

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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This Brochure provides information about the qualifications and business practices of CCB Securities Limited (the “**Adviser**” or “**we**”). If you have any questions about the contents of this Brochure, please contact us by telephone at +852 3918 6342 or by email at Jason.CS.Lau@asia.ccb.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration of an investment adviser with the SEC or with any state securities authority does not imply any level of skill or training.

Item 2 Material Changes

No material changes were made to this Form ADV, Part 2A (“**Brochure**”) since the Adviser’s last amendment filing on July 11, 2018.

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Item 4 Advisory Business

A. General Description of Advisory Firm

CCB Securities Limited (the “**Adviser**”), a corporation formed under the laws of the Hong Kong, was formed on August 30, 2000. The Adviser’s principal place of business is in Kowloon Bay, Hong Kong. The Adviser is currently wholly-owned by China Construction Bank (Asia) Corporation Limited, a Hong Kong corporation, which, in turn, is wholly-owned by CCB Overseas Holdings Limited, a Hong Kong corporation, which, in turn, is wholly-owned by CCB International Group Holdings Limited, a Hong Kong corporation, which, in turn, is wholly-owned by China Construction Bank Corporation, a bank in the People’s Republic of China.

B. Description of Advisory Services (including any specializations)

The Adviser provides investment sub-advisory services to Krane Funds Advisors, LLC (the “**Sub-Advisory Client**”), an investment adviser registered with the SEC. The Sub-Advisory Client serves as an investment adviser to, among others, registered investment companies and KraneShares Trust (the “**Trust**”), a statutory trust that offers multiple separate series (*i.e.*, funds) within the Trust,. The Trust is an open-end management investment company registered under the U.S. Investment Company Act of 1940, as amended (the “**1940 Act**”). The funds are non-diversified series of the Trust. Initially, the Adviser will serve as a sub-adviser to a single exchange-traded fund within the Trust known as KraneShares CCBS China Corporate High Yield Bond USD Index ETF (the “**Fund**”) and will be responsible for making investment decisions for the Fund’s assets and trading portfolio securities.

The Adviser provides these services to the Sub-Advisory Client in accordance with the prospectus and the sub-advisory agreement between the Adviser and the Sub-Advisory Client (the “**Sub-Advisory Agreement**”).

In Hong Kong, the Adviser provides investment advisory services to institutional clients, pooled investment vehicles, corporations, institutions, and individual investors. In addition, the Adviser is licensed and regulated by the Securities and Futures Commission (“**SFC**”) in Hong Kong to carry on regulated activities of the following types:

- Type 1 (dealing in securities)
- Type 4 (advising on securities)
- Type 9 (asset management)

C. Availability of Tailored Services for Individual Clients

The Adviser provides investment advice to the Sub-Advisory Client with respect to the Fund based on specific investment objectives and strategies outlined in the Fund’s prospectus. The Adviser does not tailor investment advice to the individual needs of any of the underlying shareholders of the Fund.

D. Wrap Fee Programs

The Adviser does not currently participate in any wrap fee programs.

E. Client Assets Under Management

As of February 15, 2019, the Adviser has \$11,972,789 of client assets under management on a discretionary basis.

Item 5 Fees and Compensation

A. Advisory Fees and Compensation

The sub-advisory fees to be earned by the Adviser with respect to the Fund (the “**Fee**”) are set forth in the Sub-Advisory Agreement. Specifically, the Sub-Advisory Client will pay the Adviser 50% of the net revenue received by the Sub-Advisory Client from the Fund.

B. Payment of Fees

The Fee may be billed monthly pursuant to the written Sub-Advisory Agreement.

C. Other Fees and Expenses

The Fund will incur brokerage, fees related to securities lending-related activities and other transaction costs such as custodian fees to its custodian, wire and electronic fund fees, and other charges, taxes or fees mandated by applicable law and shareholders in the Fund should refer to the Fund’s prospectus for a description of the fees and expenses of the Fund.

D. Prepayment of Fees

The Adviser currently does not require clients to pay fees in advance.

E. Additional Compensation and Conflicts of Interest

This Item is not applicable.

Item 6 Performance-Based Fees and Side-By-Side Management

The Adviser will not receive performance-based fees.

Item 7 Types of Clients

The Adviser intends to provide investment sub-advisory services to the Sub-Adviser Client in connection with the Fund and may in the future provide such services with respect to other funds.

The Adviser's non-U.S. based clients include institutional clients, pooled investment vehicles, corporations, institutions, and individual investors.

