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, for foreign institutional investors without a PE in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), such bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from CIT. On 22 November 2021, the MOF and the STA jointly released MOF/STA PN [2021] No. 34 (“PN 34”), according to which the exemption of Circular 108 was extended up to 31 December 2025. As this exemption granted under Circular 108 and PN 34 is temporary, it is uncertain whether such exemption policy would

be extended after 31 December 2025.

Under the PRC CIT Law, interests derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from PRC income tax under CIT law.

(ii) Capital gains – PRC equity investments (including China A-Shares)

On 14 November 2014 and 2 December 2016, the MOF, STA and the China Securities Regulatory Commission (“CSRC”) issued Circular Caishui [2014] No.81 (“Circular 81”) and Circular Caishui [2016] No. 127 (“Circular 127”) to clarify the PRC taxation issues on the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Pursuant to Circular 81 and Circular 127, effective 17 November 2014 and 5 December 2016 respectively, capital gains realised by overseas investors from the trading of A-Shares through the Stock Connect will be temporarily exempt from PRC CIT.

Gains derived from the disposal of B-shares and overseas listed shares (including H-shares) by a non-resident enterprise which has no establishment or place of business in China were specifically exempted from withholding tax pursuant to Circular Guoshuifa [1993] No. 45 issued by the STA. However, Circular Guoshuifa [1993] No. 45 was repealed by Bulletin of the STA [2011] No. 2.

After the PRC CIT Law took effect on January 1, 2008, in the absence of a specific rule, a non-resident enterprise which has no establishment or place of business in China should technically be subject to withholding tax on the gains derived from disposal of B-shares and overseas listed shares (including H-shares). The prevailing withholding tax rate for gains on disposal is 10%, with the possibility of reduction or exemption under an applicable double tax treaty or arrangement between China and the jurisdiction where the non-resident enterprise resides. At the current stage, the STA has not enforced the withholding tax on such gains derived from disposal of B-shares and overseas listed shares (including H-shares).

(iii) Capital gains – PRC bond investments

There are no specific regulations on the taxation of capital gains made by foreign investors from trading PRC onshore bonds. In the absence of specific regulations, the application of CIT is governed by the general tax provisions of CIT law in the PRC and is subject to the interpretation of the PRC tax authorities. In relation to capital gains realized from the disposal of PRC onshore bonds, the PRC tax authorities have verbally indicated on numerous occasions, that such gains are non-PRC sourced income and hence not subject to PRC WIT. However, there is no specific written tax provision confirming this. In practice, no WIT is currently applied to capital gains made by foreign investors from trading PRC onshore bonds.

PRC Value-added Tax ("VAT")

With the Circular Caishui [2016] No. 36 (“Circular 36”) regarding the final stage of VAT reform which came into effect on 1 May 2016, the gains derived from the transfer of onshore Mainland Chinese securities are subject to VAT starting from 1 May 2016. According to Circular 36 and Circular 127, VAT is exempted on gains derived by overseas investors from the transfer of onshore Mainland Chinese securities through the Stock Connect.

Interest income earned by overseas investors on investments in PRC onshore bonds are subject to 6% VAT where no special exemption applies (see comments about Circular 108 and PN 34 below). Pursuant to Circular 36, interest income on deposits is not subject to VAT and interest income on government bonds is

VAT-exempt. Circular 108 provides for VAT exemption in respect of bond interest income received by foreign institutional investors from investments in the China bond market during the period from 7 November 2018 to 6 November 2021, which was extended up to 31 December 2025 according to PN 34. As this exemption granted under Circular 108 and PN 34 is temporary, it is uncertain whether such exemption policy would be extended after 31 December 2025.

Dividend income or profit distributions on equity investment derived from mainland China are not included in the taxable scope of VAT.

If VAT is applicable, there are also other surtaxes (which include urban construction and maintenance tax, education surcharge and local education surcharge) that would amount to as high as 12% VAT payable.

PRC Stamp Duty

The seller will be liable for stamp duty at the rate of 0.1% on the sale of PRC listed securities. The purchase and disposition of PRC unlisted equity investments will attract stamp duty at the rate of 0.05% on the transaction value, which will be payable by each of the buyer and the seller.

In order to meet the potential PRC tax liability, the Investment Manager reserves the right to provide for PRC tax provision and withhold such taxes for the account of the Fund. Currently, after careful consideration of the PRC tax laws, regulations and practice, the Investment Manager does not make any PRC tax provision.

There is a possibility of the rules being changed and taxes being applied retrospectively. There is a risk that taxes may be levied in the future on the Fund for which no provision is made, which may potentially cause substantial loss to the Fund. The Investment Manager will closely monitor any further guidance by the relevant PRC tax authorities and adjust PRC tax provisioning approach of the Fund if necessary.

Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If no provision is made by the Investment Manager in relation to all or part of the actual tax levied by the STA in the future, investors should note that the Net Asset Value of the Fund may be lowered, as the Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional amount of tax liabilities will only impact Shares in issue at the relevant time, and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the Fund, a disproportionately higher amount of tax liabilities as compared to that borne before the actual tax liabilities are levied.

Shareholders should seek their own tax advice on their tax position with regard to their investments in the Fund.

Cayman Islands Tax Considerations

The following is a summary of certain Cayman Islands tax consequences to persons who purchase Shares in the offering. The discussion below is based on laws, regulations, guidelines, published administrative rulings and judicial decisions currently in effect, all of which may change or be subject to different interpretations, possibly with retroactive effect. Any such changes could adversely affect the comments made below. There can be no guarantee that the tax position or proposed tax position at the date of this Memorandum or at the time of an investment will endure indefinitely.

In view of the number of different jurisdictions where local laws may apply to Shareholders or prospective investors, the discussion below does not address all of the tax consequences that may be relevant to a particular Shareholder or prospective investor. Prospective investors must consult their own tax advisers as to the Cayman Islands tax consequences of acquiring, holding and disposing of Shares, as well as the effects of tax laws of the jurisdictions of which they are citizens, residents or domiciliaries or in which they conduct business. The discussion below does not constitute tax advice.

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Fund are not currently subject to any income, withholding or capital gains taxes in the Cayman Islands. The only taxes which will be chargeable on the Fund in the Cayman Islands are nominal amounts payable to the Registrar of Companies and as registration fees under the Act.

The Fund is registered as an "exempted company" pursuant to the Companies Act (as amended) of the Cayman Islands. The Fund has received an undertaking from the Financial Secretary of the Cayman Islands to the effect that, for a period of twenty years from 6 March 2007, no law enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Fund, or to the Shareholders thereof, in respect of any such property or income.

The Cayman Islands and FATCA

US Requirements

The FATCA provisions of the Hiring Incentives to Restore Employment Act (the "HIRE Act") provide that the Fund must disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to any such interest, pursuant to the terms of the intergovernmental agreement between the United States and the Cayman Islands (the "US IGA") and implementing legislation and regulations which have been adopted by the Cayman Islands. If the Fund fails to comply with these requirements, then a 30% withholding tax will be imposed on payments to the Fund of United States source income. Although the Fund will attempt to satisfy the obligations imposed on them to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. In this regard, the Fund may require investors to provide any documentation or other information regarding the investors and their beneficial owners that the Fund determines is necessary or desirable for the Fund to avoid the withholding tax and otherwise comply with the HIRE Act. If the Fund becomes subject to a withholding tax as a result of the HIRE Act, the value of Shares held by all Shareholders may be materially affected. The Cayman Islands legislation requires the Fund to make an annual report to the Cayman Islands Tax Information Exchange Authority (the "Cayman TIA"). Any information provided by the Fund to the Cayman TIA will be shared with the Internal Revenue Service of the United States.

Other Intergovernmental Agreements

It is possible that further inter-governmental agreements ("future IGAs") similar to the US IGA may be entered into with other third countries by the Cayman Islands Government to introduce similar regimes for reporting to such third countries' fiscal authorities.

