

**C L I F F O R D
C H A N C E**

HSBC GLOBAL ASSET MANAGEMENT (HONG KONG) LIMITED

and

HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED

**FIFTH SUPPLEMENTAL TRUST DEED
for
HSBC CHINA DRAGON FUND**

THIS FIFTH SUPPLEMENTAL DEED is made the 30th day of December 2019

BETWEEN

- (A) **HSBC GLOBAL ASSET MANAGEMENT (HONG KONG) LIMITED** having its registered office at HSBC Main Building, 1 Queen's Road Central, Hong Kong (the "**Manager**"); and
- (B) **HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED** having its registered office at HSBC Main Building, 1 Queen's Road Central, Hong Kong (the "**Trustee**");

and is supplemental to a trust deed dated 20 June 2007, as amended, restated and supplemented by a supplemental trust deed dated 29 June 2007, the second supplemental deed dated 17 November 2009, the third supplemental deed dated 21 August 2012 and fourth supplemental deed dated 7 January 2016 (collectively, the "**Trust Deed**"), also made by the Trustee and the Manager, and constituting HSBC China Dragon Fund (the "**Trust**").

NOW THIS DEED WITNESSES as follows:

1. Unless there is something inconsistent in the subject matter or the context, words and expression defined in the Trust Deed shall have the same meanings in this Supplemental Deed.
2. With effect on and from the date of this Supplemental Deed, the Trust Deed shall be amended as follows:
3. The following definition shall be inserted after the definition of "Investment" and before the definition of "Issue Price" in Clause 1.1:

 "**Investment Delegate**" means an entity that has been delegated the investment management function of the Trust."
4. The following definition shall be inserted after the definition of "Regulation S" and before the definition of "Rule 144A" in Clause 1.1:

 "**Reverse Repurchase Transactions**" means transactions whereby the Trust purchases securities from a counterparty of Sale and Repurchase Transactions and agrees to sell such securities back at an agreed price in the future."
5. The following definition shall be inserted after the definition of "Rule 144A Units" and before the definition of "Securities Act" in Clause 1.1:

 "**Sale and Repurchase Transactions**" means transactions whereby the Trust sells its securities to a counterparty of Reverse Repurchase Transactions and agrees to buy such securities back at an agreed price with a financing cost in the future."
6. The following definition shall be inserted after the definition of "Securities Act" and before the definition of "Securities Market" in Clause 1.1:

 "**Securities Lending Transactions**" means transactions whereby the Trust lends its securities to a security-borrowing counterparty for an agreed fee."

7. The following definition shall be inserted after the definition of "Subscription Dealing Deadline" and before the definition of "Trust" in Clause 1.1:

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

8. The definition of "Unrestricted Investments" should be deleted in its entirety and replaced with the following:

""Unrestricted Investment" means:

(a) any Investment issued by, or the-payment of principal, premium (if any) and interest on which is guaranteed by, a government;

(b) any fixed interest Investment issued by a government, its public or local authorities or other multilateral agencies; and

(c) such other Investments (if any) as may by an Extraordinary Resolution be declared to be Unrestricted Investments or may be determined by the Commission from time to time as being Unrestricted Investments;"

9. Sub-clause 3.3 shall be deleted in its entirety and replaced with the following:

"The Manager may, with the prior consent of the Trustee and having regard to the best interests of the Holders, declare a suspension of the determination of the Net Asset Value for the whole or any part of any period during which:-

(a) any Securities Market, Commodities Market or futures exchange on which a significant portion of the Investments of the Trust is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading in any such exchange or market is restricted or suspended; or

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to dispose of Investments held or contracted for the account of the Trust or as a result of which such disposal would be materially prejudicial to Holders; or

(c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or the Net Asset Value of the Trust Fund or the Net Asset Value per Unit or when for any other reason the value of any of the investments or other assets of the Trust or the Net Asset Value of the Trust Fund or the Net Asset Value per Unit cannot in the opinion of the Manager reasonably or fairly be ascertained; or

(d) during which the Trust is unable to repatriate funds for the purpose of making payments on the redemption of Units by the Manager or during which any transfer of funds involved in the realisation or acquisition of Investments or payments due on redemption of Units cannot in the opinion of the Manager be effected at normal rates of exchange; or

(e) when the issue, redemption by the Manager or transfer of Units would result in the violation of any applicable law.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value until the Manager shall after giving notice to the Trustee declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which:-

(i) the condition giving rise to the suspension shall have ceased to exist; and

(ii) no other condition under which suspension is authorised under this sub-clause shall exist.

Each declaration by the Manager pursuant to this sub-clause shall be consistent with such official rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Trust and as shall be in effect at the time. To the extent not inconsistent with such official rules and regulations, and subject to the foregoing provisions hereof, the determination of the Manager shall be conclusive."

10. The following provision shall be inserted as a new sub-clause 3.5 of Clause 3:

"The Manager shall establish appropriate policies and procedures for independent valuation of each type of assets held by the Trust in consultation with the Trustee. Such policies and procedures should seek to detect, prevent and correct pricing errors and be consistently applied. The Manager should review the valuation policies and procedures on a periodic basis to ensure their continued appropriateness and effective implementation. The valuation policies, procedures and process should be reviewed (at least annually) by a competent and functionally-independent party such as a qualified independent third party or a person performing an independent audit function."

11. The following provision shall be inserted as a new sub-clause 3.6 of Clause 3:

"Where fair value adjustments are necessary in view that market value of a scheme's assets is unavailable, or reasonably considered to be not reliable or reflective of an exit price upon current sale, the Manager shall conduct such adjustments with due skill, care and diligence, and in good faith. The process and conduct of fair value adjustments should be done by the Manager in consultation with the Trustee."