Item 8 **Methods of Analysis, Investment Strategies and Risk of Loss**

A. Methods of Analysis and Investment Strategies

The Adviser expects to utilize a variety of methods and strategies to make recommendations to the Sub-Advisory Client with respect to the Fund. The Fund seeks to provide investment results that, before fees and expenses, track the price and yield performance on a specific fixed income securities index. The Fund's current index is the Solactive USD Chinese Corporate High Yield Bond Index (the "**Underlying Index**").

Under normal circumstances, the Fund will invest at least 80% of its total assets in components of the Underlying Index ("**80% policy**"). The Underlying Index seeks to track the performance of outstanding high yield debt securities denominated in U.S. dollars issued by Chinese companies.

For purposes of the Underlying Index, Chinese companies include companies that conduct the majority of their major business activities in China or Hong Kong as determined by the index provider, Solactive AG ("**Index Provider**"), which typically includes if they are headquartered either in China or Hong Kong and have the majority of their business assets, profits, and revenues in China or Hong Kong.

Securities included in the Underlying Index are available for investment through the U.S. dollar bond market and may be primarily traded in different markets around the world, including Asia and the United States. The securities eligible for inclusion in the Underlying Index include fixed interest rates securities, fixed-to-float and fixed-to-variable securities with one year or more until their conversion, pay-in-kind securities, and step-up-coupon securities. The Underlying Index is weighted according to the market value of the outstanding debt qualified for inclusion in the Underlying Index, but limits the weight of any single issuer's securities to 5% at each rebalance.

The issues that are eligible for inclusion in the Underlying Index, as of each rebalance, include those that are: (1) at least 40 days old; (2) have two to five years remaining until maturity or no maturity date; (3) are unrated by Fitch Ratings, Ltd. ("**Fitch**") or Moody's Investors Service, Inc. ("**Moody's**") or have at least one rating by Fitch or Moody's that is equal or lower to BBB- or Baa3; (4) have not defaulted; (5) have a par value of at least \$300 million; and (6) are issued by issuers with outstanding public debt securities with a value of at least \$1 billion. The security with the highest yield to maturity will be included in the Underlying Index for issuers with more than one security eligible for inclusion in the Underlying Index or, if they have the same yield to maturity, the security with the highest amount outstanding will be included in the Underlying Index.

The Fund may invest up to 20% of its assets in instruments that are not included in the Underlying Index, but that the Adviser and the Sub-Advisory Client believe will help the Fund track its Underlying Index. These instruments include other debt securities not included in the Underlying Index, such as government and quasi-sovereign debt securities, on-shore renminbi ("**RMB**") debt securities eligible for investment through either a People's Bank of China program that permits foreign investors to invest in RMB-denominated debt securities ("**RMB Bonds**") traded on the onshore Chinese Interbank Bond Market ("**CIBM Program**") or through a Renminbi Qualified Foreign Institutional Investor ("**RQFII**") or Qualified Foreign Institutional Investor ("**QFII**") license or other foreign currency-denominated debt securities, derivatives (including futures, swaps, forwards and options), equity securities and cash and cash equivalents. To the extent the Fund invests in RMB Bonds, it would intend to do so through the CIBM Program but the Adviser or the Sub-Advisory Client may, however, choose to apply for a RQFII or QFII license in the future. A PRC onshore settlement agent is required to participate in the CIBM Program. The Fund may also invest in RMB Bonds traded on the Shanghai and Shenzhen Stock Exchanges.

The Fund may invest up to 10% of its net assets in shares of investment companies, such as Funds, unit investment trusts, closed-end investment companies and foreign investment companies (provided that it does not own more than 3% of any one company or invest more than 5% of its assets in any one company), including to gain exposure to component securities of the Fund's Underlying Index or when such investments present a more cost efficient alternative to investing directly in the securities. Foreign investment companies in which the Fund may invest include RMB-denominated short-term bond funds domiciled in the PRC ("**PRC Investment Companies**"). The Fund may also hold cash in a deposit account in China or invest in U.S. money market funds or other U.S. cash equivalents. The other investment companies in which the Fund may invest may be advised, sponsored or otherwise serviced by the Adviser, the Sub-Advisory Client and/or their affiliates.

B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies

A shareholder of the Fund is subject to the risk that such shareholder's investment could lose money. The Fund may not achieve its investment objective and an investment in the Fund is not by itself a complete or balanced investment program. An investment in the Fund is not a deposit with a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. An investment in the Fund involves the risk of total loss. In addition to these risks, the Fund is subject to a number of additional principal risks that may affect the value of its shares, including:

China Risk. The Fund's investments will have significant exposure to China, and therefore the Fund is susceptible to adverse market, political, regulatory, and geographic events affecting China. The Chinese economy is generally considered an emerging market and can be significantly affected by economic and political conditions in China and surrounding Asian countries. In addition, the Chinese economy is export-driven and highly reliant on trade. A downturn in the economies of China's primary trading partners could slow or eliminate the growth of the Chinese economy and adversely impact the Fund's investments. The Chinese government strictly regulates the payment of foreign currency denominated obligations and sets monetary policy. The Chinese government may introduce new laws and regulations that could have an adverse effect on the Fund. Although China has begun the process of privatizing certain sectors of its economy, privatized entities may lose money and/or be re-nationalized.