OECD Multilateral Competent Authority Agreement

Over 100 countries have signed the OECD Multilateral Competent Authority Agreement and Common

Reporting Standard ("CRS") for the implementation of the automatic exchange of tax information based on the OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The CRS is similar in form and substance to the US IGA and applies in respect of each "participating jurisdiction" (as identified in a list published by the Cayman TIA). The implementation in the Cayman Islands is governed by the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (2018 Revision) ("CRS Regulations"). As a result of this, Cayman Islands financial institutions, including the Fund, have substantially expanded international tax compliance obligations and substantially expanded reporting obligations.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that: (i) the Fund (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment; (ii) the Cayman TIA may be required to automatically exchange information as outlined above with the IRS, HM Revenue & Customs, the United Kingdom tax authority ("HMRC") and other fiscal authorities (the "Competent Authorities") of CRS "participating jurisdictions"; (iii) the Fund (or its agent or delegate) may be required to disclose to the IRS, HMRC and other Competent Authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent or delegate directly) with further enquiries; (iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the Cayman TIA; (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund's or its investors' being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the investor concerned; and (vi) no investor affected by any such action or remedy shall have any claim against the Fund (or its agent or delegate) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with any of the US IGA, the CRS Regulations or any future IGAs or agreements, laws or regulations entered into or implemented by the Cayman Islands for the purpose of ensuring and/or enhancing international tax transparency.

Taxation in other jurisdictions

It is possible that certain dividends, interest and other income received by the Fund from sources within certain countries may be subject to withholding taxes imposed by such countries not otherwise mentioned above. The Fund may also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business. It is impossible to predict in advance the rate of tax that will be paid since the amount of the assets of the Fund to be invested in various countries is uncertain.

Fiscal Year and Financial Statements

The fiscal year of the Fund ends on January 31 each year. The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

Reports to Shareholders

The Fund (or the Administrator on the Fund's behalf) will provide Shareholders with a monthly statement

of the Net Asset Value of the Fund, the Shares in issue and the Net Asset Value per Share and with an annual report for the Fund including audited accounts for each Financial Year.

Information on past performance of the Fund and the annual report for the Fund including audited accounts for each Financial Year can be inspected and obtained from the Investment Manager.

Cayman Islands Mutual Funds Act

The Fund is registered as a "Mutual Fund" (as defined in the Law) under section 4(3) of the Act and accordingly is regulated in terms of that Act. However, the Fund is not required to be licensed or employ a licensed mutual fund administrator since the minimum aggregate investment purchasable by a prospective investor in the Fund is equal to or exceeds US\$100,000.00 or its equivalent in any other currency.

As a regulated mutual fund, the Fund is subject to the supervision of the Monetary Authority, SIX, Cricket Square, PO Box 10052, Grand Cayman KY1-1001, Cayman Islands (Tel +1 (345) 949 7089). The Fund must file this Memorandum and details of any changes that materially affect any information in this document with the Monetary Authority. The Fund must also file annually with the Monetary Authority accounts approved by an approved auditor, together with a return containing particulars specified by the Monetary Authority, within six months of its financial year end or within such extension of that period as the Monetary Authority may allow. A prescribed fee must also be paid annually. In addition, the Monetary Authority may ask the Directors to give the Monetary Authority such information or such explanation in respect of the Fund as the Monetary Authority may reasonably require to enable it to carry out its duty under the Act.

The Monetary Authority shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Fund for the purpose of satisfying itself that the provisions of the Act and applicable anti-money laundering regulations are being complied with.

The Directors must give the Monetary Authority access to or provide at any reasonable time all records relating to the Fund and the Monetary Authority may copy or take an extract of a record it is given access to. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Monetary Authority has wide powers to take certain actions if it is satisfied that a regulated mutual fund:

- (a) is or is likely to become unable to meet its obligations as they fall due;
- (b) has contravened any provision under the Act or of the Anti-Money Laundering Regulations (as amended);
- (c) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors;
- (d) is not being managed in a fit and proper manner; or

(e) has persons appointed as Director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of the Monetary Authority include, *inter alia*, the power to require the substitution of Directors and/or the Investment Manager, the power to appoint a person, at the expense of the Fund, to advise the Fund on the proper conduct of its affairs or to appoint a person, at the expense of the Fund, to assume control of the affairs of the Fund, including for the purpose of terminating the business of the Fund, and the power to cancel or impose conditions on any mutual fund registration granted under the Act. There are other remedies available to the Monetary Authority including the ability to cancel the registration of the Fund and to apply to the court for approval of other actions.

The Monetary Authority also has other remedies available to it including applying to the courts of the Cayman Islands for approval of other actions, and requiring the Fund to re-organise its affairs in a manner specified by the Monetary Authority.

The Monetary Authority has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of certain regulatory laws and regulations of the Cayman Islands including the Act and the Anti-Money Laundering Regulations (as amended) of the Cayman Islands and upon any director or officer of the Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

Beneficial ownership regime

The Fund is regulated as a mutual fund under the Act and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Act ("Beneficial Ownership Regime"). The Fund is required to confirm its out-of-scope status to the relevant Cayman Islands authority and failure to do so may result in an administrative fine payable by the Fund. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. Neither the beneficial ownership registers nor any information provided is publicly available.

Anti-Money Laundering

Cayman Islands:

As part of the Fund's responsibility for the prevention of money laundering, the Fund and the Administrator (including its affiliates, subsidiaries or associates) will require a detailed verification of the applicant's identity, address and the source of funds.

The Fund and the Administrator reserve the right to request such evidence as is necessary to verify the identity, address and source of funds of an applicant. The Fund or the Administrator also reserves the right to request such verification evidence in respect of a transferee of Shares. In the event of delay or failure by the applicant to produce any evidence required for verification purposes, the Fund or the Administrator will refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which such funds were originally debited.

If any person who is resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to: (i) the Financial Reporting Authority of the Cayman Islands ("FRA") or a nominated officer (appointed in accordance with the Proceeds of Crime Act (as amended) of the Cayman Islands) if the disclosure relates to criminal conduct or money laundering; or (ii) the FRA, a police constable or nominated officer, pursuant to Terrorism Act (as amended) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing for Shares, each applicant represents that such subscriber is not a prohibited country, territory, individual or entity listed on any applicable sanctions list including the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website or on the sanctions lists adopted by the United Nations, European Union or the United Kingdom ("UK") to such extent such sanctions are extended by the UK Government to the Cayman Islands by virtue of Orders in Council passed by the UK Government, as such lists may be amended from time to time ("Sanctions Lists"), that it is not directly or indirectly affiliated with any country, territory, individual or entity named on and OFAC list or prohibited by any OFAC sanctions programmes or any Sanctions List and is not operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, the European Union or the UK apply or otherwise subject to such sanctions. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, Cayman Islands or other international laws and regulations, including anti-money laundering laws and regulations.

By subscribing, applicants consent to the disclosure by the Fund and the Administrator of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

None of the Fund, the Investment Manager, the Administrator or their respective delegates, agents and affiliates will be liable for any loss suffered by a subscriber arising as a result of a refusal of, or a delay in processing, a subscription application if such information and documentation as has been requested by the Fund, the Investment Manager or the Administrator on behalf of the Fund, has not been provided by the subscriber in a timely manner.

In accordance with the Anti-Money Laundering Regulations of the Cayman Islands and guidance issued by the Cayman Islands Monetary Authority, the Fund is required to appoint and has appointed natural persons to serve as its Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer ("AML Officers"). To obtain further information in respect of the AML Officers, please contact the Directors at the registered office of the Fund using the contact information contained in this Memorandum.

Luxembourg:

The Administrator must obey the provisions of the Luxembourg law on the prevention of money laundering and in particular of the law of 12 November 2004, and the laws of 5 April 1993 and 11 August 1998 concerning the financial sector, as well as subsequent regulations issued by the Luxembourg government

or supervisory authorities.

Amongst other things, an investor must furnish proof of his or her identity to the Administrator which accepts his or her subscription. The Administrator shall request the following identification documents from investors buying Shares: for individuals a certified copy of the passport/identity card (certified by the Administrator, or the local administrative authority); for companies or other legal entities a certified copy of the articles of incorporation, a certified copy of the certificate of incorporation or extract from the Commercial Register, a copy of the most recently published annual accounts and the complete name of the material beneficial owner (i.e. the final shareholders).

The Administrator must ensure that its agents (if any) adhere strictly to the aforementioned identification procedures. The Administrator and the Fund can, at any time, demand assurance from its agents that the procedures are being adhered to. The Administrator controls adherence to the aforementioned provisions for all subscription and redemption applications which they receive from agents in non-FATF countries. FATF countries are those states which adhere to the regulations of the "Financial Action Task Force". Furthermore, agents must obey all regulations to prevent money laundering which are in force in their respective countries (see below "Other Jurisdictions").