12. The following provision shall be inserted as a new sub-clause 3.7 of Clause 3:

"The Manager shall comply with all applicable legal and regulatory requirements in respect of the valuation of the Trust's assets."

13. The following provision shall be inserted as a new sub-clause 3.8 of Clause 3:

"The review of valuation policies, procedures and process shall include testing the valuation procedures by which the Trust's assets are valued. The Manager shall exercise due skill, care and diligence in the selection of a competent and functionally-independent party."

14. The following provision shall be inserted as a new sub-clause 3.9 of Clause 3:

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

15. The following provisions shall be inserted as a new Clause 4A:

"4A. LISTING AND DEALING

4A.1 The Units in the Trust Fund shall be listed and traded on the SEHK.

4A.2 The Trust Fund shall have procedure(s) and mechanism(s) in place for it to be widely held.

4A.3 The Trust Fund shall have in place measure(s) and mechanism(s) which are fair and equitable to the Holders to address any prolonged significant discount of its secondary trading price on the SEHK to its Net Asset Value.

4A.4 Where the Trust proposes any form of redemption, takeover, merger, amalgamation or restructuring, the Manager and the Trustee shall as soon as practicable consult with the Commission on the manner in which such activities could be carried out so that it is fair and equitable to all the Holders. The Manager and the Trustee should seek to ensure there is fair and equality of treatment of the Holders, timely and adequate disclosure of information to enable the Holders to make an informed decision as to the merits of the transaction, and there is a fair and informed market in the Units of the Trust Fund."

16. Sub-clause 10.23 shall be deleted in its entirety and replaced with the following:

"The Manager may at any time, in consultation with the Trustee and having regard to the best interests of the Holders, suspend the right of the Holders to require the redemption of Units on the Special Redemption Day under this paragraph and may accordingly delay the Valuation Day and the payment of any moneys in respect of any such realisation so suspended in the event that:

(A) When relevant market closed

any period when any market on which a substantial part of the Investments or other property for the time being comprised in the Trust is quoted, listed or dealt in is closed;

(B) When dealings on market restricted or suspended

any period when dealings on any such market are restricted or suspended;

(C) When disposal cannot be effected normally or without materially prejudicing the Holders' interests

during the existence of any state of affairs as a result of which disposal or valuation of some or all investments or other property for the time being comprised in the Trust cannot, in the opinion of the Manager, be effected normally or without materially prejudicing the interests of Holders.

Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof by the Manager and thereafter there shall be no realisation of Units of the Trust and/or payment of moneys in respect of any such redemption until the Manager shall declare the suspension at an end if (a) the condition giving rise to the suspension under (A), (B) and/or (C) above shall have ceased to exist and (b) no other condition under which suspension is authorized by the Manager under this paragraph shall exist. Any declaration by the Manager pursuant to this paragraph shall be consistent with such current rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Trust (including but not limited to the Code on Unit Trusts and Mutual Funds issued by the Commission) and subject to that it shall be conclusive. The Trustee shall, subject to and in accordance with the provisions of the Trust Deed, realise Units of the Trust in respect of which it or any of its authorized agents has received a redemption request as at the Business Day next following the termination of such suspension."

17. The following provision shall be inserted as a new sub-clause 10.24 of Clause 10:

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

18. Sub-clause 12.5 shall be deleted in its entirety and replaced with the following:

"The Manager or any Connected Person of the Manager may purchase and sell Investments for the account of the Trust as agent for the Trustee provided that they shall account for all rebates of brokerage and commission which they may derive from or in connection with any such purchase or sale to the Trust on whose behalf such transaction was effected. The Manager or their Connected Persons may enter into contractual arrangements with other persons (including any Connected Person of the Manager or the Trustee) under which such other persons agree to provide them with or procure for them goods, services or other benefits in consideration of the Manager or a Connected Person of the Manager executing transactions to be entered into for the account of the Trust by or through the agency of such other persons (or persons connected thereto). The Manager shall procure that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to relevant Holders (taken as a body and in their capacity as such) whether by assisting the Manager in its ability to manage the Trust or otherwise, transaction execution is consistent with best execution standards, brokerage rates are not in excess of customary institutional full service brokerage rates and the availability of such soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker. For the avoidance of doubt (and without prejudice to the generality of the foregoing) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis,

- data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications may be considered as of such benefit to Holders and such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments."
19. The following provision shall be inserted as a new sub-clause 12.5A of Clause 12:
- "Periodic disclosure is made in the Trust's annual report in the form of a statement describing the soft dollar policies and practices of the Manager or the Investment Delegate, including a description of the goods and services received by them."
20. Sub-clause 12.6 shall be deleted in its entirety and replaced with the following:
- "Except in the case of a purchase for the account of the Trust of any unit, share or other interest in a Collective Investment Scheme managed by the Manager or any Connected Person or Associate of the Manager, the Trustee shall not, and neither the Manager, the Investment Delegate nor any Connected Person shall without the written approval of the Trustee, as principal sell or deal in the sale of Investments to the Trustee for the account of the Trust or otherwise deal as principal with the Trust. If the Manager or any Connected Person or Associate of the Manager shall (with such approval if required, which may be given generally or in any particular case or cases) so sell or deal, the Manager or such Connected Person or Associate (as the case may be) may (except as otherwise expressly provided herein) retain for their or its own absolute use and benefit any profit which they or it may derive therefrom or in connection therewith."
21. Sub-clause 12.7 shall be deleted in its entirety and replaced with the following:
- "The Manager or its Associates may, in accordance with applicable law and regulation, effect agency cross transactions where both the sale and purchase of an Investment are effected for clients (including the Trust on the one hand) of the Manager or its Associates provided that the sale and purchase decisions are in the interests of the Trust and the relevant clients, permitted within the investment guidelines/objectives of the Trust and the relevant clients and the transactions are executed on an arm's length basis, in the best interests of the Holders and at the best price reasonably obtainable by the Trust having regard to the kind, size and time of the transaction."
22. Sub-clause 12.9 shall be deleted in its entirety and replaced with the following:
- "Where any cash forming part of the Trust Fund or the Distribution Account is transferred to a deposit account with the Trustee or the Manager or any Investment Delegate or any of their Connected Person (being an institution licensed to accept deposits), such cash shall be maintained in a manner that is in the best interests of the Holders, having regard to prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business. Subject thereto such banker or other financial institution shall be entitled to retain for its own use and benefit any benefit which it may derive from any cash for the time being in its hands

(whether on current or deposit account) as part of the Trust Fund or of the Distribution Account (as the case may be)."

