

PRUDENCE MULTI-STRATEGY SPC

A CAYMAN ISLANDS SEGREGATED PORTFOLIO COMPANY
INCORPORATED WITH LIMITED LIABILITY

Registration No.: MC-298138

SUPPLEMENT TO THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

relating to participating, limited-voting, redeemable Participating
Shares, corresponding to:

Credit SP

THIS SUPPLEMENT FORMS PART OF THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (AS AMENDED FROM TIME TO TIME) (THE "PPM") OF PRUDENCE MULTI-STRATEGY SPC (THE "FUND") AND SHOULD BE READ IN CONJUNCTION WITH THE PPM. IN THE EVENT OF ANY CONFLICT BETWEEN THIS SUPPLEMENT AND THE PPM, THE TERMS OF THIS SUPPLEMENT WILL GOVERN.

THIS SUPPLEMENT CONTAINS SPECIFIC INFORMATION IN RELATION TO PARTICIPATING SHARES (THE "PARTICIPATING SHARES") IN CREDIT SP ("SEGREGATED PORTFOLIO") OF THE FUND.

DEFINED TERMS IN THE PPM WILL HAVE THE SAME MEANING WHEN USED IN THIS SUPPLEMENT UNLESS THE CONTEXT OTHERWISE REQUIRES.

JUNE 2021

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

1. INTRODUCTION

Prudence Multi-Strategy SPC (the "**Fund**") is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands with unlimited duration on 27 March 2015.

This confidential offering supplement (the "**Supplement**") with respect to Credit SP (the "**Sub-Fund**"), together with the private placement memorandum ("**PPM**", as amended from time to time) for the Fund, relates to the offer of limited-voting, redeemable, participating shares of a nominal or par value of US\$0.01 each in the Segregated Portfolio ("**Participating Shares**") to a limited number of Eligible Investors. This Supplement should be read in conjunction with the memorandum and articles of association, as amended from time to time (the "**Articles**") of the Fund and the PPM. A copy of the PPM has been furnished together with this Supplement. If you have not received the PPM, please contact the Investment Manager.

The PPM sets out certain fund terms, procedures, risk factors and other material information that shall apply to all Segregated Portfolios (including the Sub-Fund). Investors are advised to read both the PPM and this Supplement carefully before making any application to subscribe for Participating Shares in the Sub-Fund.

The initial offer of Participating Shares of the Tiered Portion ends on the TP Closing Date. The subscription of Participating Shares of the Normal Portion continues on each Subscription Date.

For the avoidance of doubt, any reference to "Class(es)" of Participating Shares in this PPM shall refer only to Class A Shares, Class B Shares and/or Class C Shares. Each Class may be sub-divided into sub-Classes (each a "**Sub-Class**") or a particular Series as prescribed in more detail set out below. Reference to a Class shall also include reference to a Sub-Class of a Series unless otherwise stated or the context otherwise requires.

Terms used in this Supplement shall, unless otherwise defined herein or unless the context otherwise requires, have the same meaning as provided for in the PPM. In the event of any inconsistency between the provisions of this Supplement and the PPM, the provisions of this Supplement shall apply.

The Sub-Fund is not a separate legal entity. Despite references to the Sub-Fund carrying out certain activities and entering into certain transactions, the Fund is the legal entity doing so for the account of the Sub-Fund. References in this Supplement to the Sub-Fund taking any action should be construed accordingly. If this Supplement is translated into a language other than the English language, then in the event of an inconsistency between the English language version Supplement and the foreign language Supplement, the English language version Supplement shall prevail.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE 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 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.

FOR INVESTORS IN SINGAPORE

The scheme is not authorized or recognized by the Monetary Authority of Singapore and Participating Shares in the scheme are not allowed to be offered to the retail public. The information memorandum is not a prospectus as defined in the Securities Futures Act and, accordingly, statutory liability under the Act in relation to the content of prospectuses does not apply, and the offeree should consider carefully whether the investment is suitable for him.

The Participating Shares have been classified as “capital markets products other than prescribed capital markets products)” for the purposes of section 309B of the SFA and as “specified investment products” for the purposes of MAS Notices SFA04-N12 and FAA-N16).

No offer of the Participating Shares for subscription or purchase, or invitation to subscribe for or purchase the Participating Shares, may be made, nor any document or other material (including but not limited to the PPM) relating to the Participating Shares may be circulated or distributed, either directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in section 4A of the SFA) pursuant to section 304 of the SFA; (ii) to a relevant person (as defined in section 305(5) of the SFA) pursuant to section 305(1) of the SFA; (iii) otherwise pursuant to, and in accordance with the conditions of, any other exemption under the SFA.

Pursuant to section 305 of the SFA, read in conjunction with regulation 32 of and the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, the Sub-Fund has been entered into the list of restricted schemes maintained by the MAS for the purposes of offering Participating Shares in the Sub-Fund to relevant persons (as defined in section 305(5) of the SFA), or for the purposes of offering Participating Shares in the Sub-Fund in accordance with the conditions of section 305(2) of the SFA.

Where an offer is made to institutional investors pursuant to section 304 of the SFA, the following restrictions (under section 304A) apply to the Participating Shares acquired pursuant to such an offer. Where such Participating Shares are first sold to any person other than an institutional investor, the requirements of Subdivisions (2) and (3) of Division 2 to Part XIII of the SFA will apply to the offer resulting in such sale, save where the Participating Shares acquired are of the same class as, or can be converted into Participating Shares of the same class as, the other Participating Shares:

- i. which are listed for quotation on an approved exchange (as defined in the SFA); and
- ii. in respect of which any offer information statement, introductory document, unitholders’ circular for a reverse take-over, document issued for the purposes of a trust scheme, or any other similar document approved by an approved exchange (as defined in the SFA), was issued in connection with an offer of those Participating Shares, or the listing for quotation of those Participating Shares.

Where an offer is made to relevant persons pursuant to section 305 of the SFA, the following restrictions (under section 305A) apply to the Participating Shares acquired pursuant to such an offer. Where such Participating Shares are first sold to any person other than (i) an institutional investor; (ii) a relevant person; or (iii) on terms in accordance with section 305(2) of the SFA, the requirements of Subdivisions (2) and (3) of Division 2 to Part XIII of the SFA will apply to the offer resulting in such sale, save where the Participating Shares acquired are of the same class as other Participating Shares:

- i. which are listed for quotation on an approved exchange (as defined in the SFA); and
- ii. in respect of which any offer information statement, introductory document, unitholders’ circular for a reverse take-over, document issued for the purposes of a trust scheme, or any other similar document approved by an approved exchange (as defined in the SFA), was issued in connection with an offer of those Participating Shares, or the listing for quotation of those Participating Shares.

Further, where the Participating Shares are acquired pursuant to an offer made in reliance on section 305 of the SFA and the acquirer is:

- a. a corporation which is not an accredited investor (as defined in the SFA), whose sole business is to hold investments and the entire share capital of which is owned by individuals each of whom is an accredited investor (as defined in the SFA); or
- b. a trust of which the trustee is not an accredited investor (as defined in the SFA) and whose sole purpose is to hold investments for the benefit of beneficiaries each of whom is an individual who is an accredited investor (as defined in the SFA),

then no securities of such a corporation and no rights and interests of the beneficiaries in such a trust (as the case may be) shall be transferred for a period of 6 months from the time the corporation or trust (as the case may be) acquired the Participating Shares, unless such transfers are in accordance with the conditions specifically provided in sections 305A(2) and 305A(3) of the SFA (as the case may be).

2. INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, GUIDELINES

Investment Objective of the Sub-Fund

The Sub-Fund is a segregated portfolio of the Fund. The investment objective of the Sub-Fund is to pursue income and capital appreciation by predominantly investing in fixed income securities.

The business of the Sub-Fund includes the realization and dissolution of the Sub-Fund's assets, upon a wind-down of the Sub-Fund's operations.

There can be no guarantee or assurance that the Sub-Fund will achieve its investment objective or avoid substantial losses. Please refer to the section titled "*Risk Factors*" in this Supplement and in the PPM.

Investment Strategy of the Sub-Fund

The Sub-Fund will seek to achieve its investment objective by identifying and investing in a range of securities, including but not limited to bonds (such as government and agency bonds, municipal bonds, corporate bonds, etc), convertible bonds, and certificates of deposit. Investment in securities in which the Sub-Fund may invest may be made through permitted means in different markets including but not limited to through Bond Connect, Foreign Access Regime or through QFI channels. The Sub-Fund is not a QFI but may obtain access to Renminbi denominated permissible investments directly via the QFI status of the Investment Manager and/or by other permissible means either directly or indirectly. Securities in which the Sub-Fund may invest shall not have any geographical or sectorial limitations nor have any minimum credit rating requirement. The Investment Manager may select investments it considers suitable for the Sub-Fund as and when such opportunities arise and may also make investments in fixed income securities which are of sub-investment grade or which are unrated.

The Sub-Fund may hold 100 per cent of its assets in cash or cash equivalents should the Investment Manager deem such strategy to be prudent over any time period.

Potential Shareholders should note that the foregoing is not intended to be an exhaustive description of the relevant investment strategies, nor a complete list of all investment policies that the Investment Manager will adopt or employ on behalf of the Sub-Fund. There can be no assurance that the investments of the Sub-Fund will be successful and the investment results may vary substantially over time. The Sub-Fund may incur substantial losses and the investment objective of the Sub-Fund may not be realised. Please also see the section titled "*Risk Factors*" below.

Investment Restrictions and Guidelines of the Sub-Fund

In order to maintain flexibility and to capitalize on investment opportunities as they arise, the Sub-Fund is not required to invest any particular percentage of its portfolio in any type of investment or region, and the amount of the Sub-Fund's portfolio which is invested in any type of investment, or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. There are no investment restrictions instituted by the Investment Manager.

Borrowing Powers of the Sub-Fund

Where deemed appropriate, the Fund on behalf of the Sub-Fund may employ leverage, including, without limitation, borrow cash, securities and other instruments for any purpose. The Fund and the Investment Manager are responsible for monitoring and ensuring compliance by the Sub-Fund with its borrowing powers.

Borrowing limit under loans and other credit facilities

The Sub-Fund is authorised to borrow under loans and other credit facilities of up to a maximum amount of 200 per cent. of the latest Net Asset Value of the Sub-Fund (“**Borrowing Limit**”) calculated as at the Valuation Point immediately preceding the time that any debt is incurred. Back to back borrowings will not be counted for the purposes of any limit on borrowings. For the avoidance of doubt, such limits shall only be measured at the time that any new borrowings are incurred, although the Investment Manager shall, to the extent practicable, seek to comply with the borrowing limits on an ongoing basis, having regard to the terms of any existing loans and other credit facilities of the Sub-Fund, and provided that the Investment Manager shall not be required to reduce the level of any existing borrowings if doing so may be expected to have a material adverse effect on the existing investments of the Sub-Fund.

Aggregate expected leverage of the Sub-Fund

Without prejudice to the Borrowing Limit, the aggregate expected maximum level of leverage of the Sub-Fund is 200 per cent of the latest available Net Asset Value of the Sub-Fund calculated as at the Valuation Point. Such leverage shall be calculated by using a ratio of gross long exposure to the latest Net Asset Value of the Sub-Fund. The actual level of leverage may be higher than such expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

Underwriting

The Investment Manager may from time to time arrange for the Sub-Fund to participate in underwriting transactions. All commissions and fees received from such underwriting transactions shall be credited to the Sub-Fund.

Short Selling

The Sub-Fund may engage in “short sales”, that is, the practice of selling securities which are borrowed from a third party. The Sub-Fund will be required to return, at the lender’s demand, securities equivalent to those borrowed for the short sale. Pending the return of such securities, the Sub-Fund will be required to deposit with the lender as collateral the proceeds of the short sale plus additional cash or securities; the amount of the required deposit will be adjusted periodically to reflect any change in the market price of the security which the Sub-Fund is required to return to the lender.

Securities Lending

The Sub-Fund may from time to time lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in cash or securities. The Sub-Fund is expected to retain all rights of beneficial ownership as to the loaned securities, including voting rights and rights to interest or other distributions, and will generally have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will generally be terminable at any time. The Sub-Fund may pay administrative, custodial and finders’ fees to persons unaffiliated with the Sub-Fund in connection with the arranging of such loans.

Information on the Sub-Fund’s securities lending transactions will be included in the annual report of the Sub-Fund. A summary of the Investment Manager’s policy in relation to securities lending transactions is set out in Annexure B of the PPM.

Repurchase and/or Reverse Repurchase Transactions

The Sub-Fund may from time to time engage in repurchase transactions, under which the Sub-Fund sells securities to a counterparty and agrees to buy such securities back from the counterparty at an agreed price in the future. The Sub-Fund may also engage in reverse repurchase transactions, under which the Sub-Fund purchases securities from a counterparty and agrees to sell such securities back to the counterparty at an agreed price in the future.

Information on the Sub-Fund's repurchase and reverse repurchase transactions will be included in the annual report of the Sub-Fund. A summary of the Investment Manager's policy in relation to securities lending transactions is set out in Annexure B of the PPM.

Changes to Investment Objective, Investment Strategies and/or Investment Restrictions of the Sub-Fund

The description of the Sub-Fund's investment objective, investment strategies and/or investment restrictions as set out in this Supplement do not in any way limit the Sub-Fund's investment activities.