Other Jurisdictions

Many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively "Requirements") and the Fund could be requested or required to obtain certain assurances from applicants subscribing for Shares, disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Fund's policy to comply with Requirements to which it is or may become subject to and to interpret them broadly in favour of disclosure. Each applicant will be required to agree in the Subscription Agreement, and will be deemed to have agreed by reason of owning any Shares, that it will provide additional information or take such other actions as may be necessary or advisable for the Fund (in the sole judgment of the Fund and/or Administrator) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each applicant by executing the Subscription Agreement consents, and by owning Shares is deemed to have consented, to disclosure by the Fund and its agents to relevant third parties of information pertaining to it in respect of Requirements or information requests related thereto. Failure to honour any such request may result in redemption by the Fund or a forced sale to another investor of such applicant's Shares.

ENQUIRIES AND COMPLAINTS

Enquiries or complaints concerning the Fund (including information concerning subscription and redemption procedures and current Net Asset Value) should be directed to the Investment Manager, attention: Customer Services team, at the address in the Directory above. The Investment Manager will handle or channel to the relevant party any enquiries or complaints from Shareholders and will revert to the Shareholders accordingly.

RISK FACTORS

An investment in the Shares is speculative and involves a certain degree of risk. Accordingly, prospective investors should consider the following risk factors. These risk factors may not be a complete list of all risk factors associated with an investment in the Fund. It should also be noted that by diversifying investments, the Investment Manager will endeavour to partially mitigate the negative impact of such risks on the value of the underlying assets held by the Fund.

Specific risks associated with the Shanghai-Hong Kong Stock Connect & Shenzhen-Hong Kong Stock Connect

The Fund may invest and have direct access to certain eligible A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (together the "Stock Connects"). The Stock Connects are securities trading and clearing linked programs developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange (the "SZSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between China and Hong Kong.

The Stock Connects comprise a Northbound Trading Link (for investment in A-Shares) by which investors, through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("SEHK"), may be able to place orders to trade eligible shares listed on the SSE and the SZSE by routing orders to the SSE or the SZSE.

Under the Stock Connects, overseas investors (including the Fund) may be allowed, subject to rules and regulations issued/amended from time to time, to trade certain A-Shares listed on the SSE (the "SSE Securities") and certain A-Shares listed on the SZSE ("SZSE Securities") through the Northbound Trading Link.

The SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on SEHK, except (i) those SSE-listed shares which are not traded in RMB and (ii) those SSE-listed shares which are included in the "risk alert board".

The SZSE Securities include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-Shares which have corresponding H Shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert" or under delisting arrangement.

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

a) Quota limitations risk

The Stock Connects are subject to quota limitations on investment, which may restrict the Fund's ability to invest in A-Shares through the Stock Connects on a timely basis and the Fund may not be able to effectively pursue its investment policy.

b) Suspension risk

SEHK, SSE and SZSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which would affect the Fund's ability to access the China market via Stock Connects.

c) Differences in trading day

The Stock Connects operate on days when both the China and Hong Kong markets are open for trading and when banks in the relevant markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the China markets but overseas investors (such as the Fund) cannot carry out any A-Shares trading. The Fund may be subject to a risk of price fluctuations in A-Shares during the time when the Stock Connects are not trading as a result.

d) Clearing, settlement and custody risks

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx (the "HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the China'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 China Securities Regulatory Commission ("CSRC"). The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The A-Shares traded through the Stock Connects are issued in scripless form, so investors such as the Fund will not hold any physical A-Shares. Hong Kong and overseas investors, such as the Fund, who have acquired SSE Securities and/or SZSE Securities through Northbound Trading should maintain the SSE Securities and/or SZSE Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connects are available upon request at the registered office of the Fund.

e) Nominee arrangements in holding A-Shares

HKSCC is the nominee holder of the SSE securities and SZSE securities acquired by overseas investors (including the Fund) through the Stock Connects. The current Stock Connects rules expressly provide for the concept of a "nominee holder" and there are other laws and regulations in the PRC which recognise the concepts of "beneficial owner" and "nominee holder". Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE securities/SZSE securities and that it has a direct interest in the matter, Investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that the Fund will not encounter difficulties or delays in terms of enforcing its rights in relation to A-Shares acquired through the Stock Connects. However, regardless of whether a beneficial owner of

SSE securities under Shanghai-Hong Kong Stock Connect or SZSE securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE securities and SZSE securities where necessary.

f) Investor compensation

Investments of the Fund through Northbound Trading under the Stock Connects will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound Trading via the Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Fund is carrying out Northbound Trading through securities brokers in Hong Kong but not China brokers, therefore they are not protected by the China Securities Investor Protection Fund in China.

g) Operational risk

The Stock Connects provide a new channel for investors from Hong Kong and overseas, such as the Fund, to access the China stock markets directly.

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

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

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

h) Trading costs

In addition to paying trading fees and stamp duties in connection with A-Share trading, the Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

i) Regulatory risk

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

The Stock Connects are novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connects.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connects will not be abolished. The Fund may be affected as a result of such changes.

j) Stock Connect Tax Risks

Pursuant to Caishui [2014] No. 81 ("Notice 81") and Caishui [2016] No. 127 ("Notice 127"), foreign investors investing in A-Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange through the Stock Connects would be temporarily exempted from China corporate income tax and business tax on the gains on disposal of such A-Shares. Dividends would be subject to China corporate income tax on a withholding basis at 10%, unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent China tax authority.

It is noted that Notice 81 and Notice 127 state that the corporate income tax exemptions effective from 17 November 2014 and 5 November 2016 respectively are temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value of the Fund.

PRC Specific Risks connected with the Fund

a) China Market Risk

Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally (which is detailed below) and the risks specific to the PRC market. 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. There is no guarantee of the repayment of the principal investment. The profitability of the investments of the Fund could be adversely affected by a worsening of general economic conditions in the PRC or global markets. Factors such as PRC government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the PRC financial markets and the level and volatility of equity prices could significantly affect the value of the Fund's underlying investments and thus the Share price.

The choice of A-Shares currently available to the Investment Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the share markets in China, which are relatively smaller in terms of both combined total market value and the number of shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. However, the effects of such reform on the stock markets as a whole remain to be seen. In addition, there is a relatively low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Further, regulations continue to develop and may change without notice which may further delay redemptions or restrict liquidity. There may not be regulation and monitoring of the Chinese securities markets and activities of investors, brokers and other participants equivalent to that in certain more developed markets.

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.

The Shanghai, Shenzhen and Beijing stock exchanges 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. The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties. In addition, the PRC laws for investor protection are still in developing stage and may be less sophisticated than those in developed countries.

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 Fund.

In light of the above mentioned factors, the price of A-Shares may fall significantly in certain circumstances.

b) Emerging Market Countries

The PRC is considered an "Emerging Market Country", being a country that has low-to-middle per capita Gross National Income (as defined by the World Bank) or that has restructured its public debt in recent years.

Investing in Emerging Market Countries involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Those risks may include any of the following:

- (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation;
- (ii) greater social, economic and political uncertainty including war;
- (iii) higher dependence on exports and the corresponding importance of international trade;
- (iv) greater volatility, less liquidity and smaller capitalisation of securities markets;
- (v) greater volatility in currency exchange rates;
- (vi) greater risk of inflation;

- (vii) greater controls of foreign investment and limitations (A) on repatriation of invested capital; and (B) on the ability to exchange local currencies for U.S. dollars;
- (viii) increased likelihood of government involvement in and control over the economies;
- (ix) government decisions to cease support of economic reform programs or to impose centrally planned economies;
- (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers;
- (xi) less extensive regulation of the securities markets;
- (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements;
- (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and
- (xiv) certain considerations regarding the maintenance of Fund securities and cash with non-U.S. brokers and securities depositories.