23. Sub-clause 12.11 shall be deleted in its entirety and replaced with the following:

"Notwithstanding Clauses 13.6.2 and 14 below, the Trust may engage in Securities Lending Transactions, Sale and Repurchase Transactions and Reverse Repurchase Transactions (collectively, "securities financing transactions"), provided that they are in the best interests of the Holders to do so and the associated risks have been properly mitigated and addressed. The counterparties to securities financing transactions should be financial institutions which are subject to ongoing prudential regulation and supervision. The Trust should have at least 100% collateralization in respect of the securities financing transactions into which it enters to ensure there is no uncollateralized counterparty risk exposure arising from these transactions. All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, should be returned to the Trust. The Trust should ensure that it is able at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered."

24. The following provisions shall be inserted as a new sub-clause 12.11A of Clause 12:

"To limit the exposure to each counterparty as set out in clauses 12.11 and 13.1A(b)(iii), the Trust may receive collateral from such counterparty, provided that the collateral complies with the requirements set out below:

12.11A.1 Liquidity – collateral must be sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing.

12.11A.2 Valuation – collateral should be marked-to-market daily by using independent pricing source.

12.11A.3 Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

12.11A.4 Haircut – collateral should be subject to prudent haircut policy. Haircuts should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. The price volatility of the asset used as collateral should be taken into account when devising the haircut policy. Other specific characteristics of the collateral, including, among others, asset types, issuer creditworthiness, residual maturity, price sensitivity, optionality, expected liquidity in stressed period, impact from foreign exchange, and correlation between

securities accepted as collateral and the securities involved in the transactions, should also be considered where appropriate.

12.11A.5 Diversification – collateral must be appropriately diversified so as to avoid concentrated exposure to any single entity and/or entities within the same group. The Trust Fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in sub-clauses 13.1.1, 13.1.1A, 13.1.1B, 13.1.5, 13.1.7 and 13.4.2.

12.11A.6 Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions or any of their related entities should not be used as collateral.

12.11A.7 Management of operational and legal risks – the Manager must have appropriate systems, operational capabilities and legal expertise for proper collateral management.

12.11A.8 Independent custody – collateral must be held by the Trustee.

12.11A.9 Enforceability – collateral must be readily accessible / enforceable by the Trustee without further recourse to the issuer of the financial derivative instruments, or the counterparty of the securities financing transactions.

12.11A.10 Re-investment of collateral – cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorized under Chapter 8.2 of the Commission's Code on Unit Trusts and Mutual Funds or regulated in a manner generally comparable with the requirements of the Commission and acceptable to the Commission, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Commission's Code on Unit Trusts and Mutual Funds. Non-cash collateral received may not be sold, re-invested or pledged.

(a) Money market instruments refer to securities normally dealt in on the money markets, for example, government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

(b) The portfolio of assets from re-investment of cash collateral shall comply with the following requirements:

(i) the relevant scheme must maintain a portfolio with weighted average maturity not exceeding 60 days and a

weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Unrestricted Investments. Weighted average maturity is a measure of the average length of time to maturity of all the underlying securities in the scheme weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of a scheme to changing money market interest rates. Weighted average life is the weighted average of the remaining life of each security held in a scheme; and is used to measure the credit risk, as well as the liquidity risk. The use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity; and

(ii) the relevant scheme must hold at least 7.5% of its total net asset value in daily liquid assets and at least 15% of its total net asset value in weekly liquid assets. Daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one working day; and (iii) amount receivable and due unconditionally within one working day on pending sales of portfolio securities. Weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five working days; and (iii) amount receivable and due unconditionally within five working days on pending sales of portfolio securities. Periodic stress testing shall be carried out by the relevant management company in monitoring the relevant scheme's liquidity.

(c) Cash collateral received is not allowed to be further engaged in any securities financing transactions.

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

12.11A.11 Collateral should be free of prior encumbrances.

12.11A.12 Collateral generally should not include (i) structured products whose payouts rely on embedded financial derivatives or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitized products; or (iv) unlisted collective investment schemes."

25. Sub-clause 12.12 shall be deleted in its entirety and replaced with the following:

"All transactions carried out by or on behalf of the Trust must be at arm's length, in the best interests of the Holders and executed on the best available terms. For so long as the Trust is authorised pursuant to section 104 of the Securities and Futures Ordinance, the value of transactions in any relevant Accounting Period in effecting transactions for the account of the Trust to persons connected to the Manager may not without the consent of the Commission exceed 50 per cent. of the total value of transactions effected for the account of the Trust in such Accounting Period."

26. Sub-clause 13.1 shall be deleted in its entirety and replaced with the following:

"In the exercise of its investment powers in relation to the Trust, the Manager shall, subject to relevant disclosures in the Offering Memorandum, ensure (so far as by such exercise they can ensure) that no Investment shall be purchased or made or added to if as a result thereof (after taking account of any unpaid instalments in respect thereof but subject to sub-clause 13.3 below):-

13.1.1 the aggregate Value of the Trust's investments in, or exposure to, any single entity through the following would exceed 10 per cent. of the total Net Asset Value as at the most recent Valuation Point:

- (a) investments in securities issued by that entity;
- (b) exposure to that entity through underlying assets of financial derivative instruments; and
- (c) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

The Trust's value of collateral and cash collateral to be reinvested and net single counterparty exposure to the guarantor should be taken into account in compliance with the investment restriction on single entity under this sub-clause.