Notwithstanding anything to the contrary in the PPM, the Sub-Fund's investment objective, investment strategies and/or investment restrictions as set out in this Supplement may be changed by the Board where such change is considered material in the sole discretion of the Directors upon (i) receiving the written approval of all Shareholders of the Sub-Fund; or (ii) upon providing at least thirty (30) calendar days' prior written notice of the change. Where the methodology under (ii) above is adopted, Shareholders will be given the opportunity to redeem their Participating Shares before any such change is implemented. Notwithstanding the above, where any changes to the Sub-Fund's investment objective, investment strategies and/or investment restrictions are considered immaterial in the sole discretion of the Directors, the Directors will notify the Shareholders of the Sub-Fund as soon as reasonably practicable, and the consent of all Shareholders of the Sub-Fund or provision of the opportunity to redeem from the Sub-Fund under (i) and (ii) above would not apply. The above mythology shall be referred to as the "**Change Procedure**".

Operational Currency

The Operational Currency of the Sub-Fund is the US Dollars.

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 Sub-Fund's financial obligations cannot be met. An inability to sell a particular investment or portion of the Sub-Fund's assets may have a negative impact to the value of the Sub-Fund and to the Sub-Fund's ability to meet its investment objectives and to realise the underlying investments and to meet redemption requests.

A summary of the liquidity risk management policy of the Investment Manager in respect of the Sub-Fund is set out in Annexure C of the PPM.

THE INVESTMENT OBJECTIVE AND INVESTMENT STRATEGIES OF THE SUB-FUND ARE SPECULATIVE AND MAY ENTAIL SUBSTANTIAL RISKS, INCLUDING THE RISK OF LOSS OF ALL OF THE CAPITAL WHICH IS INVESTED IN THE SUB-FUND. SINCE MARKET RISKS ARE INHERENT IN ALL SECURITIES INVESTMENTS TO VARYING DEGREES, THERE CAN BE NO ASSURANCE THAT THE SUB-FUND'S INVESTMENT STRATEGIES WILL ACHIEVE PROFITABLE RESULTS. AS A RESULT OF INVESTMENT RISKS, AN INVESTOR MAY LOSE ALL OF THE CAPITAL IT HAS INVESTED IN THE SUB-FUND.

2. SERVICE PROVIDERS

Investment Manager

The Fund for the account of the Sub-Fund has appointed Prudence Asset Management Pte. Ltd. to act as the investment manager for the assets and investments of this Sub-Fund. The profile of Investment Manager is set out under the section of the PPM titled “*Information on the Directors, Investment Manager and other Service Providers – Investment Adviser*”. The business address of the Investment Manager is at 61 Robinson, #08-01A Robinson Centre, Singapore 068893.

Prudence Investment Management (Hong Kong) Limited, has been appointed as the investment adviser with respect to the Sub-Fund by the Investment Manager. The profile of Investment Adviser is set out under the section of the PPM titled “*Information on the Directors, Investment Manager and other Service Providers – Investment Adviser*”. The business address of the Investment Manager is at Suite 504-505, Bank of America Tower, 12 Harbour Road, Central, Hong Kong.

Accordingly, the Fund for and on behalf of the Sub-Fund, has entered into an investment management agreement (“**Investment Management Agreement**”) with the Investment Manager pursuant to which the Investment Manager has agreed to manage all aspects of the Sub-Fund’s investment operations. The Investment Manager shall have full discretionary power and authority (subject to any investment restrictions applicable to the Sub-Fund and subject to the overall supervision and control of the Directors) to manage, supervise, select and evaluate the potential investments of the Sub-Fund, and to provide distribution services for the Sub-Fund.

The Investment Management Agreement provides that the Fund shall out of the assets of the Sub-Fund indemnify and hold harmless the Investment Manager against all actions, proceedings, claims, costs demands and expenses which may be brought against, suffered or incurred by the Investment Manager by reason of its performance or non-performance of its obligations or functions under the terms of the Investment Management Agreement, except as shall arise from fraud, bad faith, wilful default or Gross Negligence (as defined in the Investment Management Agreement) on part of the Investment Manager.

Subject to the terms of the Investment Management Agreement, the appointment of the Investment Manager shall continue until terminated by, inter alia, either the Fund for and on behalf of the Sub-Fund or the Investment Manager by not less than six months’ written notice. In addition, the Investment Management Agreement may be terminated in such other circumstances as specified in the Investment Management Agreement.

Custodian

DBS Bank Ltd., Hong Kong Branch

DBS Bank Ltd., Hong Kong Branch, a limited liability company incorporated in the Republic of Singapore and acting through its Hong Kong Branch has been appointed by the Sub-Fund as the Custodian pursuant to the Custody Agreement. DBS Bank Ltd., Hong Kong Branch, is a licenced bank in Hong Kong and is regulated by the Hong Kong Monetary Authority in Hong Kong and the Monetary Authority of Singapore in Singapore.

The address of the Custodian is at 18th Floor, the Center, 99 Queen’s Road Central, Hong Kong.

DBS Bank Ltd. , Hong Kong Branch will act as the custodian of the cash, securities, investments and assets of the Sub-Fund lodged by the Sub-Fund with the Custodian which will be held either directly by the Custodian or through its sub-custodians, nominees, agents or delegates.

The Custodian shall not be liable for any act and/or omission of any sub-custodian appointed in relation to markets considered by the Custodian to be restricted markets or where in the Custodian’s opinion the risks associated with any particular market are unacceptable, as notified by the Custodian to the Investment Manager in writing from time to time.

The Investment Manager may from time to time place cash, securities, investments and/or other assets with brokers or other agents outside of the Custodian's sub-custodian network or as instructed by the Investment Manager or the Director of the Sub-Fund. In such circumstances the Custodian will not be responsible for the cash and the securities placed with such brokers or agents.

The Custodian shall not be held liable for any loss or damage to the Sub-Fund or any Shareholder for any act or omission in the course of the services rendered by it in the absence of fraud, negligence or wilful misconduct on the part of the Custodian or as a result of the liquidation, bankruptcy or insolvency of any agent, delegate or sub-custodian appointed by it. Further, the Custodian shall not be liable for the act or omission of any sub-custodians, brokers or agents appointed by the Custodian where the Custodian has exercised reasonable care in appointing such sub-custodians, brokers or agents or where such sub-custodians, brokers or agents were appointed on the instruction of the Investment Manager or on the instruction of a Director of the Fund. The liability of the Custodian shall in no event include consequential and indirect loss or loss of profit.

The Custodian is entitled to be indemnified out of the assets of the Sub-Fund from and against any and all costs, expenses and liabilities arising in connection with the performance of its duties as Custodian other than those liabilities arising from the fraud, negligence or wilful misconduct on the part of the Custodian.

The appointment of the Custodian may be terminated by either party to the Custodian Agreement upon ninety (90) days' written notice or such shorter period as may be agreed between the parties to the agreement.

The Custodian will not have any decision-making discretion relating to the investments of the Sub-Fund. The Custodian is a service provider to the Sub-Fund and is not responsible for the preparation of the PPM or this Supplement or the activities of the Sub-Fund and therefore accepts no responsibility for any information contained in the PPM or this Supplement.

The PRC Custodian has also been appointed to provide certain custody services to the Sub-Fund in its capacity as a sub-custodian of the Custodian.

See the section headed "*Fees and Expenses – F. Custodian's Fees*" and "*Fees and Expenses – G. PRC Custodian's Fees*" for a description of the fees payable to the Custodian and the PRC Custodian.

Save as to the above, the Fund on behalf of the Sub-Fund has retained the same service providers as set out in the PPM. Please refer to the PPM for information relating to the other service providers to the Fund in respect of the Sub-Fund.

In addition to the above, prospective Shareholders should also carefully review the section of the PPM titled "*Information on the Directors, Investment Manager, and other Services Providers*".

Investment Subsidiaries

If it appears expedient for tax, regulatory or other reasons as the Directors, following consultation with the Investment Manager, deem appropriate, the Sub-Fund may invest through one or more wholly-owned subsidiaries established in one or more appropriate jurisdictions.

In addition to the foregoing, the subsidiaries and investment vehicles that may be formed for the above-mentioned reasons may incur operational and administrative costs and expenses, which include, but are not limited to establishment costs, custodian fees and local regulatory fees. These costs and expenses will be paid out of the assets of the Sub-Fund. The Investment Manager and its affiliates may receive a fee for the management or other services rendered to such subsidiaries and investment vehicles.

Summary of Key Terms *

| Term | Class A Shares | Class B1 Shares | Class B2 Shares | Class B3 Shares | Class C Shares |
|--------------------------------------|---|---|---|---|---|
| Currency | US\$ | US\$ | HK\$ | SG\$ | US\$ |
| Minimum Initial Investment | US\$200,000 | US\$1,000,000 | HK\$8,000,000 | SG\$1,500,000 | US\$200,000 |
| Minimum Additional Investment | US\$100,000 | US\$100,000 | HK\$800,000 | SG\$150,000 | US\$100,000 |
| Minimum Holding Amount | US\$100,000 | US\$100,000 | HK\$800,000 | SG\$150,000 | US\$100,000 |
| Lock-up Period | Nil | 12 months from the date of issue of the relevant Series, or such other Lock-up Period in respect of a Series as determined by the Directors or the Investment Manager at the time of issue of such Series | 12 months from the date of issue of the relevant Series, or such other Lock-up Period in respect of a Series as determined by the Directors or the Investment Manager at the time of issue of such Series | 12 months from the date of issue of the relevant Series, or such other Lock-up Period in respect of a Series as determined by the Directors or the Investment Manager at the time of issue of such Series | 12 months from the date of issue |
| Subscription Frequency | Monthly | Monthly | Monthly | Monthly | Monthly |
| Redemption Frequency | Monthly, subject to a redemption charge of 3% if redeemed within 12 months from the date of issue | Monthly, subject to the applicable Lock-up Period | Monthly, subject to the applicable Lock-up Period | Monthly, subject to the applicable Lock-up Period | Quarterly, subject to the applicable Lock-up Period |
| Redemption Notice Period | 45 calendar days | 30 calendar days | 30 calendar days | 30 calendar days | 60 calendar days |
| Minimum Redemption Amount | Nil | Nil | Nil | Nil | Nil |
| Management Fee (p.a.) | 1.50 % per annum | 0.50% per annum | 0.50% per annum | 0.50% per annum | 1.50 % per annum |
| Profit | 20% | Nil | Nil | Nil | 20% |

| Term | Class A Shares | Class B1 Shares | Class B2 Shares | Class B3 Shares | Class C Shares |
|------------|----------------|-----------------|-----------------|-----------------|----------------|
| Allocation | | | | | |

3. FEES AND EXPENSES

A. Management Fee

The Fund (with respect to the Sub-Fund) will pay to the Investment Manager an annual Management Fee, in return for the management services provided by the Investment Manager to the Fund (with respect to the Sub-Fund).

The annual Management Fee is calculated at the respective annual percentage below (the “**Management Fee Percentage**”) of the Net Asset Value (before deduction for any accrued Profit Allocation) of the relevant Class / Series of Participating Shares as at each Valuation Point and payable monthly in arrears as soon as practicable after the end of each calendar month:

| Participating Share Class | Management Fee Percentage (per annum) |
|---------------------------|---------------------------------------|
| Class A Shares | 1.50% |
| Class B1 Shares | 0.50% |
| Class B2 Shares | 0.50% |
| Class B3 Shares | 0.50% |
| Class C Shares | 1.50% |

The Management Fee payable in respect of Class B Shares will be paid out of the Net Asset Value of the Class C Shares and be borne by the holders of the Class C Shares.

The Investment Manager may, in its sole discretion, waive, rebate or decrease the Management Fee that is payable in whole or in part, in respect of each, or any one or more Class and/or Series of Participating Shares of the Sub-Fund, or for certain Shareholders within each Class and/or Series at any time including in particular during any wind down of the Fund's business. Any such rebates may be applied in paying up additional Participating Shares to be issued to such person or as otherwise decided by the Investment Manager at its sole discretion. In addition, the Investment Manager may in its sole discretion and out of its own resources decide to rebate to intermediaries any part or all of its Management Fee.

The Fund (with respect to the Sub-Fund) may issue different Classes of Participating Shares with respect to which the Management Fee and/or the Profit Allocation is further reduced or waived, and may permit certain Shareholders to participate in the Sub-Fund on different terms than other Shareholders.

B. Organizational Costs of the Sub-Fund

The Investment Manager has paid and will be reimbursed for certain organizational costs of the Fund (with respect to the Sub-Fund), including the government incorporation charges and professional fees and expenses in connection with the Sub-Fund's offering documents and the preparation of the basic corporate and contract documents of the Fund, with respect to the Sub-Fund.