Investment in Emerging Market Countries is subject to specific risks, some of which are summarised below:

- *Economic and political risks:* An Emerging Market Country is a country where the market economy is relatively less developed. Although the recent general trend in an Emerging Market Country has been towards more open markets and the promotion of private-business initiatives, the Fund cannot give an assurance that the governments of Emerging Market Countries will continue to pursue those policies or that those policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organised crime or other factors beyond the Investment Manager's control could have a material adverse effect on the performance of the Fund.
- *International trade:* The economies of Emerging Market Countries are traditionally heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Such economies have been and may continue to be adversely affected by economic conditions in the countries with which they trade.
- *Investment controls:* At times, restrictions or controls may limit or preclude foreign investment into an Emerging Market Country and increase the Fund's costs and expenses. An Emerging Market Country may also restrict investment opportunities in issuers in industries deemed important to national interests.
- *Foreign currency and exchange-rate risks:* The Fund's assets will be predominantly invested in portfolio companies denominated in a functional currency other than the U.S. dollar. Over time, there may be changes in the exchange rate between the U.S. dollar and, for example, the Chinese Renminbi as a result of the interaction of many factors; these changes may directly or indirectly affect the economic and political conditions in the countries in which the Fund invests. Rarely do national governments voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies. The Fund may use hedging techniques to seek to protect it against loss through fluctuations in the value of foreign currencies, particularly the forward market in foreign exchange, currency option and currency futures. But for certain currencies, currently there may not be a

reliable and cost efficient method of hedging currency risk. Consequently, currency exchange rate fluctuations, currency devaluations and exchange-control regulations may adversely affect the performance of portfolio companies and the return realised on the Fund's investments.

- *Legal and tax systems:* The legal and tax system of an Emerging Market Country is less predictable than most legal systems in countries with fully developed capital markets. Currently, the tax rules and regulations that prevail in Emerging Market Countries are, as a general matter, either new or under varying stages of review and revision. Also, there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of those laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies often experience delays when obtaining governmental licenses and approvals.

The Fund cannot guarantee that in the future current taxes will not be increased. Nor can it guarantee that in the future additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees. Any such increase in taxes, charges or fees payable by the portfolio companies or the Fund itself may reduce the returns for its shareholders. In addition, changes to tax treaties (or their interpretation) between countries in which the Fund invests and countries through which the Fund conducts its investment program may have significant adverse effects on the Fund's ability to efficiently realise income or capital gains. Consequently, it is possible that the Fund may face unfavourable tax treatment resulting in an increase in the taxes payable by the Fund on its investments. Any such increase in taxes could reduce investment returns to its shareholders.

- *Securities market regulation:* The securities markets in Emerging Market Countries are in the early stages of development, and government supervision and regulation of the securities markets may be significantly less well developed than in many free market economies. As a result, the risks of fraudulent market practices may be higher than those in more highly regulated markets. The Fund give an assurance that regulations addressing those risks will be adopted or, if adopted, will be effectively implemented or enforced.
- *Banking risks:* The banking and other financial systems of many Emerging Market Countries are not well developed or well regulated. Delays in transfers by banks may result. Liquidity crises and other problems may also arise as a result of the under-capitalisation of the banking sector as a whole. A general banking crisis in any of the Emerging Markets Countries in which the Fund may invest would have a material adverse effect on the Fund.
- *Risks relating to inexperienced management and lack of financial information:* Many of the businesses in which the Fund may invest may have limited operating histories. Such businesses may be characterised by a lack of the following: (i) market-oriented experienced management; (ii) modern industrial technology and (iii) a sufficient capital base with which to develop and expand their operations. Business records may not be as detailed or informative as those of businesses operating in established market economies. Moreover, accounting, auditing and financial reporting standards and requirements in an Emerging Market Country may not be as stringent, consistently applied or informative as standards in countries with more developed economies. As a result, the availability, quality and reliability of corporate information and equity research (including official data) is likely to be lower than that which is used to evaluate investments in developed markets, with the attendant risk that pricing decisions may be less than optimal to the extent they are based upon inaccurate or insufficient information.

- *Volatility*: The Fund may have relatively large exposure and correlation (beta) to the equity markets. Equity markets in an Emerging Market Country are more likely to experience periods of extreme volatility than those in developed markets. Such volatility could result in substantial losses for the Fund.

c) QFI Risk

QFI Status

Under the prevailing regulations in the PRC, foreign investors can invest in the stock markets and other QFI permissible securities through institutions that have obtained qualified status such as QFI in the PRC. The current QFI regulations impose strict restrictions (such as investment guidelines) on stock investments.

The Fund itself is not a QFI, but may (among others) invest directly or indirectly in A-Shares and other QFI permissible securities via the QFI status of the Investment Manager. Part of the Fund's investments in the PRC is made, and held through the Investment Manager's QFI status.

Potential investors should note that there is no guarantee that the Fund will continue to benefit from the QFI status of the Investment Manager.

The Investment Manager has assumed dual roles as the investment manager of the Fund and a QFI. The Investment Manager will ensure all transactions and dealings will be dealt with having regard to the constitutive documents of the Fund as well as the relevant laws and regulations applicable to it. In the event that conflicts of interest arise, the Fund will in conjunction with the Custodian seek to ensure that the Fund is managed in the best interests of Shareholders and the Shareholders are treated fairly.

Should the Investment Manager lose its QFI status or retire or be removed, the Fund may not be able to invest in A-Shares or other QFI permissible securities through the Investment Manager's QFI status, and the Fund may be required to dispose of its holdings, which would likely have a material adverse effect on the Fund.

QFI Regulations

The QFI regulations which regulate investments by QFIs in the PRC and the repatriation and currency conversion are relatively new. The application and interpretation of the QFI regulations are therefore relatively untested and there is uncertainty as to how they will be applied. The CSRC and the PRC State Administration of Foreign Exchange ("SAFE") have been given wide discretions in the QFI regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this stage of early development, the QFI regulations may be subject to further revisions in the future, there is no assurance whether such revisions will prejudice the QFI, or whether rules governing QFI status of the Investment Manager may be revised substantially or entirely.

There are rules and restrictions under current QFI regulations including rules on investment restrictions. Transaction sizes for QFIs are large and there can be restrictions on repatriation of principal invested by a QFI in the PRC due to foreign exchange control and other related rules and policies.

In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to QFI investment

restrictions, illiquidity of the stock markets, and/or delay or disruption in execution of trades or in settlement of trades.

Shareholders should also note that generally direct investments in stock markets in China through QFIs are subject to compliance with the various investment restrictions currently imposed under QFI regulations in the PRC, as amended from time to time, which are applied on each QFI and which will affect the ability of the Fund to invest in A-Shares. Examples are as follows:

- shares held by each underlying foreign investor investing through such programs as QFI/Stock Connects in one listed company should not exceed the regulatory limit (currently at 10% of the total shares of the company) as prescribed by applicable regulations or competent authorities from time to time;
- the aggregate shareholding of all qualified foreign investors and other foreign investors must not exceed 30% of the total shares of an exchange-listed or a National Equities Exchange and Quotations-admitted company; and
- the investments should comply with the requirements as set out in the Guidance Catalogue on Industries for Foreign Investment.

PRC Broker

The Investment Manager will also select brokers ("**PRC Brokers**") to execute transactions for the Fund in the PRC markets. The Fund, may incur losses due to the acts or omissions of the PRC Brokers or the PRC custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

The Fund will use PRC Brokers appointed by the Investment Manager to execute transactions in the PRC markets for the account of the Fund. The Fund may have difficulty in obtaining best execution of transactions in QFI permissible securities subject to restriction/limitations under applicable QFI regulations or operational constraints such as the restriction/limitation as to the number of brokers that the Investment Manager as QFI may appoint. If a PRC Broker offers the Fund standards of execution which the Investment Manager reasonably believes to be amongst best practice in the PRC marketplace, the Investment Manager may determine that they should consistently execute transactions with that PRC Broker (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the Fund in respect of the difference between the price at which the Fund executes transactions and any other price that may have been available in the market at that relevant time.

Custody

The Custodian of the Fund holds the assets of the Fund. The Fund and the Custodian have appointed, and may appoint further, sub-custodians for the Fund (the "**PRC Sub-Custodians**"), where the PRC Sub-Custodians will hold the assets of the Fund invested in the PRC through QFI registration of the Investment Manager.