For the purpose of sub-clauses 13.1.1(c) and 13.1.1A(c), "financial derivative instruments" excludes such instruments transacted on an exchange where the clearing house performs a central counterparty role and marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis; or

13.1.1A subject to sub-clauses 13.1.1 and 13.1A(b)(iii), the aggregate Value of the Trust's investments in, or exposure to, entities within the same group through the following may not exceed 20 per cent. of the Net Asset Value as at the most recent Valuation Point:

- (a) investments in securities issued by those entities;
- (b) exposure to those entities through underlying assets of financial derivative instruments; and
- (c) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

The Trust's value of collateral and cash collateral to be reinvested and net single counterparty exposure to the guarantor should be taken into account in compliance with the investment restriction on entities within the same group under this sub-clause.

For the purpose of sub-clauses 13.1.1A and 13.1.1B, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards are generally regarded as "entities within the same group"; or

13.1.1B the Value of the Trust's cash deposits made with the same entity or entities within the same group may not exceed 20 per cent. of the Net Asset Value as at the most recent Valuation Point, except where (a) cash proceeds from liquidation of Investments prior to the merger or termination of the Trust, whereby the placing of cash deposits with various financial institutions would not be in the best interests of Holders; or (b) cash proceeds received from subscriptions pending investments and cash held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions be unduly burdensome and the cash deposits arrangement would not compromise Holders' interests; or

13.1.2 the nominal amount of the Trust's holding of ordinary shares (other than an Unrestricted Investment) of any one class in any entity would exceed 10 per cent. of the total nominal amount of all the ordinary shares of that class immediately after such investment has been made; or

13.1.3 the Value of the Trust's total investments in securities and other financial products or instruments in the form of Unquoted Investments would exceed 15 per cent. of the total Net Asset Value as at the most recent Valuation Point; or

13.1.4 [deleted]

13.1.5 the Value of the Trust's total holding of units or shares in Collective Investment Schemes which are non-eligible schemes (as permitted pursuant to the Code on Unit Trusts and Mutual Funds published by the Commission) and not authorised by the Commission would not in aggregate exceed 10 per cent. of the total Net Asset Value.

The Trust may invest in one or more underlying schemes which are either schemes authorised by the Commission or eligible schemes. The value of the Trust's investments in units or shares in each such underlying scheme may not exceed 30% of its total Net Asset Value, unless the underlying scheme is authorised by the Commission, and the name and key investment information of the underlying scheme are disclosed in the Offering Memorandum.

In addition, each such underlying scheme's objective may not be to invest primarily in any investment prohibited by Chapter 7 of the Code on Unit Trusts and Mutual Funds issued by the Commission, and where such scheme's objective is to invest primarily in investments restricted by

such chapter, such investments may not be in contravention of the relevant limitation.

For the avoidance of doubt, the Trust may invest in underlying scheme(s) authorised by the Commission under Chapter 8 of the Commission's Code on Unit Trusts and Mutual Funds (except for hedge funds under paragraph 8.7 of the Commission's Code on Unit Trusts and Mutual Funds), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total net asset value, and exchange traded funds that satisfy the requirements under the Commission's Code on Unit Trusts and Mutual Funds. The underlying scheme's objective may not be to invest primarily in other Collective Investment Scheme(s).

Where the Trust invests in any underlying scheme(s) managed by the Manager or its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived. The Manager or any person acting on behalf of the Trust or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme; or

13.1.6 unless otherwise approved by the Commission on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary, the Trust may not invest in physical commodities, except it may invest in financial derivative instruments where the underlying assets consists of highly liquid physical commodities (including gold, silver, platinum and crude oil) subject to the requirements and restrictions under sub-clause 13.1A below;

13.1.7 PROVIDED THAT notwithstanding sub-clauses 13.1.1, 13.1.1A and 13.1.2:-

13.1.7.1 the Manager may invest all of the assets of such Investment Fund in Unrestricted Investments issued by the same issuer provided that they shall invest in not less than 6 different issues;

13.1.7.2 no Unrestricted Investment shall be purchased or made or added to if as a result thereof (after taking account of any unpaid instalments in respect thereof but subject to sub-clause 13.4 below) the Value of the Trust's holding of Unrestricted Investments of the same issue would exceed 30 per cent. of the total Net Asset Value as at the most recent Valuation Point; and

13.1.7.3 for the avoidance of doubt, Unrestricted Investments will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.

13.1.8 PROVIDED THAT exchange traded funds ("ETFs") with the following characteristics (or such other characteristics that the

Commission may determine from time to time) may be deemed as listed securities for the purposes of sub-clauses 13.1.1, 13.1.1A and 13.1.2 and shall not be treated as collective investment schemes for the purposes of sub-clause 13.1.5;

a) ETFs that are listed and regularly traded on recognized stock exchanges open to the public (nominal listing not accepted); and
(i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements as stipulated under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds published by the Commission, or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds published by the Commission; and/or

b) all ETFs authorised by the Commission;

13.1.9 The Trust will not invest more than 10% of its Net Asset Value in securities issued by or guaranteed by any single country with a credit rating below investment grade. For the avoidance of doubt, a "single country" shall include a country, its government, a public or local authority or nationalised industry of that country."