The Sub-Fund treats its organizational costs and expenses in accordance with IFRS, although it may elect to modify its treatment of such costs and expenses to accommodate its practical needs, including without limitation, by amortizing such organizational costs and expenses over a period of 60 months (or such other period as may be determined by the Directors subject to the Change Procedure) from the date of commencement of trading by the Sub-Fund. Organizational expenses may be amortized over a period of 60 months (or such other period as may be determined by the Directors subject to the Change Procedure) from the date the Sub-Fund commences

operations because the Fund believes that such treatment is more equitable than expensing the entire amount during the first year of operations, as is required by IFRS. The Directors may make necessary adjustments in the annual financial statements for the financial statements to be in compliance with IFRS. However, if the amounts involved are material to the audit of the Sub-Fund's annual financial statements, the Directors may be required to make adjustments in the annual financial statements of the Sub-Fund, in order to comply with IFRS, and if relevant, will include a reconciliation note in the annual financial statements of the Sub-Fund to reconcile amounts shown in the annual financial statements determined under IFRS to those arrived at by applying the amortisation basis to the organisational costs and expenses of the Sub-Fund. In the event that the Sub-Fund amortizes such expenses and terminates its operations before such expenses are fully amortized, the unamortized portion of such fees shall be accelerated and will be debited against the Net Asset Value, thereby decreasing amounts otherwise available for distribution to the Shareholders.

Fees and expenses that are identifiable with a particular Class of the Sub-Fund will be charged against the relevant Class in computing the Net Asset Value of that Class subject to the fees and expenses of Class B Shares being borne by Class C Shareholders

In addition to the above, prospective Shareholders should also carefully review the section of the PPM titled "*Other Fees and Expenses – Organizational, On-going and Other Costs*".

Investment Related Expenses

The Fund may bear the investment expenses which are related to the provision of the investments. Such expenses include, without limitation, due diligence expenses associated with investigating and completing potential investments, travelling expenses and research related expenses.

C. Profit Allocation

The Investment Manager will also be entitled to receive a Profit Allocation from the Sub-Fund calculated and accrued as at each Valuation Point and payable annually in arrears.

In relation to a Participating Share of any Series of a Class, the Profit Allocation shall be equal to the profit allocation percentage (the "**Profit Allocation Percentage**") of the amount by which the Net Asset Value of such Participating Share during that Calculation Period exceeds the current **Base Net Asset Value** of such Participating Share.

The Profit Allocation Percentage will vary depending on the Class of the Participating Shares, as outlined below:

| Participating Share Class | Profit Allocation Percentage |
|----------------------------------|-------------------------------------|
| Class A Shares | 20% |
| Class B1 Shares | Nil |
| Class B2 Shares | Nil |
| Class B3 Shares | Nil |
| Class C Shares | 20% |

The "**Base Net Asset Value**" in respect of a Participating Share of the relevant Class and Series is the greater of (i) the Subscription Price (as applicable) of the relevant Participating Share when it was issued; and (ii) the highest Net Asset Value per Participating Share of that Series achieved in respect

of which a Profit Allocation was payable as at the end of any previous Calculation Period (if any) during which such Participating Share in such Series was in issue.

The Profit Allocation payable in respect of each Calculation Period will be calculated by reference to the Class/Series of the Net Asset Value of the Sub-Fund before deduction for any accrued Profit Allocations, but after deduction of Management Fee (as described in the section headed "*Fees and Expenses – A. Management Fee*") and adjusted for any distributions made during the Calculation Period in question.

In order to ensure that Shareholders bear the Profit Allocation according to the actual performance of their Participating Shares, having regard to the different times and Subscription Prices at which such Participating Shares were acquired, a new Series of Participating Shares for each Class in the Sub-Fund (attributable to the Sub-Fund) will be issued on each Subscription Day.

The Investment Manager reserves the right to waive or rebate any Profit Allocation to which it is entitled, whether in part or in full and whether in respect of particular investors or generally, in particular during any wind down of the Sub-Fund's business.

Calculation Period

The first Calculation Period for each Series of a relevant Class of the Sub-Fund shall commence from the day immediately following the closing date for that relevant Class (or for Class A Shares, the PPM issue date) and ending on 31 December of the same calendar year. Thereafter, the Calculation Period will be the period commencing on the day following the last day of the preceding Calculation Period and ending as of the close of business on 31 December of the same year. Notwithstanding the above, where the relevant Participating Shares are redeemed or compulsorily redeemed (for example in the event of the termination of the Sub-Fund) part way through a Calculation Period, the Profit Allocation payable in respect of the relevant Participating Shares redeemed will be calculated as at the Valuation Point relating to the Redemption Day or day of compulsory redemption on which the relevant Participating Shares were redeemed. In addition, if the Investment Management Agreement is terminated during a Calculation Period, the Profit Allocation will be calculated in respect of the then current Calculation Period as though the date of termination were the end of the relevant Calculation Period.

The Profit Allocation will be deemed to accrue on a monthly basis as at each Valuation Day, and payable to the Investment Manager in arrears within 14 calendar days of the end of each calendar year. However, in the case of relevant Participating Shares with respect to the Sub-Fund redeemed during a Calculation Period, the accrued Profit Allocation in respect of those relevant Participating Shares will be payable within 14 calendar days after the relevant Redemption Day or day of compulsory redemption. In the event of a partial redemption, the relevant Participating Shares will be treated as redeemed on a first in, first out basis.

It should be noted that the Profit Allocation is based in part upon unrealized gains (as well as unrealized losses) and that such unrealized gains (and losses) may never be realized.

The Profit Allocation is determined separately with respect to each Series of relevant Participating Shares purchased by a holder of Participating Shares. Accordingly, it is possible that a Profit Allocation may be made with respect to a Series of relevant Participating Shares even though another Series of relevant Participating Shares of such Shareholder did not appreciate, or depreciated, in value during a particular year.

For purposes of determining the impact of redemptions on Profit Allocation and Base Net Asset Value of Shareholders having multiple Series, redemptions will be deemed made on a "first in-first out" basis (unless otherwise requested by a Shareholder upon approval by the Directors and/or the Investment Manager).

Consolidation of Participating Shares

After the last Valuation Day in each Calculation Period, all relevant Participating Shares in all Series of a Class which have borne a Profit Allocation in respect of the relevant Calculation Period will be

consolidated into a single Series as soon as practicable, being the oldest Series of such Class to have borne a Profit Allocation in respect of the relevant Calculation Period and the Base Net Asset Value for all relevant Participating Shares of the consolidated Series will be the Net Asset Value per Participating Share of the consolidated Series as at the last Valuation Day in the relevant Calculation Period, after payment of the Profit Allocation. **D. Subscription Fees**

The Investment Manager reserves the right to charge a subscription fee on the issue of Participating Shares in each Class of the Sub-Fund calculated at the following percentages based on the Subscription Price:

| Participating Share Class | Subscription fee percentage |
|---------------------------|-----------------------------|
| Class A Shares | up to 5% |
| Class B1 Shares | up to 5% |
| Class B2 Shares | up to 5% |
| Class B3 Shares | Up to 5% |
| Class C Shares | up to 5% |

The subscription fee is payable by the applicant and retained by the Investment Manager and the Investment Manager may pay or share such subscription fee with its agents or delegates. The Investment Manager has discretion to waive this subscription fee in whole or in part in relation to any application for Participating Shares whether generally or in a particular case.

E. Administrator's Fees

The Fund for and on behalf of the Sub-Fund pays the Administrator fees for its services as agreed from time to time by the Fund for and on behalf of the Sub-Fund and the Administrator. The Administrator is entitled to be reimbursed by the Fund for and on behalf of the Sub-Fund for all reasonable out-of-pocket expenses.

F. Custodian's Fees

The Fund for and on behalf of the Sub-Fund pays the Custodian fees for its services as agreed from time to time by the Fund for and on behalf of the Sub-Fund and the Custodian. The Custodian is entitled to be reimbursed by the Fund for and on behalf of the Sub-Fund for all reasonable out-of-pocket expenses.

G. PRC Custodian's Fees

The Fund for and on behalf of the Sub-Fund pays the PRC Custodian fees for its services as agreed from time to time by the Fund for and on behalf of the Sub-Fund and the PRC Custodian. The PRC Custodian is entitled to be reimbursed by the Fund for and on behalf of the Sub-Fund for all reasonable out-of-pocket expenses.

4. CAPITAL STRUCTURE OF THE SUB-FUND, PARTICIPATING SHARES OF THE FUND (ATTRIBUTABLE TO THE SUB-FUND)

A. SUBSCRIPTIONS

Eligible Investors

Shareholders must be Non-US Persons or Permitted US Persons and otherwise be permitted to invest in the Fund under the terms of the PPM and this Supplement for the Sub-Fund. Each Non-US Person must be a Qualified Eligible Person, and a "professional Investor" (as defined under the SFO). Each Permitted US Person must be an Accredited Investor, a Qualified Purchaser and a Qualified Eligible Person.

Class A Shares, Class B Shares and Class C Shares are generally offered under the terms of the PPM and this Supplement to Eligible Investors.

Classes of Participating Shares

The Sub-Fund offers the following Classes of Participating Shares for subscription in their respective Class currencies as specified below:

| Participating Class | Share | Class Currency |
|---------------------|-------|----------------|
| Class A Shares | | US\$ |
| Class B1 Shares | | US\$ |
| Class B2 Shares | | HK\$ |
| Class B3 Shares | | SG\$ |
| Class C Shares | | US\$ |

The Directors reserve the right to establish and issue additional Class(es) or Sub-Classes of Participating Shares from time to time. Each such Class may be issued in different currencies, with different investment parameters, hedging levels, fee structures, liquidity terms and other features. Subject to the sub-section headed "Class B Shares" below, the Investment Manager has a discretion to issue new Sub-Classes with respect to Class B Shares.

The investment returns and fully paid-up Total Subscriptions of Class A Shares shall hereinafter be referred to as the "**Normal Portion**" of the Sub-Fund. All investment returns and fully paid-up Total Subscriptions in respect of Class B Shares (including all Sub-Classes, namely Class B1 Shares, Class B2 Shares, Class B3 Shares) and Class C Shares shall collectively be referred to as the "**Tiered Portion**" of the Sub-Fund.

Only Class B Shares and Class C Shares shall be entitled to the Tiered Portion, subject to such adjustments and allocations between the two Classes, as more particularly described in this Supplement below. Only Class A Shares shall be entitled to the Normal Portion, as more particularly described in this Supplement.

Class B Shares are only available for subscription when (i) there are holders and/or subscribers of Class C Shares and (ii) that immediately after the completion of the said subscription, the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate does not exceed 2:1 ("**Tiered Class Ratio**"). Notwithstanding the above and for the

avoidance of doubt, the Directors and the Investment Manager shall not have any obligation to achieve or maintain the Tiered Class Ratio.

Class A Shares

Class A Shares in aggregate are entitled to the net assets attributable to the Normal Portion after payment of all fees and expenses of the Sub-Fund attributable to the Normal Portion.

Class B Shares

In respect of each type of Class currency of Class B Shares, the Investment Manager has the discretion to authorise further issuances of additional Sub-Classes of Class B Shares denominated in a Class currency. Each Series of a Sub-Class of Class B Shares is entitled to a fixed return calculated at an annual rate of the TP Initial Offer Price or the Subscription Price (as described below in the sub-section headed "*Procedures for Subscriptions and Subscription Price*") of the relevant Series (collectively, the "**Class B Fixed Returns**"), subject to the circumstances under which the investment of the Sub-Fund suffers extremely significant losses. The Class B Fixed Returns of the respective Sub-Classes may differ from Series to Series. The Class B Fixed Returns of a Series of a Sub-Class of Class B Shares is stated in the Subscription Agreement for the subscription or rollover of such Series of Class B Share. For the avoidance of doubt, investors should request for the latest available Subscription Agreement for information on the Class B Fixed Returns of the Series of Sub-Classes of Class B Shares available for subscription before subscribing for or rolling over any Class B Shares.

Before a Series of a Sub-Class of Class B Shares is issued, the Directors and/or the Investment Manager are entitled to, at their sole discretion, modify and determine the Class B Fixed Returns applicable to such Series to be issued on any given Subscription Day and Rollover Day (as the case may be). For the avoidance of doubt, the Class B Fixed Returns offered to each Class B Shares in a Series on any given Subscription Day or Rollover Day (as the case may be) shall be the same but may differ between different Series or Sub-Classes. The same rate of Class B Fixed Returns shall apply to a Series of Class B Shares throughout the applicable Lock-Up Period in respect of such Series.

If the Directors and/or the Investment Manager decide to, at its sole discretion, modify the prevailing Class B Fixed Returns applicable to the subscription or rollover of Class B Shares on a Subscription Day or Rollover Day (as the case may be), the Sub-Fund shall provide a copy of the latest Class B Fixed Returns to the existing holders of Class C Shares for reference. Holders of Class B Shares may also obtain a copy of the latest Class B Fixed Returns for reference upon request to the Investment Manager.

For the avoidance of doubt, the Management Fee payable in respect of Class B Shares will not affect the Class B Fixed Returns as set out in the Subscription Agreement applicable to the relevant Series of Sub-Classes of Class B Shares. As mentioned under the sub-section headed "Management Fee" above, the Management Fee payable in respect of Class B Shares will be paid out of the Net Asset Value of the Class C Shares and be borne by the holders of the Class C Shares.

For details of the distribution arrangements, please refer to the sub-section headed "Dividend Policy" below.

Distributions of Class B Fixed Returns in respect of Class B Shares shall take priority over any distributions made to Class C Shareholders, which shall be the subordinate Class of the Tiered Portion. Save for the allocation of the Class B Fixed Returns, Class B Shares will not participate in any appreciation of the Net Asset Value attributable to the Tiered Portion. Any investment returns of the Tiered Portion exceeding the Class B Fixed Returns shall be attributable to Class C Shares.