Any QFI permissible securities acquired by the Fund through the Investment Manager's QFI status will be maintained by the relevant PRC Sub-Custodian in separate securities account(s) and will be registered for the sole benefit and use of the Fund subject to applicable laws. There will be segregation of assets by the relevant PRC Sub-Custodian such that the assets of the Fund will not form part of the assets of the Investment Manager as QFI, the relevant PRC Sub-Custodian, or the PRC Brokers. However, subject to the investment regulations, the Investment Manager (as QFI) could be the party entitled to the securities in

such securities account(s) (albeit that this entitlement does not constitute an ownership interest or preclude the Investment Manager purchasing the securities on behalf of the Fund), such securities may be vulnerable to a claim by a liquidator of the Investment Manager and may not be as well protected as if they were registered solely in the name of the Fund. In particular, there is a risk that creditors of the Investment Manager may incorrectly assume that the Fund's assets belong to the Investment Manager and such creditors may seek to gain control of the Fund's assets to meet the Investment Manager's liabilities owed to such creditors.

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

Investment Restrictions

Since there are limits on the total A-Shares held by all foreign investors through such programs as QFI/Stock Connects in one PRC listed company under the relevant regulations, the capacity of the Fund to make investments in A-Shares will be affected by the activities of all underlying investors and/or all QFI holders.

The above mentioned investment restrictions will be applied to all foreign investors and/or all QFI holders and Stock Connects participants. Therefore, it will be difficult in practice for the Investment Manager, as a QFI, to monitor the investments of the underlying investors of the Fund since an investor may make investment through different QFIs or other programs such as Stock Connects. It is also practically difficult for the Investment Manager to monitor the investments made by other QFIs or Stock Connects participants.

d) Disclosure of Interests and Short Swing Profit Rule

Under the PRC disclosure of interest requirements, the Fund may be deemed to be acting in concert with other funds or sub-funds managed within the Investment Manager's group or a substantial shareholder of the Investment Manager's group and therefore may be subject to the risk that the Fund's holdings may have to be reported in aggregate with the holdings of such other funds or sub-funds mentioned above should the aggregate holding triggers the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose the Fund's holdings to the public with an adverse impact on the performance of the Fund.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the Fund's investments with the result that where the holdings of the Fund exceed 5% of the total issued shares of a PRC listed company, the Fund may not reduce its holdings in such company within six months of the last purchase of shares of such company. If the Fund violates the rule and sells any of their holdings in such company in the six month period, they may be required by the listed company to return any profits realised from such trading to the listed company.

Moreover, under PRC civil procedures, the Fund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the Fund.

e) Low Level of Monitoring Risk

The regulatory framework of stock markets within the PRC is still developing when compared with many of the world's leading stock markets and accordingly there may be a lower level of monitoring of the activities of such stock markets.

f) Accounting Standards and Disclosure Risk

Accounting, auditing and financial reporting standards in the PRC may be less rigorous than international standards. As a result, certain material disclosures may not be made by some companies.

g) Currency Risk of the RMB

The base currency of the Fund is US\$, the Fund will be directly exposed to any fluctuation in the exchange rate between US\$ and RMB.

The Fund invests primarily in securities denominated in RMB, but its net asset value, subscription and redemption will be quoted in US\$. Accordingly, a change in value of RMB against US\$ will result in a corresponding change in the US\$ Net Asset Value of the Fund.

The PRC government's control of currency exposure and future movements in exchange rates may adversely affect the operations and financial results of companies invested in by the Fund. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fund or its investors may be adversely affected.

Conversion between RMB and US\$ is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability of the Fund to convert between RMB and US\$ in respect of its onshore and offshore investments, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. There is no guarantee that RMB will not depreciate. The Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in capital loss to the Fund and its investors.

h) Settlement Risk

In the PRC, some securities transactions are not settled on a delivery versus payment basis, as a result of which the Fund may have an exposure to settlement risk.

i) Connected Party Risk

The Fund may be investing in QFI permitted securities either directly or indirectly via the QFI status of the Investment Manager. Although the Investment Manager and the Custodian are part of the UBS group, each entity will operate independently in assuming their respective duties and obligations in relation to the Fund and are subject to the supervision of their relevant regulators. All transactions and dealings between such entities in relation to the Fund will be dealt with on arm's length basis having regard to the constitutive documents of the Fund as well as the relevant regulatory codes applicable to such entities. In the unlikely

event that conflicts of interest arise, the Fund in conjunction with the Custodian will seek to ensure that the Fund is managed in the best interest of Shareholders and that Shareholders are treated fairly.

j) Clearing Reserve Fund Risk

Under the QFI regulations, the relevant PRC Sub-Custodian is required to deposit a minimum clearing reserve fund, the percentage amount to be determined from time to time by the China Securities Depository and Clearing Corporation Limited (Shanghai and Shenzhen branches) (the "CSDCC"). The PRC Sub-Custodian will deposit a part of the assets of the Fund as part of its minimum clearing reserve fund. The minimum clearing reserve ratio is determined by the CSDCC from time to time and will be deposited by the PRC Sub-Custodian into its minimum clearing reserve fund. In times of rising PRC securities values, the assets of the sub-fund retained in the clearing reserve fund may have a negative impact on the performance of the sub-fund and, conversely, in times of falling PRC security values may cause the sub-fund to perform better than might otherwise have been the case.

k) PRC Tax Risk

By investing in securities (including A-Shares) issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore ("onshore PRC securities") or offshore ("offshore PRC securities"), and together with onshore PRC securities, the "PRC Securities"), the Fund may be subject to PRC taxes.

The PRC government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies. Please refer to the section headed "PRC Tax Considerations" above for further information on the risks associated with PRC taxation.

General risks connected with investment in the Fund

a) Performance of the Fund

The Fund's results will depend upon the availability of suitable investment opportunities for the Fund and the performance of the Fund's investments.

Information on the past performance of the Fund can be obtained from the Investment Manager, but past performance is no indication of future performance.

b) Reliance on Management

Although the Directors have the ultimate authority and responsibility for the management of the Fund, all decisions relating to the investment of the assets of the Fund have been delegated to, and will be made by, the Investment Manager. The expertise of the Fund in trading is therefore largely dependent on the continuation of an agreement with the Investment Manager and the services and skills of its officers and employees.

c) Effect of Redemptions

If redemption requests are made on a Redemption Day which exceed the Redemption Threshold, the

Directors may reduce those redemption requests pro rata amongst all Shareholders seeking to redeem Shares on the relevant Redemption Day and carry out only sufficient redemptions which, in aggregate, amount to the Redemption Threshold. In these circumstances, a redeeming Shareholder's ability to redeem a certain number or all Shares on the relevant Redemption Day will be affected as the relevant Shareholder will not be able to redeem all the Shares requested for redemption on the relevant Redemption Day. The redemption of any remaining Shares subject to a redemption deferral will be delayed to the next Redemption Day (but subject to further deferral if the deferred requests themselves exceed the Redemption Threshold). Redemptions by Shareholders may also be suspended in circumstances set out under the heading "Suspension of Redemptions and Subscriptions" above. Further, it may only be possible to liquidate the Fund's investments at prices which the Directors believe do not reflect the true value of such investments, resulting in an adverse effect on the return to the Shareholders. In addition, although it is expected on termination of the Fund to liquidate all of the Fund's investments and distribute only cash to the Shareholders, there can be no assurance that this objective will be attained or that it will be attained within any particular timeframe.

d) Absence of Secondary Market

Currently there is no public market for the Shares and it is unlikely that any active secondary market for any of the Shares will develop. Shares are not being registered to permit a public offering under the securities laws of any jurisdiction. The Shareholders might be able to dispose of their Shares only by means of redemptions on the relevant Redemption Day at the Redemption Price per Share, in the absence of an active secondary market. In addition, the Directors have the power to suspend and compel redemptions.

e) Operating Deficits

The expenses of operating the Fund (including the fees payable to the Investment Manager, the Administrator and other service providers) may exceed the Fund's income, thereby requiring that the difference be paid out of the Fund's capital, reducing the value of the Fund's investments and potential for profitability.

f) Economic Conditions

Changes in economic conditions, including, for example, interest rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially and adversely the business and prospects of the Fund. None of these conditions is within the control of the Investment Manager and no assurances can be given that the Investment Manager will anticipate these developments.

g) Calculation of Net Asset Value

There is no assurance that the determination of the Net Asset Value as described above reflects the actual sales prices of the securities, even when such sales occur very shortly after the Valuation Point. If sales of investments result in fewer proceeds than estimated, the remaining Shareholders will see the Net Asset Value of the Fund reduced.

h) Conflict of Interest

The Directors, the Investment Manager, any investment adviser, the Custodian, the Administrator, any PRC custodian and any of their respective affiliates or connected persons may from time to time act as director,

manager, investment manager, investment adviser, custodian, registrar, broker, administrator, distributor, dealer or service provider in relation to, or be otherwise involved in, other investment funds (including investment funds which invest directly or indirectly in the Fund), which have similar or different objectives to those of, or invest in similar securities to those held by, the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are managed and minimised so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly, taking into account the interests of Shareholders as a whole. In any event, the Investment Manager will ensure that all investment opportunities will be fairly allocated.