27. The following provision shall be inserted as a new sub-clause 13.1A of Clause 13:

"In the exercise of its investment powers in relation to the Trust, the Manager may acquire financial derivative instruments:

13.1A.1 for hedging purposes (as defined under Chapter 7.25 of the Code on Unit Trusts and Mutual Funds published by the Commission); and

13.1A.2 for investment purposes subject to the limit that the Trust Fund's net exposure relating to these financial derivative instruments, calculated in accordance with the Commission's Code on Unit Trusts and Mutual Funds and applicable requirements and guidelines issued by the Commission which may be updated from time to time, does not exceed 50 per cent. of the total Net Asset Value as at the most recent Valuation Point,

PROVIDED THAT:

(a) the Trust's exposure to the underlying assets of the financial derivative instruments, together with the other investments of the Trust Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in under sub-clause 13.1 above;

(b) the financial derivative instruments invested by the Trust Fund should be either listed/quoted on a stock exchange or dealt in over-the-counter market and comply with the following provisions;

(i) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with Substantial Financial Institutions, Unrestricted Investments, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies, or other asset classes acceptable to the Commission, in which the Trust Fund may invest according to its investment objectives and policies;

(ii) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are Substantial Financial Institutions or such other entity acceptable to the Commission;

(iii) subject to sub-clauses 13.1.1 and 13.1.1A above, the Trust Fund's net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10 per cent of the Net Asset Value of the Trust Fund, provided that the exposure of the Trust Fund to a counterparty of over-the-counter financial derivative instruments may be lowered by the collateral received (if applicable) by the Trust Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments with that counterparty, if applicable; and

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

28. The following provision shall be inserted as a new sub-clause 13.1B of Clause 13:

"For the purpose of sub-clause 13.1A.2 above, financial derivative instruments acquired for hedging purposes will not be counted towards the 50 per cent. limit referred to in sub-clause 13.1A.2 above so long as there is no residual derivative exposure arising from such hedging arrangement."

29. The following provision shall be inserted as a new sub-clause 13.1C of Clause 13:

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

30. The following provision shall be inserted as a new sub-clause 13.1D of Clause 13:

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

Where a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of the Trust should be covered as follows:

(a) in the case of financial derivative instruments transactions which will, or may at the Manager's discretion, be cash settled, the Manager should ensure that the Trust should at all times have sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Manager should ensure that the Trust should have the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Trust Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation, provided further that the Trust shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations."

31. The following provision shall be inserted as a new sub-clause 13.1E of Clause 13:

"For the avoidance of doubt, where a financial instrument embeds a financial derivative, sub-clauses 13.1A and 13.1B will also apply to the embedded financial derivative (that is, the financial derivative instrument that is embedded in another security, namely the host contract)."

32. Sub-clause 13.4 shall be deleted in its entirety and replaced with the following:

"The Manager shall not on behalf of the Trust:-

13.4.1 invest in a security of any class in any company or body if directors and officers of the Manager individually own more than 1/2 per cent. of the total nominal amount of all the issued securities of that class or collectively own more than 5 per cent. of those securities;

13.4.2 invest in any type of real estate (including buildings) or interests in real estate (including options or rights but excluding shares in real estate companies and interest in real estate investment trusts ("REITs") that are listed on a stock exchange), subject to the following;

13.4.2.1 where investments are made in listed REITs, the investment restrictions under sub-clauses 13.1.1, 13.1.1A and 13.1.2 above shall be observed; and

13.4.2.2 where investments are made in unlisted REITs, the investment restrictions under sub-clauses 13.1.3 and 13.1.5 above shall be observed;

13.4.3 make short sales if as a result the Trust would be required to deliver securities having a Value exceeding 10 per cent. of the Net Asset Value or which do not accord with all applicable laws and regulations;

13.4.3A carry out any naked or uncovered short sale of securities;

13.4.4 [deleted]

13.4.5 [deleted]"

33. Sub-clause 13.6 shall be deleted in its entirety and replaced with the following:

"Without prejudice to the powers of the Manager contained in the proviso to sub-clause 12.1 the Manager shall not on behalf of the Trust:-

13.6.1 make a loan out of the Trust Fund except to the extent that the acquisition of an Investment or the making of a deposit might constitute a loan; or

13.6.2 subject to sub-clause 13.1.3 above, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person in respect of borrowed money; or

13.6.3 enter into any obligation on behalf of the Trust or acquire any asset or engage in any transaction for the account of the Trust which involves the assumption of any liability by the Trustee which is unlimited."

34. Sub-clause 13.7 shall be deleted in its entirety and replaced with the following:

"The Manager (i) shall not be entitled to apply any part of the Trust Fund in the acquisition of any Investments or other property which are for the time being nil paid or partly paid in respect of which a call is due to be made unless the Trustee is satisfied that such call could be met in full out of cash or near cash forming part of the Trust Fund which has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purpose of sub-clause 13.1D above and (ii) shall not be entitled without the consent of the Trustee (but without prejudice to item (i) of this sub-clause) to apply any part of the Trust Fund in the acquisition of any other Investment or other property which is in the opinion of the Trustee likely to involve the Trustee in any liability (contingent or otherwise). In any such case and in the case of any underwriting or subunderwriting pursuant to sub-clause 12.3 and notwithstanding that the Trustee is required to give its consent as aforesaid, the Trustee shall be entitled but not bound to appropriate and set aside cash or other property comprised in the Trust Fund approved by the Manager and acceptable to the Trustee sufficient to provide for such call or liability in full

or (as the case may be) for meeting any underwriting or sub-underwriting. The cash or other property so appropriated shall form part of the Trust Fund but shall not be available for application without the consent of the Trustee in any way otherwise than as may be required for paying up the call or meeting the liability in respect of which the appropriation was made so long as and to the extent that such call remains outstanding or (as the case may be) such liability continues."

35. The following provision shall be inserted as a new sub-clause 13.7A of Clause 13:

"The liability of Holders must be limited to their investments in the Trust Fund."