Investors should note that none of the Fund, Sub-Fund or the Investment Manager undertakes or guarantees that the amount invested in the Class B Shares will be protected and the Class B Fixed Returns will be obtained. In extreme market circumstances, it is possible that holders of the Class B Shares will be subject to the risk of not receiving any fixed return and losing their entire investments. Please refer to the risk factor headed "Fixed Return Risk".

Class C Shares

Holders of Class C Shares in aggregate are entitled to the remaining Net Asset Value attributable to the Tiered Portion, after deducting the Net Asset Value attributable to the aggregate of all Class B Shares (including the Class B Fixed Return), and after payment of all fees and expenses of the Sub-Fund attributable to the Tiered Portion.

Class C Shares will only have a positive return if and after the total Net Asset Value of the Sub-Fund attributable to the Tiered Portion is in excess of the Class B Fixed Return. In the event that the Sub-Fund incurs any losses or a return that is less than the Class B Fixed Return allocable to Class B Shares, the asset pool allocable to Class C Shares will be adversely affected. It is possible, under certain circumstances, for the available asset pool of Class C Shares to fall to zero.

Minimum Initial Investment and Minimum Additional Investment

The Minimum Initial Investment amount per subscriber in respect of each of the Class(es) or Sub-Classes of Participating Shares is set out in the table below, unless otherwise determined by the Investment Manager in any particular case or generally (subject to the minimum investment amount prescribed in the Mutual Funds Act (As Revised) of the Cayman Islands, where applicable).

| Class / Sub-Class | Minimum initial subscription amount |
|--------------------------|--|
| Class A Shares | US\$200,000 |
| Class B1 Shares | US\$1,000,000 |
| Class B2 Shares | HK\$8,000,000 |
| Class B3 Shares | SG\$1,500,000 |
| Class C Shares | US\$200,000 |

Existing Shareholders may increase their investment subject to the Minimum Additional Investment amount applicable to each Class or Sub-Class of Participating Shares as set out in the table below, or such lesser amount as the Investment Manager determines.

| Class / Sub-Class | Minimum subsequent subscription amount |
|--------------------------|---|
| Class A Shares | US\$100,000 |
| Class B1 Shares | US\$100,000 |
| Class B2 Shares | HK\$800,000 |
| Class B3 Shares | SG\$150,000 |
| Class C Shares | US\$100,000 |

Subscriptions may only be made in the relevant Class currency or any other currency acceptable to the Investment Manager.

Subscription in Specie

The Directors may in their discretion agree to accept payment for Participating Shares of any Class or Sub-Class in specie instead of in cash. In such circumstances, the assets to be transferred to the Sub-Fund will be valued in such manner as the Directors may determine (subject to such valuation not exceeding the maximum value that would apply if those assets were valued in accordance with the valuation rules described below in the section headed “*Calculation of Net Asset Value*”), and the relevant investor will be issued Participating Shares in the relevant Class having an equivalent value to such assets, after allowing for payment of the initial charge (if any) in respect of the subscription of Participating Shares. Participating Shares will only be issued on vesting of the assets in or for the account of the Sub-Fund. Any costs of transferring the assets to or for the account of the Sub-Fund will be borne by the relevant investor and, accordingly, will be deducted from the value of such assets in determining the number of Participating Shares in the relevant Class to be issued to such investor.

Procedures for Subscriptions and Subscription Price

The Initial Issue of Participating Shares in the Tiered Portion

Subject to the Tiered Class Ratio, the Sub-Classes of Class B Shares and Class C Shares of the Sub-Fund as set out above shall be offered for subscription during the initial offer period of the Tiered Portion, which shall be the period commencing from 18 June 2021 to 5:00 p.m. (Hong Kong time) on 30 June 2021 (“**Tiered Portion IOP**”) at the initial offer prices (“**TP Initial Offer Price**”) set out below:

| Participating Class | Share | TP Initial Offer Price (per Participating Share) |
|----------------------------|--------------|---|
| Class B1 Shares | | US\$1,000 |
| Class B2 Shares | | HK\$10,000 |
| Class B3 Shares | | SG\$1,000 |
| Class C Shares | | US\$1,000 |

Subsequent Issue of Participating Shares

A separate Series of Participating Shares of each Class or Sub-Class (for Class B Shares, following the TP Closing Date and subject to the Tiered Class Ratio) shall be offered for subscription and issued on any Subscription Day in respect of applications which are received pursuant to the terms of this Supplement.

The Subscription Price for Class A Shares and Class C Shares in each new Series shall be determined with reference to the Net Asset Value per Class A Share or Class C Share (as the case may be).

The Subscription Price at which each Series of Participating Shares of each Sub-Class of Class B Shares will be issued on any particular Subscription Day will be as follows:

| Participating Class | Share | Subscription Price (per Participating Share) |
|----------------------------|--------------|---|
| Class B1 Shares | | US\$1,000 |
| Class B2 Shares | | HK\$10,000 |
| Class B3 Shares | | SG\$1,000 |

The Directors and/or the Investment Manager are authorized to offer Participating Shares, or to close the Sub-Fund or any Class or Sub-Class to new subscriptions, on such basis and on such terms as the Directors may in their discretion determine.

The acceptance and issue of subscriptions in respect of the initial issue of Class B Shares or Class C Shares during the Tiered Portion IOP or any Class or Sub-Class of Participating Shares on the relevant Subscription Day (as the case may be) is subject to the receipt and verification by the Investment Manager of the Subscription Agreement and identification documentation and the confirmation by the Fund of the receipt of cleared funds to the subscription account attributable to this Sub-Fund before the applicable times set out below. Details of the account are set out in the Subscription Agreement. The Directors and/or the Investment Manager reserve the right to reject or accept subscriptions in its absolute discretion and without assigning any reason therefor.

Where a subscription for Participating Shares is accepted, the Participating Shares will be treated as having been issued with effect from the TP Closing Date (in respect of subscriptions of Class B Shares or Class C Shares during the Tiered Portion IOP) or the relevant Subscription Day (in respect of subscriptions of any Class or Sub-Class of Participating Shares thereafter) (as applicable) (each an "**Issue Day**") notwithstanding that the subscriber for those Participating Shares may not be entered in the Fund's Register of Members in respect of the Sub-Fund until after the relevant Issue Day, as the case may be. The subscription monies paid by a subscriber for Participating Shares will accordingly be subject to investment risk in the Fund in respect of the Sub-Fund from the Issue Day.

Prospective investors and Shareholders wishing to make additional subscriptions will be required to complete, execute and return a Subscription Agreement in the form accompanying the PPM and this Supplement to the Fund.

In order to subscribe for Participating Shares during the Tiered Portion IOP and on any Subscription Day, completed and executed emailed or faxed copies of Subscription Agreements (together with any necessary supporting documents) must be received by the Fund no later than 5:00 p.m. (Hong Kong time) on the TP Closing Date (in respect of subscriptions of Class B Shares and Class C Shares during the Tiered Portion IOP) or no later than 5:00 p.m. (Hong Kong time) on the Business Day immediately preceding the relevant Subscription Day (for subscriptions of any Class or Sub-Class of Participating Shares (particularly for Class B Shares and Class C Shares after the Tiered Portion IOP)) (as applicable), or such later time as may be agreed to by the Directors in their sole discretion.

The original version of the Subscription Agreement must follow soon thereafter by courier.

Subscription monies in cleared funds, must also be received by the Fund for the account of the Sub-Fund via wire transfer, or any other means as accepted by the Investment Manager, and credited to the Fund's subscription account in accordance with the Subscription Agreement in respect of TP Closing Date (for subscriptions of Class B Shares and Class C Shares during the Tiered Portion IOP) or a Subscription Day (for subscriptions of any Class or Sub-Class of Participating Shares (particularly for Class B Shares and Class C Shares after the Tiered Portion IOP)), no later than 5:00 p.m. (Hong Kong time) on the TP Closing Date (for subscriptions of Class B Shares and Class C Shares during the Tiered Portion IOP) or 5:00 p.m. (Hong Kong time) on the Business Day immediately preceding the relevant Subscription Day (for subscriptions of any Class or Sub-Class (particularly for Class B Shares and Class C Shares after the Tiered Portion IOP)), or such later time as may be agreed to by the Directors in their sole discretion.

Subscription monies other than in the Class currency may be converted into the relevant Class currency and all bank charges and other conversion costs may be deducted from the subscription monies before investment in Participating Shares or, subject to the Directors' or the Investment Manager's approval, borne by the Sub-Fund.

The Directors in consultation with the Investment Manager reserve the right to shorten or extend the deadline for receipt of any Subscription Agreement and/or subscription monies generally or in a particular case. If the Subscription Agreement is received after the deadline, it will (unless otherwise determined by the Directors in their sole discretion) be treated as a request for subscription on the next Subscription Day. The Directors may not determine a date for the purposes of this paragraph that is later than the date on which the Net Asset Value has been calculated for the relevant Subscription

Day. For the avoidance of doubt, subscription applications and subscription monies received after the relevant Valuation Day will only be dealt with on the next following Subscription Day.

Each Subscription Agreement will (save as determined by the Directors) be irrevocable and may be sent by email or facsimile at the risk of the applicant. The originals of any Subscription Agreement sent by email or facsimile should be sent immediately thereafter by internationally recognised courier to the Administrator. Failure to provide the original Subscription Agreement may, at the discretion of the Directors, result in the compulsory redemption of the allotment of the Participating Shares.

Fractions of Participating Shares issued by the Fund will be rounded down to the nearest four (4) decimal places. Subscription monies representing smaller fractions of a Participating Share will be retained by the Sub-Fund.

Participating Shares will be issued only in registered form. Certificates representing Participating Shares will not be issued. Participating Shares may not be issued during the period of any suspension of the calculation of the Net Asset Value and/or the suspension of redemption of Participating Shares of the Sub-Fund.

All amounts paid for the subscription of Participating Shares must originate from a bank account held in the name of the applicant, or in the case of joint applicants, one of the applicants. Third party payments will not be accepted. Payment by cheque or equivalent will not be accepted.

The Directors, in consultation with the Investment Manager reserve the rights, from time to time, to resolve without prior notice to close the offering of Participating Shares in the Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine. During any such period, Participating Shares will not be available for subscription and no Subscription Agreements or subscription monies will be accepted.

Although Participating Shares (as applicable) will not be issued until the Issue Day, paid subscription monies that are received in relation to an application to subscribe for Participating Shares are immediately deposited into the Fund in respect of the Sub-Fund and kept in custodial status without interest and accordingly will be subject to investment risk in the Sub-Fund. Prior to the issue of Participating Shares on the relevant Issue Day, the Administrator at the direction of the Investment Manager may release funds to the investment intermediaries of the Sub-Fund to ensure that an investment in respect of the Sub-Fund made by the Fund can be effected on the TP Closing Date or on the relevant Subscription Day, provided that such funds have been subject to the necessary anti-money laundering requirements and cleared for use. Participating Shares shall be treated as having been issued with effect from the relevant Issue Day. In this regard, none of the Fund for the account of the Sub-Fund, the Directors, the Investment Manager or the Administrator shall be liable to any investor for any loss or damage howsoever arising out of or in relation to the payment and deposit of subscription funds prior to the issue of Participating Shares. If the Sub-Fund is wound up before the Participating Shares are issued, the investor will become an unsecured creditor of the Fund in respect of the Sub-Fund in the context of any insolvency proceedings.

B. REDEMPTIONS

Subject to the below provisions, a Shareholder may redeem its Participating Shares by submitting a completed Redemption Notice to the Administrator in the manner as prescribed in the section in the PPM titled "*Subscription for, and Redemption of, Participating Shares - Procedures for Subscriptions and Redemptions*". Redemptions will be processed on each Redemption Day.

Subject to the applicable requirements in this Supplement, Class A Shares and Class B Shares may be redeemed on the first Business Day of each calendar month and Class C Shares may be redeemed on the first Business Day of each quarter of each calendar year.

Lock-up Period

The following Classes of Participating Shares are subject to a Lock-up Period as follows:

| Participating Share Class | Lock-up Period |
|---------------------------|---|
| Class A Shares | Nil |
| Class B Shares | 12 months from the date of issue of the relevant Series, or such other Lock-up Period in respect of a Series as determined by the Directors or the Investment Manager at the time of issue of such Series |
| Class C Shares | 12 months |

Class A Shares are not subject to any Lock-up Period.

Each Series of Class B Shares across the Sub-Classes may be subject to a Lock-up Period of 12 months commencing from the Issue Day of the relevant Series of Class B Shares, or such other Lock-up Period in respect of a Series as determined by the Directors or the Investment Manager at the time of issue of such Series in their absolute discretion. The Lock-up Period applicable to a Series of a Sub-Class of Class B is set out in the Subscription Agreement (as defined below) used for subscription or rollover of the relevant Series of Class B Shares as accepted by the Directors. For the avoidance of doubt, investors should request for the latest available Subscription Agreement for information on the Lock-up Period before subscribing for or rolling over any Class B Shares.

Each Class C Share is subject to a Lock-up Period of 12 months commencing from the Issue Day of the relevant Class C Share.

Participating Shares subject to a Lock-up Period may not be redeemed except in accordance with the terms of this Supplement, or otherwise with the consent of the Directors, whether generally or in a particular case.