The Fund has entered into a director service agreement with Ironstone Global Solutions, pursuant to which Ironstone Global Solutions has agreed to provide the services of Richard Ruffer and Christine Fletcher to act as Directors. The Fund has also entered into a director service agreement with SHRK Pte. Ltd., of which Suet Ting Wong (Sherry) is the Chief Executive Officer, pursuant to which SHRK Pte. Ltd. has agreed to provide the services of Suet Ting Wong (Sherry) to act as a Director.

Each of the Directors may serve as a director of other investment vehicles and, subject to any applicable confidentiality requirements, may use information which he or she obtains, produces or utilises in the performance of services for the Fund in respect of such other investment vehicles.

There may be a conflict of interest in respect of the Investment Manager when determining to appoint an affiliated investment adviser.

It is expected that transactions for the Fund may be carried out with or through connected persons of the Fund, the Directors, the Investment Manager or an investment adviser. There is no limit on the volume of transactions which may be conducted with or through such connected persons but the Investment Manager will use due care in the selection of such connected persons to ensure that they are suitably qualified in the circumstances, and will monitor and ensure that all such transactions are conducted on an arm's length basis and are consistent with best execution standards. The fees or commissions payable to any such connected persons will not be greater than those which are payable at the prevailing market rate for such transactions.

The Investment Manager may also act as the manager, investment manager or investment adviser of other funds whose investment objectives, investment approach and investment restrictions are similar to those of the Fund. The Investment Manager or any of its affiliates may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them become aware to the Fund or to account to the Fund in respect of (or share with the Fund or to inform the Fund of) any such transactions or any benefit received by any of them from any such transaction, but will allocate appropriate investment opportunities on a fair and equitable basis between the Fund and other clients.

Each of the Investment Manager and its affiliates reserve the right to co-invest on its own account or for other funds and/or other clients with the Fund, although any such co-investment must be made on terms no better than those in which the Fund is investing. Each of the Investment Manager and its affiliates may hold and deal in Shares or in investments held by the Fund either for their own account or for the account of their clients.

In addition, subject to the paragraphs below relating to the Investment Manager, any of the foregoing may deal, as principal or agent, with the Fund provided that such dealings are carried out in good faith and as if effected on normal commercial terms negotiated on an arm's length basis.

The Investment Manager may enter into transactions for the account of the Fund with affiliated brokers or dealers, provided that such transactions are carried out on arm's length terms, consistent with best execution standards and at a commission rate no higher than customary institutional rates. The Fund may deposit funds with or borrow funds from the Investment Manager or its affiliates, provided that (i) in the case of a deposit, interest is received at a rate not lower than the prevailing commercial rate for a deposit of that size and term, and (ii) in the case of a loan, interest charged and fees levied in connection with the loan are no higher than the prevailing commercial rate for a similar loan.

The Investment Manager may enter into trades for the account of the Fund with the accounts of other clients of the Investment Manager or their affiliates ("cross trades"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution.

The Investment Manager and its associates or delegates will not deal with the Fund as beneficial owner on the sale or purchase to or from the Fund, except on a basis approved by the Directors from time to time, or without the consent of the Directors, otherwise deal with the Fund as principal.

The Investment Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it may be entitled from the Fund. The Investment Manager and any person connected with it, including any employee of the Investment Manager or its associated companies, may invest in the Fund, and the Investment Manager may allow to any such person a reduction in the subscription fee (if any) and/or a rebate of any fees to which the Investment Manager may be entitled from the Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

i) General

The value of an investment and any income from it can go down as well as up. An investor may not get back the original amount invested. What an investor will get back is dependent on investment performance and nothing is guaranteed.

j) Regulation

With the exception of registration under section 4(3) of the Act, the Fund is not registered pursuant to any other applicable law, rule or regulation. Consequently, Shareholders will not benefit from certain of the protections afforded by such other laws or regulations.

k) Dividends and Distributions

The Fund does not intend to pay dividends or other distributions, but intends instead to reinvest all of the Fund's income and gain. Accordingly, an investment in the Fund may not be suitable for investors seeking current returns for financial or tax planning purposes. The Directors do, however, reserve the right to

declare and pay dividends.

l) Risks associated with a pandemic or public health emergency

A pandemic or public health emergency (a "Pandemic") could cause significant disruption to a number of industries and the markets in which they operate. A Pandemic may cause the temporary closure of corporate offices, retail stores and manufacturing facilities, as well as local government departments and offices; the imposition of travel bans and/or quarantines; and/or the declaration of states of emergency in some countries or across the globe. A Pandemic could have a sustained adverse impact on economic and market conditions and trigger a period of continued global economic slowdown and possibly, a regional or global recession. A Pandemic may negatively affect the operations of the Investment Manager and the performance of the Fund in such circumstances may be difficult to predict. Any one or more of these effects of a Pandemic could have an adverse effect on the markets in which the Fund invests and, in turn, the Net Asset Value per Share and the Fund's liquidity. This could mean a Shareholder receives less than their original investment in the Fund or certain restrictions are imposed on redemptions from the Fund (if provided for by this Memorandum) to protect the investment proceeds of investors in the Fund as a whole.

m) No Guarantee

There is no guarantee that implementation of the investment objective or strategy with respect to the assets of the Fund will not result in losses to holders of Shares and vary substantially over time.

n) Withholding Tax Risk

The income and gains of the Fund from its securities and assets may suffer withholding tax, which may not be reclaimable in the countries where such income and gains arise.

o) Use of Derivatives

Derivative financial instruments are not in themselves investment instruments but rights whose valuation mainly derives from the price and the price fluctuations and expectations of an underlying instrument. Investments in derivative financial instruments are subject to the general market risk, management risk, credit and liquidity risk.

Depending on the specific characteristics of derivative financial instruments, however, the aforementioned risks may be of a different kind and occasionally turn out to be higher than the risks with an investment in the underlying instruments.

That is why the employment of derivative financial instruments not only requires an understanding of the underlying instrument but also in-depth knowledge of the derivative financial instruments themselves.

The risk of default in the case of derivative financial instruments traded on an exchange is generally lower than the risk associated with derivative financial instruments that are traded over-the-counter on the open market, because the clearing agents, which assume the function of issuer or counterparty in relation to each derivative financial instrument traded on an exchange, assume a performance guarantee. To reduce the overall risk of default, such guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are calculated. In the case of derivative financial instruments traded over-the-counter on the open market, there is no comparable clearing agent guarantee and in

assessing the potential risk of default, the Fund must take account of the creditworthiness of each counterparty.

There are also liquidity risks since it may be difficult to buy or sell certain derivative financial instruments. When derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with derivative financial instruments traded over-the-counter on the open market), it may under certain circumstances not always be possible to fully execute a transaction or it may only be possible to liquidate a position by incurring increased costs.

Additional risks connected with the employment of derivative financial instruments lie in the incorrect determination of prices or valuation of derivative financial instruments. There is also the possibility that derivative financial instruments do not completely correlate with their underlying assets, interest rates or indices. Many derivative financial instruments are complex and frequently valued subjectively. Inappropriate valuations can result in higher demands for cash by counterparties or in a loss of value for the Fund. There is not always a direct or parallel relationship between a derivative financial instrument and the value of the assets, interest rates or indices from which it is derived. For these reasons, the use of derivative financial instruments by the Fund is not always an effective means of attaining the Fund's investment objective and can at times even have the opposite effect.

p) Collateral Management:

When the Fund conducts over-the-counter ("OTC") transactions, it may be exposed to risks relating to the credit standing of its OTC counterparties and to their ability to fulfil the conditions of the contracts it enters into with them.