36. The following provision shall be inserted as a new sub-clause 13.7B of Clause 13:

"Save to the extent waived or permitted by the Commission, for so long as the Trust is authorised pursuant to section 104 of the Securities and Futures Ordinance, the relevant investment restrictions requirements under the Code on Unit Trusts and Mutual Funds published by the Commission shall apply to the Trust. In the event that the Commission updates, modifies, amends, supplements or re-constitutes any investment restriction in the Code on Unit Trusts and Mutual Funds (the "Updated UT Code"), the Updated UT Code shall apply to the Trust with effect from the effective date of the Updated UT Code as specified by the Commission. In the event of any conflict between the Updated UT Code and any other investment restrictions of the Trust set out in this Deed, the stricter provision shall prevail."

37. The first paragraph of clause 14 shall be deleted in its entirety and replaced with the following:

"Subject to any requisite consents from the competent authorities and any statutory requirements and restrictions for the time being in force and to the terms and conditions hereinafter provided the Trustee may at any time at the request of the Manager concur with the Manager in making and varying arrangements for the borrowing by the Trustee for the account of the Trust of any currency for the purpose of enabling the Manager to redeem Units, to provide liquidity, to take advantage of investment opportunities or to pay expenses provided that the principal amount for the time being of all borrowings hereunder (which exclude back-to-back loans) shall not exceed an amount equal to 10 per cent. of the Net Asset Value of the Trust Fund at the last Valuation Day before such borrowing is made. For the purposes of or in connection with any such borrowing the following provisions shall apply:-"

38. Sub-clause 14.1 shall be deleted in its entirety and replaced with the following:

"The borrowing may be effected from any person approved by the Trustee (including, if a banker, the Manager, the Trustee, the Investment Delegate or a Connected Person of any of them provided that the rate of interest on that borrowing and any fee or premium payable to such banker in relation to the arrangement, repayment or termination of the borrowing are not higher than the commercial rates such banker would, in accordance with normal banking practice, charge on an arm's length transaction for a loan of a similar nature, size

and duration in circumstances similar to those then prevailing in relation to the Trust)."

39. Sub-clause 14.6 shall be deleted in its entirety and replaced with the following:

"For the purposes of securing any borrowing and interest and expenses thereof the Trustee shall be entitled at the request of the Manager to charge, pledge or encumber in any manner all or any part of the Trust Fund. Any such charge, pledge or encumbrance shall be made upon the terms that the lender or such other person as aforesaid provides a written commitment to the effect that under no circumstances will it pledge, charge, or encumber any of such part of the Trust Fund to any other person or use any part of it to provide margin for or guarantee, secure, discharge or settle any borrowing, trades or contracts, or dispose of any part of it, or treat it as if any person other than the Trustee has any interest in it and that no step shall be taken to enforce the security thereby constituted until thirty (30) days after notice in writing shall have been given to the Trustee demanding repayment of the monies thereby secured. If such a notice shall be given the Trustee shall promptly advise the Manager who shall promptly effect such sales of Investments as may be necessary to enable such repayment to be effected in due time."

40. Sub-clause 16.1 shall be deleted in its entirety and replaced with the following:

"As at each Accounting Date the Trustee or the Manager shall cause financial reports to be made up and audited in such form and containing such information as the Trustee and the Manager may from time to time agree in respect of the Accounting Period then ending. The financial reports relating to each Accounting Period shall be filed with the Manager and shall be conclusive and binding and a copy thereof shall be open for inspection during usual business hours by any Holder at the offices of the Manager. The Trustee and the Manager shall be absolutely protected in relying upon and shall act upon such financial reports."

41. Sub-clause 16.2 shall be deleted in its entirety and replaced with the following:

"For so long as the Trust is authorised pursuant to section 104 of the Securities and Futures Ordinance, the financial reports referred to in sub-clause 16.1 shall, as a minimum, contain the information required to be contained thereon by the Commission's Code on Unit Trusts and Mutual Funds and a report to Holders prepared by the Trustee stating whether in the Trustee's opinion the Manager have in all material respects managed the Trust in accordance with the provisions of this Deed and, where the Manager have failed so to manage the Trust, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof."

42. Sub-clause 16.3 shall be deleted in its entirety and replaced with the following:

"The Trustee shall procure that the annual reports referred to in sub-clause 16.1 are forwarded to Holders within four (4) months, or such longer period as the Commission may approve, after the end of the Accounting Period to which they relate."

43. Sub-clause 16.4 shall be deleted in its entirety and replaced with the following:

"For so long as the Trust is authorised pursuant to section 104 of the Securities and Futures Ordinance, the Manager shall procure to be forwarded to Holders not more than two (2) months after each Interim Accounting Date an unaudited interim report in such form and with such information as the Trustee and the Manager shall from time to time decide."

44. Sub-clause 16.5 shall be deleted in its entirety and replaced with the following:

"The financial reports referred to in sub-clause 16.1 shall be audited by the Auditors in accordance with the accounting policy agreed between the Manager and the Trustee and shall be accompanied by a report of the Auditors stating;- (i) whether the financial reports and the relevant statements attached thereto have been properly prepared in accordance with provisions of this Deed and (so long as the Trust is authorised pursuant to Section 104 of the Securities and Futures Ordinance) with the Commission's Code on Unit Trusts and Mutual Funds; (ii) whether in the Auditors' opinion, the financial reports present a true and fair view of the state of the Trust at the end of the period they cover and the transactions of the Trust during such period; (iii) whether proper books and records of the Trust have been kept and whether the financial reports are in agreement with such books and records; and (iv) whether the Auditors have obtained all the explanations and information they have required for the purposes of the audit. The annual reports referred to in sub-clause 16.3 shall be prepared in compliance with internationally recognized accounting standards and the interim reports referred to in sub-clause 16.4 must apply the same accounting policies and method of computation as are applied in the annual reports of the Trust."