For the purposes of the Lock-up Period, where a Shareholder may hold Participating Shares in a Class subscribed at different times, any redemption request will be deemed to be made on a "first in-first out" basis.

Redemption Charge

Holders of Class A Shares may redeem their Participating Shares subject to a redemption charge of 3% of the Redemption Price of such Class A Shares, if such Class A Shares are redeemed within 12 months of the relevant Issue Day, provided that the Directors or Investment Manager may in their discretion reduce the rate of the redemption charge whether generally or in any particular case. The redemption charge shall be retained for the benefit of the Sub-Fund. For the purposes of determining redemption charge, where a Shareholder holds Class A Shares subscribed at different times, any redemption request for Class A Shares will be deemed to have been made on a "first in-first out" basis.

There is no redemption charge currently payable on the redemption of Class B Shares or Class C Shares.

Redemption of Participating Shares

Except as noted in the section entitled "*Suspension of Redemptions and Subscriptions*" in the PPM and subject to the applicable provisions provided in this Supplement, a holder of Participating Shares

may redeem some or all of its Participating Shares as of each Redemption Day at the applicable Redemption Price, provided that the Redemption Notice is received by the Fund for and on behalf of the Sub-Fund no later than 5:00 pm (Hong Kong time) on a Business Day that; (i) for Class A Shares, is at least forty-five (45) calendar days before the relevant Redemption Day; (ii) for Class B Shares, at least thirty (30) calendar days before the relevant Redemption Day; and (iii) for Class C Shares is at least sixty (60) calendar days before the relevant Redemption Day (collectively, the “**Redemption Notice Period**”). For the avoidance of doubt, Class B Shares and Class C Shares (being the Tiered Portion Participating Shares) will be redeemed in the Class currency at the Redemption Price determined for such Class or Sub-Class (as the case may be) on the relevant Redemption Day in the manner described below in the section headed “Calculation of Net Asset Value”.

There is currently no Minimum Redemption Amount in respect of Class A Shares, Class B Shares and Class C Shares.

Subject to the discretion of the Directors as described above, if a partial redemption will result in a Shareholder holding Participating Shares in a Class having a value of less than the Minimum Holding Amount as specified below or such other aggregate Net Asset Value as the Directors may in their discretion determine in any particular case or generally, the Directors may deem such request to have been made in respect of all the Participating Shares in such Class held by that Shareholder:

| Participating Share Class | Minimum Holding Amount |
|---------------------------|------------------------|
| Class A Shares | US\$100,000 |
| Class B1 Shares | US\$100,000 |
| Class B2 Shares | HK\$800,000 |
| Class B3 Shares | SG\$150,000 |
| Class C Shares | US\$100,000 |

Automatic rollover of Class B Shares

Unless otherwise redeemed in accordance with the section headed “*Redemption of Participating Shares*” above, upon expiration of the Lock-up Period in respect of each Series of a Sub-Class of Class B Shares, all Class B Shares in such Series shall be automatically rolled over into another Series of the same Sub-Class of Class B Shares. If a Redemption Notice for Class B Shares of a Series in a Sub-Class is not received before the Redemption Notice Period prior to the expiry of the relevant Lock-up Period, then holders of such Class B Shares will be deemed to have elected for automatic rollover by redeeming such Class B Shares from such Series initially held by such Shareholders (“**Initial Series**”) and re-subscribing into a new Series of the same relevant Sub-Class of Class B Shares (“**Rollover New Series**”). The rollover of Class B Shares from the Initial Series to the Rollover New Series shall be effected on the first Redemption Day and Subscription Day after expiration of the relevant Lock-up Period in respect of the Initial Series of Class B Shares (“**Rollover Day**”). The Directors or the Investment Manager has the discretion to waive any requirements with respect to cleared funds being received by the Administrator by the applicable deadline for the automatic rollover of Class B Shares from the Initial Series to the Rollover New Series. The Class B Fixed Returns of the Rollover New Series shall be such rate as set out in the Subscription Agreement for such Series of Sub-Class of Class B Share for the relevant Rollover Day. The Lock-up Period of the Rollover New Series shall be the same as the Initial Series, unless otherwise determined by the Directors of the Investment Manager in their absolute discretion generally or in a particular case.

Redemption proceeds from the Initial Series will be automatically used for the re-subscription of Class B Shares in the Rollover New Series. No redemption charge or subscription fee will be imposed on the redemption or re-subscription of Class B Shares for this automatic rollover purposes.

Automatic rollover of Class B Shares by redemption and re-subscription will be suspended during any period when the calculation of the Net Asset Value of the Sub-Fund and/or the subscription and/or redemption of Class B Shares is suspended.

For the avoidance of doubt, existing holders of Class B Shares will be allowed to automatically rollover their existing investments upon expiry of the relevant Lock-up Period in a new Series of the same Sub-Class even if the Tiered Class Ratio is exceeded immediately after the completion of such rollover.

Miscellaneous provisions for redemption of all Classes of Participating Shares

In special circumstances, redemptions may be subject to suspension, holdback or partial holdback, and may also be subject to a reserve for contingent liabilities of the Sub-Fund. The Directors may, in its discretion, establish reserves for estimated or accrued expenses, liabilities and contingencies. Participating Shares will be redeemed at the Redemption Price net of any relevant fees and charges.

The Directors will have the right to require any Shareholder to redeem his Participating Shares at any time and for any reason.

Redemption Notice

Subject to fulfilling the Redemption Notice Period, a request for redemption must be made on the Redemption Notice and, once submitted, may not be withdrawn except with the absolute written consent of the Directors, which may be withheld, delayed or conditioned.

If the Redemption Notice is received after the Redemption Notice Period for any particular Redemption Day, it will not be processed for redemption for such Redemption Day (unless otherwise determined by the Directors and/or the Investment Manager), nor will such Redemption Notice be automatically treated as a request for redemption on the next relevant Redemption Day. In the event that the requirement of the Redemption Notice Period is waived, the Directors and/or the Investment Manager may not determine a date for the purposes of this paragraph that is later than the date on which the Net Asset Value has been calculated for the relevant Redemption Day.

Tiered Class Ratio

The Directors or the Investment Manager shall have the right to reject any subscription or redemption in whole or in part in respect of the Tiered Portion, if immediately after such subscription or redemption, the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate would exceed the Tiered Class Ratio.

Breach of Tiered Class Ratio; Funding Notice and Compulsory Additional Subscription

In the event that (i) the Sub-Fund suffers a loss and (ii) the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate reaches or exceeds the Tiered Class Ratio, the issue of Class B Shares and the redemption of Class C Shares shall be suspended until the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate falls below the Tiered Class Ratio.

In the event that the Sub-Fund suffers a substantial loss and the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate reaches or exceeds 3:1 or such other lower ratio as the Investment Manager may determine from time to time ("**Compulsory Additional Subscription Class Ratio**"), each holder of Class C Shares shall subscribe to additional Class C Shares upon receiving a written notice ("**Class C Funding Notice**") from the Investment Manager in the prescribed amount specified in such Class C Funding Notice within fifteen Business Days of the issue date of such notice or within such other times as the Investment Manager may deem appropriate.

The total additional Class C Shares to be subscribed by holders of Class C Shares further to a Class C Funding Notice ("**Total Additional Subscription**") shall be specified by the Investment Manager in such Class C Funding Notice, which amount shall be equal to or be not less than such amount

required to restore the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate to the Compulsory Additional Subscription Class Ratio or such other ratio as the Investment Manager may determine from time to time. The portion of Total Additional Subscription required of each holder of Class C Shares shall be determined on a pro rata basis with respect to his or her holding of Class C Shares in the Sub-Fund as of the Valuation Day immediately preceding the issue date of the relevant Class C Funding Notice. For the avoidance of doubt, the Investment Manager may determine whether or not a Class C Funding Notice will be issued pursuant to the occurrence of the above circumstance and the Directors or the Investment Manager may in its discretion agree to accept payment in satisfaction of the Class C Funding Notice in specie instead of in cash.

If any holder of Class C Shares fails to provide any portion of his required amount as specified in a Class C Funding Notice when called by the Investment Manager, the Directors or the Investment Manager may at their absolute discretion impose the following measures:

- (a) compulsorily redeem such number of Class B Shares of all Series on a pro rata basis until the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate equals the Compulsory Additional Subscription Class Ratio or such other ratio as the Investment Manager may determine from time to time;
- (b) terminate the Tiered Portion; and/or
- (c) take other measures as they may determine in a commercially reasonable manner.

Rollover of Class B Shares

There is currently no minimum rollover amount in respect of Class B Shares of a Series in a Sub-Class.

Redemption Gate

At the discretion of the Directors and/or the Investment Manager, the Fund (with respect to the Sub-Fund) may provide that redemptions for Class A Shares as of each Redemption Day will be limited to a 20% (the "**Class A Gate Percentage**") (or such greater amount as the Directors may otherwise determine in their sole discretion) of the Net Asset Value of the Class A Shares in the Sub-Fund in issue. Where redemption requests received are more than the Class A Gate Percentage, Shareholders shall refer to the section headed "*6. SUBSCRIPTION FOR, AND REDEMPTION OF, PARTICIPATING SHARES - Redemption Gate*" in the PPM.

There is no redemption gate imposed in respect of redemptions in Tiered Portion of the Sub-Fund.

Payment of Redemption Proceeds

Redemption payments will be made in the class currency and generally within ten (10) business days in respect of Class A Shares and Class C Shares after finalisation of the relevant Net Asset Value or within one (1) business days after the Redemption Day in respect of Class B Shares provided that the Redemption Notice shall have been received by the Administrator no later than the Redemption Notice Period. In extreme market circumstances, the Directors and/or the Investment Manager may in their absolute discretion delay the payment of redemption proceeds in respect of the Participating Shares whether generally or in a particular case. Payments may be made in another currency at the absolute discretion of the Directors and/or the Investment Manager. Cash payments will be remitted by wire transfer, at the cost and risk of the investor, to an account in the name of the redeeming Shareholder as set out in the Subscription Agreement or Redemption Notice. No interest will accrue on the redemption proceeds pending payment.

The Sub-Fund will not remit redemption proceeds if an investor is not considered to be compliant with all of the necessary anti-money laundering legislation and regulations.

Subject to the redemption gate (if any) provided above, the Fund, on behalf of the Sub-Fund, will generally pay a redeeming Shareholder upon a full redemption, at least 95% of the amount of

redemption proceeds due (or such other amount as the Directors and/or the Investment Manager in their absolute discretion may determine) by direct transfer to a pre-designated bank account in the name of the Shareholder as per the foregoing time frame. The amount paid will be based upon the Net Asset Value per Participating Share calculated as at the relevant Valuation Day for the Redemption Day. The balance, if any, will be paid, without interest, to the redeeming Shareholder not later than thirty (30) calendar days following the completion of the Sub-Fund's audited financial statements for the year as to which the redemption relates or at such other earlier time as the Directors and/or the Investment Manager may determine.

If, after the completion of the Sub-Fund's year-end audit, the Directors and/or the Investment Manager determine that the amount previously distributed to a Shareholder exceeded the amount to which such Shareholder was actually entitled, then the Shareholder shall be required to return such excess amount to the Sub-Fund within ten (10) calendar days of notification of such excess payment.

Bank charges incurred in effecting the payment of redemption proceeds will be borne by the redeeming Shareholder. Shareholders must be aware that redemption proceeds will only be paid into an account in the name of the Shareholder. No third party payment is allowed.

Partial redemptions must be for that number of Participating Shares of the relevant Class having a total redemption value equal to or in excess of the Minimum Redemption Amount (if any) applicable to the relevant Class and may be declined by the Sub-Fund. Notwithstanding the above, the Directors and/or the Investment Manager may in their absolute discretion accept redemptions for less than the Minimum Redemption Amount whether generally or in a particular case.

Participating Shares shall be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not a Shareholder has been removed from the Register of Members or the Redemption Price has been calculated or remitted. Accordingly, on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles with respect to Participating Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Fund) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Participating Shares being redeemed). Such Shareholders will be treated as creditors of the Sub-Fund with respect to the Redemption Price and will rank accordingly in the priority of the Sub-Fund's creditors.

Revocation of Redemption Notices

Once given, a Redemption Notice may not, unless the Directors or their duly appointed delegates determine otherwise, be revoked by a Shareholder.

Compulsory Redemption

Upon giving not less than 24 hours' written notice to a Shareholder, the Sub-Fund has the right to compulsorily redeem all or some of the Participating Shares held by a Shareholder at the Net Asset Value per Participating Share as at the Valuation Day immediately prior to the date such redemption is to take effect if the Directors for any reason determine in their absolute discretion to do so. Without prejudice to the Directors' general powers to redeem compulsorily for any reason, the Directors intend to compulsorily redeem Participating Shares where:

1. the Participating Shares are held by or for the benefit (directly or indirectly) of any Restricted Person;
2. the value at the Net Asset Value as at the last Valuation Day of all the Participating Shares held by a Shareholder in the relevant Class is less than the Minimum Holding Amount applicable to such relevant Class as a result of a partial redemption of Participating Shares by a Shareholder;
3. any of the representations given by a Shareholder in its Subscription Agreement were not true or have ceased to be true; or

4. the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate reaches the Compulsory Additional Subscription Class Ratio and any holder of Class C Shares fails to provide any portion of his required amount as specified in a Class C Funding Notice issued from the Investment Manager within fifteen Business Days or within such other times as the Investment Manager may deem appropriate.