Therefore, while entering into futures, options and swap transactions or using other derivative techniques, the Fund might be subject to the risk of an OTC counterparty which might not (be in a position to) fulfil its obligations under a particular or several contract(s). The counterparty risk might be reduced by using collateral. In case collateral is owed under applicable agreements to the Fund, it would be held with the Custodian for the benefit of the Fund. Bankruptcy, insolvency or other credit default events of the Custodian or its sub-custody / correspondent bank network may cause the Fund's/ rights with respect to the collateral to be delayed or otherwise limited. In case collateral is owed under applicable agreements by the Fund to the OTC counterparty, such collateral would have to be transferred to the OTC counterparty as agreed between the Fund and the OTC counterparty. Bankruptcy, insolvency or other credit default events of the OTC counterparty or its subcustody / correspondent bank network may cause the Fund's rights or recognition with respect to the collateral to be delayed, limited or even excluded, which would result in the Fund being obliged to fulfil its obligation under the OTC transaction notwithstanding any collateral provided beforehand to cover such obligation.

q) Short Selling

Short selling can involve greater risk than investment based on a long position. A short sale of equity involves the risk of a theoretically unlimited increase in the market price of the equity, which could result in an inability to cover the short position and a theoretical loss.

r) Insolvency Risk on Swap Counterparties

Margin deposits made in relation to swap contracts will be held with brokers. Though there are provisions in the structure of these contracts intended to protect each party against the insolvency for the other, these

provisions may not be effective. This risk will further be mitigated by the exclusive choice of reputable swap counterparties.

s) Potential Illiquidity of Exchange Traded Instruments and Swap Contracts

It may not always be possible for the Fund to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, the Fund may not be able to execute trades or close out positions on terms which the Investment Manager believes are desirable.

Swap contracts are over-the-counter contracts with a single counterparty and may as such be illiquid. Although swap contracts may be closed out to realize sufficient liquidity, such closing out may not be possible or very expensive for the Fund in extreme market conditions.

t) Ability to Take Positions Through Swap Contracts

The ability of the Fund to take short positions and to achieve leverage may be dependent on the ability to enter into swap contracts with appropriate counterparties and terms. The Fund may not be able to enter into such contracts because of, for example, changes in laws, regulations or the situation of the swap counterparties.

u) Market Risk

The investments of the Fund are subject to normal market fluctuations and the risks inherent in equity securities and similar instruments and there can be no assurances that appreciation will occur. The price of shares can go down as well as up and investors may not realise their initial investment. Although the Investment Manager will attempt to restrict the exposure of the Fund to market movements, there is no guarantee that this strategy will be successful.

To achieve the desired level of market exposure the Fund may use futures, which may result in losses to the portfolio.

v) Forward Foreign Exchange Contracts

For hedging purposes, the Fund may enter into forward foreign exchange contracts. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Fund will be subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could

result in significant losses.

w) Currency Options

For hedging purposes, the Fund may acquire currency options, the value of which depend largely upon the likelihood of favourable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. Many of the risks applicable to trading the underlying currencies are also applicable to over-the-counter options trading. In addition, there are a number of other risks associated with the trading of options including the risk that the purchaser of an option may at worst lose his entire investment (the premium it pays).

x) Currency Exposure

Certain of the assets of the Fund may be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund will be subject to foreign exchange risks. The Fund may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Reference currency of the Fund and such other currencies.

y) Custodial, clearance and settlement risks

The Custodian or any PRC custodian may appoint directly or indirectly sub-custodians in local markets for the purposes of the safekeeping of assets in those markets. There can be no assurance that losses will not arise to the Fund from the actions or inactions of such sub-custodians, particularly in the case where regulation and standards of administration in certain emerging or developing economies or markets in which the Fund may invest are underdeveloped and not of the standard experienced in most developed economies or markets.

The lack of adequate custodial, clearance and settlement systems in some emerging economies or markets may prevent either partial or total investment in such economies or markets or may require the Fund to accept greater custodial, clearance and/or settlement risks in order to make any such investment. There are risks arising from the inadequacy of systems to ensure the transfer, evaluation, compensation and/or recording of securities, the procedure for registering securities, the custody of securities and liquidation of transactions. These risks do not occur as frequently in more developed economies or markets.

The clearance and settlement systems available to effect trades on certain emerging or developing economies or markets as well as the local banking and telecommunications systems may be significantly less developed than those in more developed economies or markets, which may result in delays and other material difficulties in settling trades and in registering transfers of securities. Since the local postal and banking systems in these emerging or developing economies or markets may not meet the same standards as those of more developed economies or markets, no guarantee can be given that all entitlements attaching to securities acquired by the Fund can be realised. There is the risk that payments of interest or other distributions by bank wire or by cheque sent through the mail could be delayed or lost. In addition, there is the risk of loss in connection with the insolvency of an issuer's bank, particularly because these institutions may not be guaranteed by the local government.

In certain emerging or developing economies or markets, there have been times when clearance and settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Problems with clearance and settlement in these economies or markets may affect the value and liquidity of the Fund. The inability of the Fund to make intended securities purchases due to clearance and settlement problems could cause the Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by such problems could result either in losses to the Fund due to subsequent declines in value of the portfolio security or, if the Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

In addition, such emerging or developing economies or markets may have less developed clearance and settlement procedures. The Fund will be exposed to credit risks of parties with or through whom it trades and will also bear the risk of settlement default. Market practice in certain emerging or developing economies or markets, in which the Fund may invest, in relation to the clearance and settlement of securities transactions, may increase such risks. In certain securities markets, in particular those in emerging or developing economies, transactions may not be executed on a delivery versus payment/receive versus payment (DVP/RVP) basis and there may be a difference in settlement dates for cash and securities, which creates counterparty risk.

Assets held as collateral by counterparties to derivative transactions with the Fund and assets deposited as margin with either a counterparty or an executing broker might not be segregated from the assets of such counterparty or executing broker. Such assets might therefore be available to the creditors of such persons in the event of their insolvency. Bank accounts in which the cash of the Fund are held are generally operated by the Investment Manager and/or the Administrator under authority from the Fund.

Similarly, cash held or received for the Fund by or on behalf of a broker will not normally be treated as client money and will not be subject to the client money protections under applicable laws. Accordingly the Fund's cash will also be collateral and will not be segregated from the cash of the relevant broker. As a consequence such cash may be used by the relevant broker in the course of its business and the Fund will rank as a general creditor of the relevant broker in the event of the relevant broker's insolvency. This may also result in an adverse effect on the net asset value of the Fund.

Where the Fund invests in markets where custodial and/or settlement systems are not fully developed, in case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the 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 Fund may even be unable to recover all of its assets. The costs borne by the Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

z) Exchange of Tax Information

The Cayman Islands has implemented a legal and regulatory regime that the OECD has recognised as generally complying with internationally agreed standards for transparency and exchange of information for tax purposes. Furthermore, the Cayman Islands is currently treated by the OECD as a jurisdiction that has substantially implemented the internationally agreed tax standard (as developed by the OECD in co-operation with non-OECD countries and endorsed by G20 Finance Ministers and by the United Nations Committee of Experts on International Co-operation in Tax Matters). The implementation of this standard, which requires exchange of information on request in all tax matters (including FATCA) for the administration and enforcement of domestic tax law without regard to a domestic tax interest requirement or bank secrecy for tax purposes, has involved the Cayman Islands entering into a number of bilateral tax

information exchange agreements, and also the enactment of a unilateral mechanism for the Cayman Islands to provide relevant information on request to certain other specified jurisdictions.

Consequently, the Fund, or any of its directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Act (as amended) of the Cayman Islands, or by the Cayman TIA, under the CRS Regulations and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund and any of its directors or agents, may be prohibited from disclosing that the request has been made.

Accordingly, each Shareholder should be aware that in accordance with such arrangements (as extended or varied from time to time to comply with then current international standards, to the extent adopted by the Cayman Islands or any other relevant jurisdiction), the Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds including, but not limited to, the following:

- the disclosure by the Fund, the Administrator or such other service provider or delegate of the Fund, of certain information relating to an investor to the Cayman TIA or equivalent authority and any other foreign government body as required by FATCA. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor; and/or
- the Fund may compulsorily redeem any Shares held by an investor in accordance with the terms of this Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to FATCA may therefore result in pecuniary loss to such investor.