45. Sub-clause 21.1 shall be deleted in its entirety and replaced with the following:

"The Trustee shall be responsible for the safe-keeping of the Trust Fund and shall take into custody or under its control all the Investments, cash and other assets forming part of the Trust Fund in accordance with the provisions of these presents and such Investments shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof. In respect of any Investments or other assets of the Trust which by nature cannot be held in custody, the Trustee shall maintain a proper record of such Investments or assets in its books under the name of the Trust. Notwithstanding any other provision of this Deed and subject to otherwise provided under the Commission's Code on Unit Trusts and Mutual Funds, the Trustee:

21.1.1 shall exercise reasonable skill, care and diligence in the selection, appointment and monitoring of any agent, nominee, custodian, sub-custodian, delegates or joint custodian which are appointed for the custody and/or safekeeping of any Investments or other property of the Trust (each a "Correspondent"), and be satisfied that such Correspondents retained remain suitably qualified and competent on an ongoing basis to provide their services;

21.1.2 [Deleted];

21.1.3 shall remain liable for any act or omission of any Correspondent as if the same were the act or omission of the Trustee provided that the Trustee shall not be liable for any act or omission of any Correspondent appointed in respect of a market or markets which the Trustee may determine and notify to the Manager

from time to time as being emerging markets unless such Correspondent is a Connected Person of the Trustee and the Trustee shall not incur any liability in respect of or be responsible for losses incurred by reason of the liquidation, bankruptcy or insolvency of any Correspondent; and

21.1.4 shall use reasonable endeavours to recover any loss of Investments or other property of the Trust arising from any default of a Correspondent.

The Trustee shall not incur any liability in respect of or be responsible for losses to the Trust Fund incurred through any act or omission or insolvency of (a) Euro-clear Clearing System Limited, Cedel, S.A. or any other depositary, institution or clearing system with which any Investment may be deposited or (b) any portfolio manager, futures commission merchant, broker, prime broker, intermediary, financial institution or any other party appointed by the Trustee upon instruction of the Manager or in circumstances where it is necessary to appoint such appointee and the Trustee has no discretion in the choice of such appointee or where the Trustee is prohibited by applicable law or regulation to hold the Investment concerned."

46. The following provision shall be inserted as a new sub-clause 21.1A of Clause 21:

"The Trustee shall segregate the assets of the Trust Fund from:

21.1A.1 the assets of the Manager, its investment delegates in respect of the Trust Fund (if any) and their respective Connected Persons;

21.1A.2 the assets of the Trustee and any Correspondent throughout the custody chain; and

21.1A.3 the assets of other customers of the Trustee and Correspondents throughout the custody chain, unless held in an omnibus account with adequate safeguards in line with international standards and best practices to ensure that the assets of the Trust Fund are properly recorded with frequent and appropriate reconciliations being performed."

47. The following provision shall be inserted as a new sub-clause 21.1B of Clause 21:

"The Trustee shall put in place appropriate measure to verify ownership of the assets of the Trust Fund."

48. Sub-clause 21.6 shall be deleted in its entirety and replaced with the following:

"Notwithstanding any other provision of this Deed, the Trustee shall take reasonable care to ensure that for so long as the Trust is authorised pursuant to Section 104 of the Securities and Futures Ordinance:-

(a) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the provisions of this Deed;

(b) the methods adopted by the Manager in calculating the value of Units are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices of such Units are calculated in accordance with the provisions of this Deed;

- (c) the investment and borrowing limitations set out in this Deed and the conditions under which the Trust is authorised pursuant to the Securities and Futures Ordinance are complied with;
 - (d) certificates are not issued until the Issue Price in respect of the Units they represent shall have been paid; and
 - (e) cash flows of the Trust Fund are properly monitored."
49. The following provision shall be inserted as a new sub-clause 21.6A of Clause 21:
- "The Trustee shall carry out the instructions of the Manager in respect of Investments unless they are in conflict with the provisions of the offering documents, this Deed or the Commission's Code on Unit Trusts and Mutual Funds."
50. The following provision shall be inserted as a new sub-clause 21.6B of Clause 21:
- "The Trustee shall fulfil such other duties and requirements imposed on it as set out in the Commission's Code on Unit Trusts and Mutual Funds and exercise due skill, care and diligence in discharging its obligations and duties appropriate to the nature, scale and complexity of the Trust."
51. The following provision shall be inserted as a new sub-clause 21.6C of Clause 21:
- "The Trustee shall establish clear and comprehensive escalation mechanisms to deal with potential breaches detected in the course of discharging its obligations and report material breaches to the Commission in a timely manner. In particular, the Trustee is expected to (i) update the Manager and report to the Commission (either directly or via the Manager) any material issues or changes that may impact its eligibility/capacity to act as trustee of the Trust Fund and (ii) inform the Commission promptly of any material breach of the Commission's Code on Unit Trusts and Mutual Funds and applicable provisions of the Commission's Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products with respect to the Trust Fund that has come to its knowledge, which has not been otherwise reported to the Commission by the Manager."
52. The following provision shall be inserted as a new sub-clause 22.7 of Clause 22:
- "The Manager shall take reasonable care to ensure that the Trustee is properly qualified for the performance of its duties and functions and discharging the Trustee's obligations in respect of custody of the Trust's property, having regard to the requirements as set out in Chapter 4 of the Commission's Code on Unit Trusts and Mutual Funds. The Manager shall comply with all applicable legal and regulatory requirements in respect of custody of the Trust's property and provide relevant information to the Trustee to discharge the Trustee's obligations pursuant to Chapter 4.5 of the Commission's Code on Unit Trusts and Mutual Funds."
53. The following provision shall be inserted as a new sub-clause 22.8 of Clause 22:

"The Manager shall at all times demonstrate that those representatives and agents appointed by it or engaged for the Trust possess sufficient know-how, expertise and experience in dealing with the underlying investments of the Trust."