The Directors may cause a compulsory redemption during any period for which a suspension of the right of Shareholders to request redemption of their Participating Shares has been declared.

Procedures for Subscriptions and Redemptions

Subscription, redemption and rollover instructions should be received by the Fund, on behalf of the Sub-Fund, in the manner as prescribed in the Subscription Agreement or Redemption Notice (as the case may be). Note that you must use the relevant forms provided by the Fund (with respect to the Sub-Fund) in respect of the subscription, redemption, transfer or rollover (as the case may be), unless such condition is waived by the Fund.

The following forms of communication are acceptable to the Fund for submitting subscription, redemption, transfer, rollover or other instructions (such as change of address) to the Fund:

1. Facsimile Transmission: to **Fund Administration Team, SFSO**, on facsimile number +852 2806 5378; or
2. Email: via email to the Administrator to:

DBS Bank Ltd., Hong Kong Branch
Levels 7, Two Harbour Square
180 Wai Yip Street, Kwun Tong
Kowloon, Hong Kong

Attn: Fund Administration Team, SFSO
Group email: hksfsofa@db.com and SFS_TA@db.com

For Subscription Agreements or Redemption Notices submitted by way of facsimile or email by each of the stipulated deadlines as provided in this Supplement, the originals should be sent immediately thereafter by internationally recognised courier.

Notwithstanding the method of communication, the Fund for the account of the Sub-Fund, the Investment Manager and/or the Administrator and their delegates reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, the applicant will be required to re-send the documents. A Subscription Agreement sent via email must contain a duly signed document as an attachment.

The Administrator will acknowledge receipt of any subscription or redemption request on behalf of the Fund in respect of the Sub-Fund, and in the event no acknowledgement is received from the Administrator within five (5) days of submitting the request, the applicant should assume that the subscription or redemption request has not been received and they should contact the Administrator to confirm the status of their request.

None of the Fund (on behalf of the Sub-Fund), the Directors, the Investment Manager or the Administrator, nor their delegates shall be responsible for any loss resulting from the mis-delivery, non-receipt or illegibility of any Subscription Agreement or Redemption Notice sent by facsimile, email or by post or for any action upon/in accordance with forged or fraudulent documents containing instructions, transfer or applications, be they received by email or by facsimile or otherwise, or for the consequences of any action taken, acting in good faith, upon any such forged or fraudulent document. Facsimiles sent to the Administrator shall only be effective when actually received by the Administrator for and on behalf of the Fund for the account of the Sub-Fund. In the case of mis-receipt or corruption of any message, the applicant will be required to re-send the documents.

Suspension of Net Asset Value Calculation, Transfer, Redemptions and Subscriptions

The Directors and/or the Investment Manager may suspend the calculation of the Net Asset Value of the Sub-Fund and/or the Net Asset Value of the Participating Shares, and/or the issuance of Participating Shares and/or the redemption of Participating Shares including the right to receive redemption proceeds and/or the transfer of Participating Shares (each a "**Suspension**"), for any reason determined by the Directors and/or the Investment Manager. Circumstances under which such Suspension may be applicable and provisions applicable to the Sub-Fund during such period of suspension is set out under the section in the PPM titled "*Subscription for, and Redemption of, Participating Shares - Suspension of Net Asset Value Calculation, Transfer, Redemptions and Subscriptions*". Without prejudice to the provisions as set out in the PPM, if a redemption request is not withdrawn by a Shareholder following declaration of a suspension, the redemption will be completed as of the next Redemption Day in which such Suspension is ended, unless the Directors and/or the Investment Manager determine otherwise, on the basis of the Net Asset Value per Participating Share as applicable with respect to such Redemption Day.

It is anticipated that any Suspension would ordinarily be temporary. However, there may be situations in which the circumstances giving rise to the Suspension continue to be present for a considerable period of time with the result that the Directors and/or the Investment Manager consider it appropriate to keep the Suspension in place indefinitely. In certain circumstances, even where a Suspension has not been declared, the Directors and/or the Investment Manager may make a determination that the investment strategy should no longer be continued.

Soft Wind Down

If the Directors, in consultation with the Investment Manager, decide that the investment strategy is no longer viable they may resolve that the Fund in respect of the Sub-Fund, be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Shareholders, as more particularly described in the section in the PPM titled "*Subscription for, and Redemption of, Participating Shares – Soft Wind Down*".

Refusal of Redemptions

The Fund with respect to the Sub-Fund may refuse (and the Investment Manager and/or the Administrator reserve the right to refuse or to induce the Directors to refuse) to make any redemption payment to a redeeming Shareholder under certain circumstances as more particularly described in the section in the PPM titled "*Subscription for, and Redemption of, Participating Shares – Refusal of Redemptions*".

Switching

Switching between any Classes or Sub-Classes of the Sub-Fund is permitted provided the relevant terms (including the switching formula to be applied) are approved by the Directors and/or the Investment Manager in any particular case or generally in their absolute discretion, and agreed to by such Shareholder. For the avoidance of doubt, the Lock-up Period applicable to the new Class or Sub-Class (as the case may be) shall commence on the Issue Day of Participating Shares in such new Class or Sub-Class.

For the purposes of switching, unless otherwise informed by the Directors and/or the Investment Manager, Shareholders will be required to submit a Redemption Notice and Subscription Agreement no later than 5:00 p.m. (Hong Kong time) on the Business Day preceding the relevant Redemption Day of such Class or Sub-Class of Participating Shares, specifying the Class(es) or Sub-Class(es) or Series (as the case may be) of Participating Shares being redeemed and the Class(es) or Sub-Class(es) or Series (as the case may be) of Participating Shares being subscribed for. However, in the case of switching, there will be no remittance of redemption proceeds to the Shareholder. Redemption proceeds will be immediately applied towards the subscription of such Class(es) or Sub-Class(es) or Series of Participating Shares (as the case may be) being switched into, unless otherwise determined by the Directors and/or the Investment Manager in any particular case or generally in their absolute discretion.

Calculation of Net Asset Value

The provisions relating to the valuation policies and principles as set out in the PPM under the section titled "*Calculation of Net Asset Value*" shall apply to the Sub-Fund. In addition, Prospective Shareholders should carefully review the section titled "*Subscription for, and Redemption of, Participating Shares*" in the PPM with respect to the calculation of the Redemption Price.

The Net Asset Value will be calculated in respect of each Calculation Period, at the Valuation Point on each such day designated as a "Valuation Day" of the Sub-Fund. Notwithstanding the provisions set out in the PPM under the section headed "Calculation of Net Asset Value", the Net Asset Value per Participating Shares of a Class, Sub-Class or Series shall be calculated in accordance with the paragraphs below.

Calculation of Net Asset Value of the Normal Portion and the Tiered Portion

The Net Asset Value of the Sub-Fund shall be first apportioned into the Normal Portion and the Tiered Portion by (a) allocating the Net Asset Value of the Sub-Fund attributable to the Normal Portion and the Tiered Portion in proportion to:

- (i) on the first Valuation Day after the close of the Tiered Portion IOP, the aggregate subscription amount (net of any initial charges and bank charges unless otherwise approved by the Directors or the Investment Manager) attributable to the Normal Portion and the Tiered Portion respectively as at the close of the Tiered Portion IOP; and
- (ii) thereafter, on any subsequent Valuation Day, the Net Asset Value of the Normal Portion and the Tiered Portion respectively immediately following the preceding Valuation Point, plus the net of any subscriptions and redemptions attributable to the Normal Portion or the Tiered Portion respectively,

Calculation of Net Asset Value of Participating Shares in the Normal Portion

The Net Asset Value per Class A Shares or of a Series of Class A Shares in the Normal Portion is calculated by dividing the Net Asset Value of the Class A Shares or the Series of Class A Shares in the Normal Portion by the number of Class A Shares or Class A Shares of that Series in the Normal Portion outstanding as at the Valuation Point on the relevant Valuation Day.

Calculation of Net Asset Value of Participating Shares in the Tiered Portion

The Net Asset Value per Participating Share of each Class and Sub-Class of the Tiered Portion of the Sub-Fund as at the Valuation Point on any Valuation Day shall be determined by:

- (1) *Firstly*, calculating the Net Asset Value of the Tiered Portion of the Sub-Fund (before deducting any Class specific fees, costs, expenses or liabilities);
- (2) *Secondly*, determining the Pre-Allocation Sub-Class NAV (as defined below) of each Sub-Class of Class B Shares and the Pre-Allocation Class NAV (as defined below) of Class C Shares by:
 - (a) allocating the Net Asset Value of the Tiered Portion of the Sub-Fund attributable to each Sub-Class of Class B Shares and that attributable to the Class C Shares in proportion to:
 - (i) on the first Valuation Day after the close of the Tiered Portion IOP, the aggregate subscription amount (net of any initial charges and bank charges unless otherwise approved by the Directors or the Investment Manager) attributable to each Sub-Class of Class B Shares or Class C Shares as at the close of the Tiered Portion IOP; and
 - (ii) thereafter, on any subsequent Valuation Day, the Net Asset Value of such Sub-Class of Class B Shares or Class C Shares immediately following the preceding Valuation Point, plus the net of any subscriptions and redemptions attributable to the relevant Sub-Class of Class B Shares or Class C Shares, excluding any allocation of Class B Fixed Return of the relevant Sub-Class of Class B Shares, Class B Shortfall Allocations or Class B Surplus Allocations (as defined below) between the Class B Shares and Class C Shares as further described below;
 - (b) deducting from the amount resulting from (a) above of the Sub-Class of Class B Shares or Class C Shares in question the fees, costs, expenses or other liabilities attributable to that Sub-Class of Class B Shares or Class C Shares, in order to arrive at the “**Pre-Allocation Sub-Class NAV**” of such Sub-Class of Class B Shares or the “**Pre-Allocation Class NAV**” of such Class C Shares.
- (3) *Thirdly*, determining the Net Asset Value of each Series of a Sub-Class of Class B Shares as follows, the resulting amount being rounded to the nearest cent (0.5 being rounded up):

The Net Asset Value of a Series of a Sub-Class of Class B Shares (“**Class B Series NAV**”) shall be calculated by adding the Class B Fixed Return of the relevant Series to (i) on the first Valuation Day after the close of the Tiered Portion IOP, the aggregate subscription amount (net of any initial charges and bank charges unless otherwise approved by the Directors or the Investment Manager) attributable to the relevant Series as at the close of the Tiered Portion IOP; and (ii) thereafter, on any subsequent Valuation Day, the Net Asset Value of the relevant Series as of the immediately preceding Valuation Day plus new subscription and less redemption immediately after the preceding Valuation Day.

Sub-Class of Class B Shares NAV will be converted by using exchange rate as of Valuation Day and add up together to arrive the Class B Shares’ NAV for further reallocation of profit or loss between Class B and Class C Shares.

Any “shortfall” of the Class B Fixed Return owing to the holders of Class B Shares will be funded out of the Pre-Allocation Class NAV of Class C Shares (the “**Class B Shortfall Allocation**”).

On the other hand, any “surplus” with respect to Class B will be funded back into the Pre-Allocation Class NAV of Class C Shares (“**Class B Surplus Allocation**”).

Where there is no Class C Shares or where Class C NAV equals zero, any “shortfall” with respect to a Series of Class B Shares shall be allocated to the relevant Series of Class B Shares.

- (4) *Forthly*, determining the Net Asset Value of Class C Shares as follows, the resulting amount being rounded to the nearest cent (0.5 being rounded up):

The Net Asset Value of all Class C Shares (“**Class C NAV**”) is equal to the Pre-Allocation Class NAV of Class C Shares, adjusted for the aggregate Class B Shortfall Allocation of all Series and Sub-Classes or the aggregate Class B Surplus Allocation of all Series and Sub-Classes (as the case may be).

The Class C NAV is subject to a minimum value of zero.

- (5) *Lastly*, the Net Asset Value per Class B Share of a particular Series of a Sub-Class shall be calculated by dividing the Class B Series NAV of such Series by the number of Class B Shares of the relevant Series in issue.

The Net Asset Value per Class C Share of a particular Series shall be calculated by dividing the Class C NAV of such Series by the number of Class C Shares of the relevant Series in issue.

Reports to Shareholders

The Fund will prepare the annual financial statements of the Fund and the Sub-Fund in accordance with IFRS. Copies of the audited financial statements of the Fund with respect to the Sub-Fund, which will be made up to the end of each Financial Year, will be made available to Shareholders within six (6) months after the end of the relevant Financial Year. The audited financial statements of the Fund in respect of the Sub-Fund will also be made available to investors free of charge upon request from the offices of the Investment Manager.

The Net Asset Value per Participating Share of each relevant Class will be also published monthly in Shareholder reports sent by email to Shareholders, or such other media as the Directors may determine.

Dividend Policy

Income of the Sub-Fund will not be distributed unless otherwise determined by the Directors. Retained income will be reflected in the value of Shares.

Subject to Cayman Islands laws, the distribution policy of the Sub-Fund may be changed by the Directors and notified to the Shareholders from time to time. There can be no assurance that the Directors will declare or pay dividends or distributions.