For further information on FATCA see "ADDITIONAL INFORMATION; The Cayman Islands and FATCA".

aa) Cayman Islands Legal Counsel

Ogier acts as legal counsel to the Fund as to matters of Cayman Islands laws. Ogier does not represent investors in the Fund, and no independent counsel has been retained to act on behalf of the Shareholders or any Directors. Ogier is not responsible for any acts or omissions of the Fund (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Investment Manager or the Fund. This Memorandum is based on information furnished by the Directors and Investment Manager. Ogier has not independently verified that information.

ab) Cyber-Attack Risk

The operations of the Investment Manager and the Fund are dependent on technology information and communication systems. A failure of any such system or a security breach or cyber-attack could significantly disrupt the Investment Manager's operations and those of the Fund. The service providers of the Investment Manager and the Fund are subject to the same cyber-security threats as the Investment Manager and the Fund. If a service provider fails to adopt, implement or adhere to adequate cyber-security measures, or in the event of a breach of its networks, information relating to the Fund, the Fund's operations and personal information relating to shareholders may be lost, damaged or corrupted or improperly accessed, used or disclosed.

Any system failure, security breach or cyber-attack on the Investment Manager or the Fund, or any of their service providers, could cause the Investment Manager and/or the Fund to suffer, among other things, financial loss, disruption to its business, including its trading capabilities and the ability of the Fund to transmit payments, including to shareholders, increased operating costs, liability to third parties, regulatory intervention and reputational damage and could have a material adverse effect on the Fund and shareholders' investments in the Fund.

ac) Concentration Risk

The Fund is highly specialised. Although the Fund's portfolio is well diversified in terms of the number of holdings, investors should be aware that the Fund is likely to be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the country in which it invests.

ad) Liquidity Risk

The Fund may invest in certain securities that subsequently become difficult to sell because of reduced liquidity which may have an adverse impact on their market price and consequently the Net Asset Value of the Fund. Reduced liquidity for such securities may be driven by unusual or extraordinary economic or market events, such as the deterioration in the creditworthiness of an issuer or the lack of efficiency of a given market. In extreme market situations, there may be few willing buyers and the investments cannot be readily sold at the desired time or price, and the Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and the Fund may incur a loss as a result. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. To meet redemption requests, the Fund may be forced to sell investments, at an unfavourable time and/or conditions.

RMB denominated debt instruments are not regularly traded and may have lower trading volumes than other more developed markets. An active secondary market for these instruments is yet to be developed. The bid and offer spread of the price of RMB denominated debt instruments may be large and the Fund may incur significant trading and realisation costs.

af) Hedging Risk

The Investment Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market and currency risks. There is no guarantee that hedging techniques will achieve their desired result.

ag) Risks associated with the ongoing global pandemic

In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which resulted in the temporary and in some cases, ongoing closure of many corporate offices, retail stores, and manufacturing facilities across the globe. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain.

The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of continued global economic slowdown. The rapid development of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. There are no comparable recent events in the global economy which provide guidance as to the effect of the spread of COVID-19 and a potential pandemic on the economy as a whole and the specific sectors that the Fund is invested in. COVID-19 presents material and specific uncertainty and risk with respect to the Fund's performance and financial results. There is substantial uncertainty around regulatory and market reactions to COVID-19 and the potential effect that these reactions will have on the financial condition and liquidity of the Fund's investments.

The extent to which COVID-19 may negatively affect the operations of the Investment Manager and the performance of the Fund is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE MEMORANDUM INCLUDING ALL ATTACHMENTS AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISERS, BEFORE DECIDING TO INVEST IN THE FUND.

APPENDIX

Summary of liquidity risk management policy

(a) Governance structure

The Investment Manager has established comprehensive risk management policies and procedures to manage and mitigate the Fund's exposure to significant market, liquidity and operational risks.

The board of directors (the "Board") of the Investment Manager provides general oversight of the Fund's investment programme and operations in accordance with the Investment Manager's liquidity risk management policies and procedures.

(b) Liquidity risk management policy

The Investment Manager has, as part of its overall risk management programme, established liquidity risk management policies and procedures which are reviewed periodically from time to time.

The key elements to the Investment Manager's risk management policy include (but not limited to) the following in accordance with its liquidity risk management policies and procedures:

Considering risk appetite – The Investment Manager considers the liquidity risks facing the Fund to ensure that the Fund's dealing arrangements are appropriate for its investment strategy and underlying assets. Among other things, the Investment Manager seeks to (a) understand and align the liquidity profile of the Fund's liabilities with the liquidity profile of the Fund's assets, (b) understand investors' historical and expected redemption patterns, and (c) determine an appropriate dealing frequency taking into account the liquidity profile of the Fund and investors' redemption patterns.

Ongoing liquidity risk assessment through qualitative and quantitative evaluations – The Investment Manager assesses, on a regular basis, the liquidity profile of the Fund's assets and liabilities by taking into account various factors. Examples are as follows:

- Broad-based market conditions including interest rate and credit environments & market prices – historical and current
- Cash flows/ liquidity demands, i.e. large outflows, historical and expected redemptions
- Dealer inventories
- Transaction costs
- Significant market volatility impacting flows
- Fund closures
- Other potential sources of liquidity risks such as margin calls for derivatives
- Collateral needs
- Investor profile

The Investment Manager assesses the Fund's liquidity position against the internal liquidity indicators.

- Stress-testing – Liquidity stress tests are conducted on an ongoing basis as appropriate based on various scenarios, including scenarios based on both backward-looking historical market conditions and redemption demands of the Fund as well as forward-looking hypothetical scenarios to assess the Fund's ability to meet redemption obligations and the impact on the remaining

investors when there is a significant decrease in the liquidity of underlying assets or a significant increase in redemption requests. Stress test results will be reviewed by the Board to determine whether further action will be required.

(c) Liquidity risk management tools

The Investment Manager may recommend the following liquidity management tools to the Directors in order to protect the interests of the Shareholders:

- **Deferred redemption** – In the event that redemption requests are received on a Dealing Day for the redemption of Shares representing, in aggregate, more than the Redemption Threshold, the Directors may reduce those redemption requests pro rata amongst all Shareholders seeking to redeem Shares on the relevant Redemption Day and carry out only sufficient redemptions which, in aggregate, amount to the Redemption Threshold. Please refer to the sub-section "Deferral of Redemptions" of the Memorandum for more information.
- **Suspension of redemption** - The Fund may suspend the redemption of Shares under exceptional circumstances, such as the closure, suspension or restriction of trading on any markets. Please refer to the sub-section "Suspension of Redemptions and Subscriptions" of the Memorandum for more information.
- **Redemptions-in-specie** – The Directors in consultation with the Investment Manager may permit redemptions-in-specie.
- **Anti-dilution adjustment** – The Directors may, in their absolute discretion, make an anti-dilution adjustment to the Net Asset Value per Share in order to mitigate the effect of any dilution on the Fund because of a net inflow or net outflow of investors on any one Dealing and/or Redemption Day. Please refer to the section "DETERMINATION OF NET ASSET VALUE" of the Memorandum for more information.

SUPPLEMENT TO THE AMENDED AND RESTATED PRIVATE PLACEMENT MEMORANDUM
DATED 28 FEBRUARY 2022
IN RESPECT OF PARTICIPATING SHARES IN UBS (CAY) CHINA A OPPORTUNITY

This Supplement updates, amends, modifies and supersedes the terms set out in the amended and restated confidential private placement memorandum of UBS (CAY) China A Opportunity (the **Fund**) dated 28 February 2022, as may be amended from time to time (the **Memorandum**).

This Supplement forms part of, and must be read together with the Memorandum. A copy of the Memorandum has been furnished to you together with this Supplement. If you have not received the Memorandum please contact the Investment Manager.

Capitalised terms not defined herein are defined in the Memorandum.

Addition of Further Information

The following wording is added to the sub-section titled 'Investment Strategy' that sits within the section titled 'Investment Objective, Strategy and Policy':

"Investors may access the website of the Investment Manager at <https://www.ubs.com/hk/en/assetmanagement> for further information, including information on UBS Asset Management's Environmental, Social, and Governance strategy."

immediately following the paragraph detailing how the Sustainability Exclusion Policy of the Investment Manager may be accessed.

The Memorandum is amended to reflect the change above, which shall take effect from 18 November 2022.

18 November 2022