54. The following provision shall be inserted as a new sub-clause 22.9 of Clause 22:

"The Manager shall put in place proper risk management and control systems to effectively monitor and measure the risks of the positions of the Trust and their contribution to the overall risk profile of the Trust's portfolio. In particular, the Manager shall:

22.9.1 put in place suitable and adequate risk management and control systems to monitor, measure, and manage all relevant risks (including risks associated with financial derivative investment activities) in relation to the Trust. The risk management and control systems must (i) be commensurate with the nature and scale of the transactions and investment activities (including those related to financial derivative instruments) that are undertaken for the Trust, bearing in mind the retail nature and risk profile of the Trust and (ii) be able to deal with normal and exceptional circumstances including extreme market conditions. The Manager must maintain at all times effective risk management and control systems;

22.9.2 at all times be adequately and suitably resourced (including having sufficient human resources) in order to properly implement its risk management policy and procedures;

22.9.3 maintain and implement effective liquidity risk management policies and procedures (including stress testing, where applicable) to monitor the liquidity risk of the Trust, taking into account factors including the investment strategy and objectives, investor base, liquidity profile, underlying obligations and redemption policy of the Trust;

22.9.4 maintain and implement effective internal policies and procedures in assessing the credit risk of securities or instruments invested by the Trust. External ratings shall only be one of the factors to take into consideration in assessing the credit quality of an instrument. Mechanistic reliance on external ratings should be avoided; and

22.9.5 comply with all applicable legal and regulatory requirements concerning the risk management of the Trust."

55. The following provision shall be inserted as a new sub-clause 22.10 of Clause 22:

"The Manager shall ensure that the Trust is designed fairly, and operated according to such product design on an ongoing basis, including, among others, managing the Trust in a cost-efficient manner taking into account the size of the Trust and the level of fees and expenses etc."

56. Sub-clause 30.1 shall be deleted in its entirety and replaced with the following:

"The Trustee and the Manager shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, provided that, unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition:-

(a) does not materially prejudice the interests of the Holders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Holders and will not result in any increase in the amount of costs and charges payable from the Trust Fund (other than the costs, charges, fees and expenses incurred in connection with the supplemental deed); or

(b) is necessary in order to make possible compliance with any fiscal, statutory, regulatory or official requirement (whether or not having the force of law); or

(c) is made to correct a manifest error,

no such modification, alteration or addition shall be made without the sanction of an Extraordinary Resolution where the interests of Holders as a whole are affected, or the sanction of an Extraordinary Resolution and provided also that no such modification, alteration or addition shall impose upon any Holder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof."

57. The following provision shall be inserted as a new sub-paragraph 3.1A of paragraph 3 under Schedule 1:

"Any new issue of Units after the Initial Period at a price below Net Asset Value per Unit at the appropriate Valuation Day must be approved by a general meeting of the Unitholders."

58. Sub-paragraph 4.7 of paragraph 4 under Schedule 1 shall be deleted in its entirety and replaced with the following:

"Notwithstanding paragraphs 4.1 to 4.6 (inclusive) above, the Manager may, in consultation with the Trustee, request the Trustee to adjust the Value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations it deems relevant, it considers that such adjustment is required to reflect the fair value thereof or permit some other method of valuation to be used if it considers that to do so better reflects the fair value thereof."


59. Pursuant to Clause 30.1 of the Trust Deed, the Trustee hereby certifies that the modification, alteration and addition contemplated under this Supplemental Deed:



- (a) do not materially prejudice the interests of the Holders;
- (b) do not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Holders;
- (c) will not result in any increase in the amount of costs and charges payable from the Trust Fund (other than the costs, charges, fees and expenses incurred in connection with the supplemental deed); or

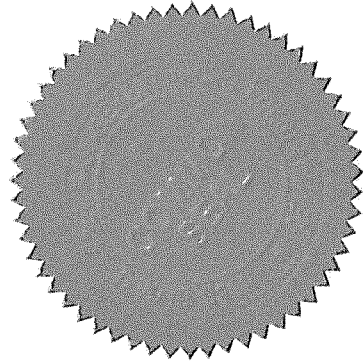
- (d) is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law).
- 60. Except as amended by this Supplemental Deed, the Trust Deed shall continue in full force and effect.
- 61. This Supplemental Deed may be executed in any number of counterparts each of which when executed by one or more of the parties hereto shall constitute an original but all of which shall constitute one and the same instrument.
- 62. Subject to Clause 23 of the Trust Deed, this Supplemental Deed shall be subject to and governed by the laws of Hong Kong.

IN WITNESS WHEREOF this Supplemental Deed has been entered into the day and year first above written.

THE COMMON SEAL of
HSBC GLOBAL ASSET MANAGEMENT
(HONG KONG) LIMITED
was duly affixed in the presence of:


MARIA FUNG

) 
) PEDRO BASTOS
) 
) GLENN BERRY

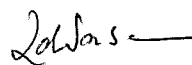


SIGNED, SEALED and DELIVERED)
for and on behalf of)
HSBC INSTITUTIONAL TRUST SERVICES)
(ASIA) LIMITED)
by its duly appointed attorney in the presence of:)

IN WITNESS WHEREOF this Supplemental Deed has been entered into the day and year first above written.

THE COMMON SEAL of)
HSBC GLOBAL ASSET MANAGEMENT)
(HONG KONG) LIMITED)
was duly affixed in the presence of:)

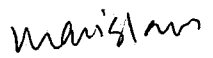
SIGNED, SEALED and DELIVERED)
for and on behalf of)
HSBC INSTITUTIONAL TRUST SERVICES)
(ASIA) LIMITED)
by its duly appointed attorney in the presence of:)





Rahul Desousa
Senior Manager

Omar Ng
Senior Manager


MAVIS LAM