5. RISK FACTORS

An investment in the Participating Shares is speculative and involves a high degree of risk. There is no guarantee that implementation of the investment objective or strategy with respect to the assets of the Fund in respect of the Sub-Fund will not result in losses to holders of Participating Shares. 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 in respect of the Sub-Fund. When evaluating the merits and suitability of an investment in the Participating Shares, prospective investors should give careful consideration to the risk factors described in the section titled "*Risk Factors*" in the PPM and the following additional risk riders that are relevant to the Sub-Fund.

In addition to the risk factors set out in the PPM, prospective investors should note the following additional risk factors in respect of the Sub-Fund. This is not an exhaustive list of all of the factors relating to the risks which may be encountered in respect of the Sub-Fund, and investors are encouraged to discuss in details with their professional advisors the potential risks in investing in the Participating Shares attributable to the Sub-Fund.

An investment in the Fund in respect of the Sub-Fund is speculative and involves a high degree of risk, and there can be no assurance that the Fund will achieve its investment objectives. Investors could lose all or a substantial portion of its investment in the Fund.

Principal Risk

The Sub-Fund intends to mainly invest principally in fixed income securities, which are susceptible to a fall in value. Investors may therefore suffer losses as a result. The Sub-Fund is not principal guaranteed. The purchase of its Participating Shares is not the same as investing directly in a financial instrument or placing funds on deposit with a bank. There is also no guarantee of dividend or distribution payments during the period an investor holds Participating Shares.

No Investment Restrictions

There are limited restrictions on the strategies which the Investment Manager may implement for the Sub-Fund. Thus, it is possible that the Sub-Fund may take substantial positions in the security or group of securities issued by a single issuer at the same time or invest substantially in a single market, industry or country. This possible lack of diversification may subject the investments of the Sub-Fund to more fluctuations in value than would be the case if the assets of the Sub-Fund were more widely diversified.

Fixed Return Risk

Holders of Class C Shares are required to make additional subscriptions into the Sub-Fund further to Class C Funding Notices. Investors of Class B Shares should note that this does not represent a guaranteed return equal to the Class B Fixed Return of the relevant Class or Sub-Class on their investment amount by the Sub-Fund or the Investment Manager. None of holders of Class C Shares, the Company or the Investment Manager undertakes or guarantees that the amount invested in Class B Shares will be protected and the performance of the Sub-Fund will generate a return sufficient to pay the Class B Fixed Return of the relevant Class or Sub-Class and there may be circumstances where no return is generated or the amount invested is lost.

In the event the holders of Class C Shares fail to make additional subscription further to any Class C Funding Notice, the holders of Class B Shares will be subject to the risk of not receiving any Class B Fixed Return and losing part of or the entire of their investments.

Compulsory Redemption of Class B Shares

Where the ratio of the Net Asset Value of the Class B Shares to the Net Asset Value of the Class C Shares exceeds the Compulsory Additional Subscription Class Ratio on any Valuation Day and if any holder of Class C Shares fails to provide any portion of his or her required amount as specified in a Class C Funding Notice when called by the Investment Manager, the Directors or the Investment

Manager shall have the power to compulsorily redeem Class B Shares of all Series on a pro rata basis until the ratio of the Net Asset Value of the Class B Shares in aggregate to the Net Asset Value of the Class C Shares in aggregate equals the Tiered Class Ratio. In the event that the Directors or the Investment Manager compulsorily redeems Class B Shares, holders of Class B Shares may not be able to enjoy the full fixed return over the relevant Lock-up Period for the relevant Sub-Class of Participating Shares.

Risk by Holders of Class C Shares

As the holders of Class C Shares are only entitled to the remaining portion of the Net Asset Value of the Tiered Portion of the Sub-Fund after deducting the Net Asset Value of Class B Shares and fees, costs, expenses or other liabilities in respect of Class B Shares, while they may achieve positive capital return, they may also assume all losses, costs and expenses suffered or incurred by the Sub-Fund and there may be circumstances where no return is generated or the entire amount invested is lost.

Potential Conflict of Interest relating to the Holders of Class C Shares

The initial holders of Class C Shares may be an affiliate of the Investment Manager. Accordingly, conflicts of interest may occur, for example, when deciding whether to issue a Funding Notice (see the risk factor “Investment Manager’s Discretion in Issuing a Funding Notice” below). In dealing with any matter involving an actual or potential conflict of interest, the Directors and/or the Investment Manager and its affiliates will be guided by good faith judgment and shall take such actions as are determined by the Directors and/or the Investment Manager and/or its affiliates to be necessary or appropriate to ameliorate such conflict of interest, but there is no certainty that any conflict of interest will be resolved fairly. In such situations, the Investment Manager and the Sub-Fund may seek advice from legal counsel in connection with such determinations.

Please refer to the section “*Potential Conflicts of Interest*” in the PPM for further information on how such conflict will be managed.

Investment Manager’s Discretion in Issuing a Funding Notice and the Total Additional Subscription

Shareholders should note that, for the purpose of determining whether a Class C Funding Notice is required, the Investment Manager will monitor the Tiered Class Ratio and Compulsory Additional Subscription Class Ratio. The Investment Manager may in its discretion determine whether a Class C Funding Notice is issued, and the Total Additional Subscription or such lower ratio as the Investment Manager may determine from time to time.

The Investment Manager will exercise its professional judgment and act in good faith, but there is no guarantee that the Investment Manager’s decision will produce a positive outcome.

As the holders of Class C Shares will be affiliates of the Investment Manager (see the risk factor “Potential Conflict of Interest relating to the Holders of Class C Shares” above), in certain circumstances, the Investment Manager may be subject to a conflict of interest between the interest of holders of Class B Shares (whose interest may be protected by issuing a Class C Funding Notice) and holders of Class C Shares (whose interest may be protected by not issuing a Class C Funding Notice).

In dealing with any matter involving an actual or potential conflict of interest, the Directors and/or the Investment Manager and its affiliates will be guided by good faith judgment and shall take such actions as are determined by the Directors and/or the Investment Manager and/or its affiliates to be necessary or appropriate to ameliorate such conflict of interest, but there is no certainty that any conflict of interest will be resolved fairly. In such situations, the Investment Manager and the Sub-Fund may seek advice from legal counsel in connection with such determinations.

Please refer to the section “*Potential Conflicts of Interest*” in the PPM for further information on how such conflict will be managed.

Investment Manager's Estimate of Net Asset Value for Issuing a Class C Funding Notice May Contain Inaccuracies and the Issuance of Class C Funding Notices may be Subject to Delays

Shareholders should note that, for the purpose of determining whether a Class C Funding Notice is required, the Investment Manager will monitor the Net Asset Value of the Classes and Sub-Classes of Participating Shares in the Sub-Fund based on its own monitoring system, and such valuation may not be the same as the Net Asset Value calculated by the valuation system of the Administrator, and as a result, the valuation calculated by the Investment Manager may vary from that calculated by the Administrator. The Investment Manager's estimate of the Net Asset Value of the Fund and the Tiered Class Ratio and Compulsory Additional Subscription Class Ratio may therefore contain inaccuracies. In addition, as the Investment Manager's system is not a real time monitoring system, and any event triggering a notice to investor or a Class C Funding Notice will only be identified upon the regular estimations.

Risks related to Debt Securities

Interest rate, credit and downgrade risks

Debt instruments, such as bonds and debt securities, are subject to interest rate risk, credit risk and downgrade risk.

There is a general inverse relationship between interest rates and the prices of debt instruments. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt instruments. A common way to measure interest rate risk is with reference to a debt instrument's duration — in essence, the number of years required to recover the true cost of a debt instrument, considering the present value of all coupon and principal payments received in the future. The duration of a debt instrument is generally expressed as a number of years from its purchase date. Other things being equal, debt instruments with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in interest rates may extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in the Sub-Fund.

Where investments are made in fixed rate debt instruments, changes in market interest rates do not affect the rate payable on a fixed rate debt instrument which can increase its exposure to interest rate risk. This is because rising interest rates will make the fixed debt instrument less valuable because of the inverse relationship mentioned. An instrument which has adjustable or variable rate features will in contrast be comparatively less sensitive to interest rate risk. Fluctuations in interest rates of the currency(ies) in which the Participating Shares are denominated and/or fluctuations in interest rates of the currency(ies) in which the Sub-Fund's investments are denominated may also affect the value of the Participating Shares.

Credit risk (including issuer default risk) is the possibility that an issuer of an instrument will be unable or unwilling to make interest payments or repay principal when due, or to otherwise honour its obligations. An issuer suffering an adverse change in its financial condition or future prospects could lower the credit quality of a security thereby increasing its credit risk, leading to greater price volatility of the security. This may have adverse effects on the value of the Sub-Fund's investments. If the Sub-Fund invests in lower quality debt instruments, in particular securities which are rated lower than investment grade, it is more susceptible to credit risk and the value of its investments may be more volatile.

Downgrade risk is the risk that the credit rating of an issuer or a debt instrument may subsequently be downgraded or even fall below investment grade due to changes in the financial strength of the issuer or changes in the credit rating of a debt instrument. Downgraded securities, and securities issued by issuers whose ratings have been downgraded, may be subject to higher risks, as they could be subject to higher volatility, liquidity and credit risk. In the event of downgrading, the Sub-Fund's investment value in such security may be adversely affected. The Sub-Fund may continue to hold such investment, and higher risks may result. Investors may suffer substantial loss of their investments in the Sub-Fund.

Risk associated with non-investment grade debt instruments

To the extent the Sub-Fund invests in debt instruments which are rated lower than investment grade or are non-rated, the Sub-Fund may realise a higher current yield than the yield offered by higher-rated securities, but such investments are also associated with greater risks because of generally reduced credit worthiness and liquidity, greater price volatility, greater risk of loss of income and principal including the chance of default by or bankruptcy of the issuers of such securities.

Other market risks

Investors should be aware that the value of securities and instruments in which the Sub-Fund invests and the return derived from them can fluctuate. The Sub-Fund invests in and actively trades securities and instruments utilising strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the income derived from the relevant securities and instruments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as actions by various government agencies and domestic or international economic and political developments, may cause sharp market fluctuations, which could significantly and adversely affect the value of the Sub-Fund's investments.

Risk of investing in convertible bonds

Convertible bonds and hybrid securities are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

Tenure risk

Bonds have a specified investment period. The longer the investment period of the bonds, the more likely changes in interest rates, exchange rates, market environments and the issuer's financial and operating conditions may affect the bond value during the investment period. Actual return (if any) may be substantially lower than expected and the Sub-Fund may even suffer losses.

Risk relating to Debt Obligations issued by Governmental Entities

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations issued or guaranteed by governmental entities of such countries may involve a high degree of risk. The willingness or ability of a governmental entity to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due and the relative size of the debt service burden to the economy as a whole. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others agencies abroad to reduce principal and arrearage on their debts. However, failure to implement economic reforms or achieve a required level of economic performance or repay debts when due may result in the cancellation of these third parties' commitments to continuously lend funds to a governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

In case of default, holders of debt obligations issued by a governmental entity (including the Sub-Fund) may be requested to participate in the rescheduling of such debt and to extend further loans to such governmental entity. In the event of any adverse credit event in the sovereign, in particular if there is downgrading of the sovereign credit rating or a default or bankruptcy of a sovereign occurs, the performance and value of the Sub-Fund could deteriorate. There are no bankruptcy proceedings by which sovereign debt on which a governmental entity has defaulted may be recovered in whole or in part.

Concentration Risk

Although the Investment Manager seeks to obtain diversification by investing with a range of fixed income instruments, it is possible that the Investment Manager may take substantial positions in the same security or group of securities at the same time and there are no specific investment restrictions

on concentration exposures applicable to the Sub-Fund. This possible lack of diversification may subject the investments of the Sub-Fund to more rapid change in value than would be the case if the assets of the Sub-Fund (whether invested directly or indirectly) were more widely diversified.

Risks associated with Bond Connect and the China Interbank Bond Market

Overview

Foreign institutional investors (such as the Sub-Fund) can invest in the China interbank bond markets (“**China Interbank Bond Market**”) via the Foreign Access Regime (as defined below) and/or the Bond Connect (as defined below).

Investment in China Interbank Bond Market via Foreign Access Regime

Pursuant to the “Announcement (2016) No 3” issued by the PBOC (中國人民銀行公告 [2016]第 3 號) on 17 February 2016, foreign institutional investors can invest in China Interbank Bond Market (“**Foreign Access Regime**”) subject to other rules and regulations as promulgated by the Mainland Chinese authorities, i.e., PBOC and SAFE. Such rules and regulations may be amended from time to time and include (but are not limited to):

- (i) the “Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets” (境外機構投資者投資銀行間債券市場備案管理實施細則) issued by the Shanghai Head Office of PBOC on 27 May 2016;
- (ii) the “Circular concerning the Foreign Institutional Investors’ Investment in Interbank bond market in relation to foreign currency control” (國家外匯管理局關於境外機構投資者投資銀行間債券市場有關外匯管理問題的通知) issued by SAFE on 27 May 2016;
- (iii) the “Announcement on Matters concerning Filing Management by Foreign Investors for Investment in China Interbank Bond Markets” (關於境外投資者進入中國銀行間債券市場備案管理有關事項的公告) issued by the Shanghai Head Office of PBOC on 19 June 2018; and
- (iv) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, foreign institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

In terms of fund remittance, foreign investors (such as the Sub-Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the China Interbank Bond Market. For repatriation, where the Sub-Fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency (“**Currency Ratio**”) should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%.

Investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China (“**Bond Connect**”) established by China Foreign Exchange Trade System & National Interbank Funding Centre (“**CFETS**”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- (i) the “Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])” (內地與香港債券市場互聯互通合作管理暫行辦法(中國人民銀行令[2017]第 1 號)) issued by the PBOC on 21 June 2017;

- (ii) the “Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect” (中國人民銀行上海總部“債券通”北向通境外投資者准入備案業務指引) issued by the Shanghai Head Office of PBOC on 22 June 2017; and
- (iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect (“**Northbound Trading Link**”). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Risks associated with China Interbank Bond Market

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Sub-Fund transacts in the China Interbank Bond Market, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Foreign Access Regime and/or Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via Foreign Access Regime and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Sub-Fund’s ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund’s ability to achieve its investment objective will be negatively affected.

Taxation risk

There are risks and uncertainties associated with the current tax laws, regulations and practice in Mainland China in respect of the Bond Connect and Foreign Access Regime on the Sub-Fund’s investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect its value.

Risks related to QFI

The Sub-Fund may invest directly in QFI eligible securities investment via the QFI status of the Investment Manager and/or by other permissible means whether directly or indirectly.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the Sub-Fund's performance as the Sub-Fund may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFI may have an adverse effect on the Sub-Fund's liquidity and performance.

The PBOC and SAFE regulate and monitor the repatriation of funds out of the PRC by the QFI pursuant to the QFI rules and regulations. Repatriations by QFIs in respect of the Sub-Fund are currently not subject to repatriation restrictions or prior approval, although a review on authenticity and compliance will be conducted on each remittance and repatriation by the PRC Custodian. The repatriation process may be subject to certain requirements set out in the relevant regulations such as submission of certain documents, and completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests from the investors. Furthermore, as the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the PRC Custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming investors as soon as practicable after completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

The rules and restrictions under QFI regulations generally apply to the QFI as a whole and not simply to the investments made by the Sub-Fund. Relevant PRC regulators are vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI rules. Any violations could result in the revocation of the QFI's licence or other regulatory sanctions and may adversely impact on the investment by the Sub-Fund.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to regulations on repatriation or adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Sub-Fund. In extreme circumstances, the Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The Sub-Fund, which invests in the PRC markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules - The QFI rules and regulations enable Renminbi and/or foreign currencies which can be traded on the China Foreign Exchange Trade System & National Interbank Funding Centre to be remitted into and repatriated out of the PRC. The application of the rules may depend on the interpretation given by the relevant Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund. In the worst scenario, the Investment Manager may determine that the Sub-Fund shall be terminated if it is not legal or viable to operate the Sub-Fund because of changes to the application of the relevant rules.

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

PRC brokerage risk – The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers (“**PRC Brokers**”) appointed by the QFI. There is a risk that the Sub-Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Sub-Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In selection of PRC Brokers, the QFI will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI considers appropriate, it is possible that a single PRC Broker will be appointed and the Sub-Fund may not necessarily pay the lowest commission available in the market.

Operational and Settlement Risks

The Fund on behalf of the Sub-Fund is subject to operational risks that may arise from any breaches by the Investment Manager or technical failures of communication and trading systems. Whilst the Investment Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee events beyond the control of the Investment Manager (such as unauthorized trading, trading errors or system errors) will not occur. The occurrence of any such events may adversely affect the value of the Sub-Fund.

Possible Effect of Substantial Redemptions

Substantial redemptions of Shares could require the Fund in respect of the Sub-Fund to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the redemptions. Illiquidity in certain securities could make it difficult for the Sub-Fund to liquidate positions on favorable terms, which could result in losses or a decrease in the Net Asset Value of the Sub-Fund. The Fund on behalf of the Sub-Fund is permitted to borrow cash necessary to make payments in connection with redemption of Shares when the Investment Manager determines that it would not be advisable to liquidate portfolio assets for that purpose. The Fund on behalf of the Sub-Fund is also authorised to pledge portfolio assets as collateral security for the repayment of such loans. In these circumstances, the continuing Shareholders will bear the risk of any subsequent decline in the value of the Sub-Fund’s assets.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THE PLACEMENT OF PARTICIPATING SHARES IN THE SUB-FUND PURSUANT TO THIS SUPPLEMENT. POTENTIAL INVESTORS MUST READ THE ENTIRE SUPPLEMENT AND THE PPM FOR THE FUND INCLUDING ALL ATTACHMENTS AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISERS, BEFORE DECIDING TO INVEST IN PARTICIPATING SHARES IN THE SUB-FUND.

DEFINITIONS

The following terms have the meanings (and corresponding derivative meanings) set out below, unless and only to the extent that the context otherwise requires:

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| Base Net Asset Value | has the meaning ascribed to it in the Section of this Supplement headed " <i>Fees and Expenses – C. Profit Allocation</i> "; |
| Bond Connect | has the meaning ascribed to it in the risk factor headed " <i>Risks associated with Bond Connect and the China Interbank Bond Market</i> "; |
| Borrowing Limit | has the meaning ascribed to it in the Section of this Supplement headed " <i>Investment Objective, Investment Strategy, Guidelines – Borrowing limit under loans and other credit facilities</i> "; |
| Business Day | means, with respect to the Sub-Fund, any day (except Saturday and Sunday) on which banks in Hong Kong are open for normal banking business provided that where as a result of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day are reduced, such Business Day shall end prematurely, or such other day or days in addition or reduction or in substitution as the Directors, or the Investment Manager may from time to time determine; |
| Calculation Period | the period for which a Profit Allocation is calculated, as further described in the Section of this Supplement headed " <i>Fees and Expenses – C. Profit Allocation</i> "; |
| CFETS | has the meaning ascribed to it in the risk factor headed " <i>Risks associated with Bond Connect and the China Interbank Bond Market</i> "; |
| Change Procedure | has the meaning ascribed to it in the Section of this Supplement headed " <i>Investment Objective, Investment Strategy, Guidelines – Changes to Investment Objective, Investment Strategies and/or Investment Restrictions of the Sub-Fund</i> "; |
| China Interbank Bond Market | has the meaning ascribed to it in the risk factor headed " <i>Risks associated with Bond Connect and the China Interbank Bond Market</i> "; |
| Class A Shares | a Class of Participating Shares of the Sub-Fund designated as Class A Shares and having the specific features as set out more particularly in the PPM and this Supplement; |
| Class B Fixed Returns | the fixed returns each Series of a Sub-Class of Class B Shares is entitled to, as set out more particularly in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Class B Shares</i> "; |
| Class B Shares | collectively, Class B1 Shares, Class B2 Shares and Class B3 Shares (or any of them generally); |
| Class B Series NAV | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net</i> |

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| | <i>Asset Value of Participating Shares in the Tiered Portion</i> "; |
| Class B Shortfall Allocation | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net Asset Value of Participating Shares in the Tiered Portion</i> "; |
| Class B Surplus Allocation | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net Asset Value of Participating Shares in the Tiered Portion</i> "; |
| Class B1 Shares | a Class of Participating Shares of the Sub-Fund designated as Class B1 Shares and having the specific features as set out more particularly in the PPM and this Supplement; |
| Class B2 Shares | a Class of Participating Shares of the Sub-Fund designated as Class B2 Shares and having the specific features as set out more particularly in the PPM and this Supplement; |
| Class B3 Shares | a Class of Participating Shares of the Sub-Fund designated as Class B3 Shares and having the specific features as set out more particularly in the PPM and this Supplement; |
| Class C Funding Notice | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Breach of Tiered Class Ratio; Funding Notice and Compulsory Additional Subscription</i> "; |
| Class C NAV | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net Asset Value of Participating Shares in the Tiered Portion</i> "; |
| Class C Shares | a Class of Participating Shares of the Sub-Fund designated as Class C Shares and having the specific features as set out more particularly in the PPM and this Supplement; |
| Compulsory Additional Subscription Class Ratio | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Breach of Tiered Class Ratio; Funding Notice and Compulsory Additional Subscription</i> "; |
| Currency Ratio | has the meaning ascribed to it in the risk factor headed " <i>Risks associated with Bond Connect and the China Interbank Bond Market</i> "; |
| Custodian | DBS Bank Ltd, Hong Kong Branch, or such other person or entity or such other person, firm or corporation appointed as custodian in respect of the assets of the Sub-Fund; |
| Foreign Access Regime | has the meaning ascribed to it in the risk factor headed " <i>Risks associated with Bond Connect and the China Interbank Bond Market</i> "; |
| Initial Series | has the meaning ascribed to it in the Section of this Supplement headed " <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Automatic rollover of</i> |

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| | <i>Class B Shares</i> ”; |
| Issue Day | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Subsequent Issue of Participating Shares</i> ”; |
| HK\$ | means the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China; |
| Management Fee Percentage | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Fees and Expenses – A. Management Fee</i> ”; |
| Minimum Holding Amount | the minimum holding amount for each Shareholder in respect of each Class of Participating Shares in the Sub-Fund as more particularly described under the section headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) - B. Redemptions</i> ” in this Supplement; |
| Minimum Redemption Amount | the minimum amount of a redemption requested for Participating Shares in respect of each Class of Participating Shares in the Sub-Fund as more particularly described under the section headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) - B. Redemptions</i> ” in this Supplement; |
| Normal Portion | the investment returns and fully paid-up Total Subscriptions of Class A Shares; |
| Northbound Trading Link | has the meaning ascribed to it in the risk factor headed “ <i>Risks associated with Bond Connect and the China Interbank Bond Market</i> ”; |
| Participating Shares | shall mean any Class A Shares, Class B Shares and/or Class C Shares issued in respect of the Sub-Fund, as the context may require; |
| PBOC | People’s Bank of China; |
| PRC | People’s Republic of China; |
| PRC Brokers | has the meaning ascribed to it in the risk factor headed “ <i>Risks related to QFI</i> ”; |
| PRC Custodian | DBS Bank (China) Limited, or such other person or entity or such other person, firm or corporation appointed as custodian in respect of the assets of the Sub-Fund; |
| Pre-Allocation Class NAV | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net Asset Value of Participating Shares in the Tiered Portion</i> ”; |
| Pre-Allocation Sub-Class NAV | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net Asset Value of Participating Shares in the Tiered Portion</i> ”; |

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| Pre-Allocation Series NAV | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Calculation of Net Asset Value of Participating Shares in the Tiered Portion</i> ”; |
| Profit Allocation Percentage | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Fees and Expenses – C. Profit Allocation</i> ”; |
| QFI | qualified foreign investor(s) (including, if applicable, QFII and RQFII) approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time; |
| QFII | qualified foreign institutional investors; |
| Redemption Day | means the first Business Day of each calendar month for Class A Shares and Class B Shares and the first Business Day of each quarter of each calendar year for Class C Shares, or such other day or days as the Directors may from time to time determine; |
| Redemption Notice Period | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – B. Redemptions - Redemption of Participating Shares</i> ”; |
| Renminbi or RMB | the lawful currency of the People’s Republic of China; |
| Rollover Day | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Automatic rollover of Class B Shares</i> ”; |
| Rollover New Series | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Automatic rollover of Class B Shares</i> ”; |
| RQFII | Renminbi qualified foreign institutional investors; |
| SAFE | State Administration of Foreign Exchange; |
| SG\$ | means the lawful currency of Singapore; |
| Sub-Class | such sub-Classes of each Class as sub-divided; |
| Sub-Fund | means the Credit SP; |
| Subscription Day | means the first Business Day of each calendar month, or such other day or days as the Directors may from time to time determine; |
| Subscription Price | means the price in which Participating Shares of the relevant Class or Series is issued either in respect of the initial issue of Class B Shares or Class C Shares during the Tiered Portion IOP or any Class or Sub-Class of Participating Shares on the relevant Subscription Day (as the case may be) and as further detailed under the sections headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (Attributable to the Sub-Fund) –</i> |

Procedures for Subscriptions and Subscription Price”;

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| Suspension | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Suspension of Net Asset Value Calculation, Transfer, Redemptions and Subscriptions</i> ”; |
| Tiered Class Ratio | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Classes of Participating Shares</i> ”; |
| Tiered Portion | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Classes of Participating Shares</i> ”; |
| Tiered Portion IOP | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – The Initial Issue of Participating Shares in the Tiered Portion</i> ”; |
| Total Additional Subscription | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – Breach of Tiered Class Ratio; Funding Notice and Compulsory Additional Subscription</i> ”; |
| Total Subscriptions | in relation to the Sub-Fund, the aggregate amount of subscriptions by investors of a specified Class(es) of the Sub-Fund; |
| TP Closing Date | means the last day of the Tiered Portion IOP of the Sub-Fund; |
| TP Initial Offer Price | has the meaning ascribed to it in the Section of this Supplement headed “ <i>Capital Structure of the Sub-Fund, Participating Shares of the Fund (attributable to the Sub-Fund) – The Initial Issue of Participating Shares in the Tiered Portion</i> ”; |
| Valuation Day | means the Business Day immediately preceding each Subscription Day and Redemption Day, and/or such other day or days as the Directors may from time to time determine; and |
| Valuation Point | means with respect to any Valuation Day, the close of business in the last relevant market to close on such Valuation Day or such other time on such Valuation Day as the Directors may from time to time determine. |