In the Chinese securities markets, a small number of issuers may represent a large portion of the entire market. The Chinese securities markets are subject to more frequent trading halts and low trading volume, resulting in substantially less liquidity and greater price volatility. Further, the Chinese economy is heavily dependent upon trading with key partners, such as the United States, Japan and countries in the European Union. Any reduction or threat of reduction in this trading may cause an adverse impact on the Chinese economy and, thus, the value of the Fund's investments. Investment risk may be more pronounced for investments in the PRC debt markets than for Chinese securities markets generally because the PRC debt markets are subject to greater government restrictions and control, including the risk of nationalization and expropriation of private assets, which could result in a total loss of an investment in the Fund. The RMB Bond market is volatile with a risk of trading suspensions in particular securities and government interventions. Trading in RMB Bonds may be suspended without warning and for lengthy periods. Information on such trading suspensions, including as to their expected length, may be unavailable. Securities affected by trading suspensions may be or become illiquid.

In recent years, Chinese entities have incurred significant levels of debt and Chinese financial institutions currently hold relatively large amounts of non-performing debt. Thus, there exists a possibility that widespread defaults could occur, which could trigger a financial crisis, freeze Chinese debt and finance markets and make certain Chinese securities illiquid.

Specific Risks of Investing in the PRC Debt Markets.

The CIBM Program was announced in February 2016 and represents an exception to Chinese laws that generally restrict foreign investment in RMB Bonds. There is a significant risk that Chinese regulators may alter all or part of the structure and terms of, as well as the Fund's access to, the CIBM Program in the future or eliminate it altogether, which may limit or prevent the Fund from investing directly in RMB Bonds.

A RQFII or QFII license may also be used to invest directly in RMB Bonds. The RQFII rules were adopted relatively recently and are novel. Chinese regulators may revise or discontinue the RQFII program at any time. Should the amount of RMB Bonds that the Fund is eligible to invest in via a RQFII or QFII license be or become inadequate to meet the Fund's investment needs, such as if Krane or the sub-adviser is unable to obtain RQFII or QFII status, the Fund could be adversely affected.

CIBM Program Risk. The CIBM Program permitting foreign investors to invest directly in RMB Bonds is relatively new, and its effect on the market for the types of securities in which the Fund will invest is relatively unknown. Further, any future regulations or restrictions, such as limitations on redemptions or suspension of the CIBM Program, could adversely impact the Fund. There is no guarantee that the People's Bank of China will continue to support the CIBM Program in the future, and it may act to alter it or eliminate it altogether. Further, in order to participate in the CIBM Program, an onshore settlement agent, will be appointed for the Fund through whom trades in the CIBM Program will be conducted. The quality of the Fund's trades and settlement will be dependent upon the settlement agent, who may not perform to expectations and, thereby, harm the Fund. The agent could also terminate its relationship with Krane, the sub-adviser and/or the Fund and thus eliminate the Fund's access to the CIBM Program, which could adversely affect the Fund.

Capital Controls Risk. Economic conditions, such as volatile currency exchange rates and interest rates, political events and other conditions may, without prior warning, lead to intervention by government actors and the imposition of "capital controls." Capital controls include the prohibition of, or restrictions on, the ability to transfer currency, securities or other assets and could adversely affect the Fund's investments as well as the issuers in which the Fund invests. Levies may be placed on profits repatriated by foreign entities (such as the Fund). Although the RMB is not presently freely convertible, rather it is subject to the approval of SAFE and other relevant authorities, repatriations by RQFIIs are currently permitted daily and Chinese authorities have indicated their plans to move to a fully freely convertible RMB. There is no assurance, however, that repatriation restrictions will not be (re-)imposed in the future.

Currency Risk. The Fund's NAV is determined on the basis of the U.S. dollar, therefore, the Fund may lose value if a security denominated in another currency depreciates against the U.S. dollar. The Fund may also be subject to delays in converting or transferring U.S. dollars to foreign currencies for the purpose of purchasing portfolio investments. This may hinder the Fund's performance, including because any delay could result in the Fund missing an investment opportunity and purchasing securities at a higher price than originally intended, or incurring cash drag.

Custody Risks. In accordance with Chinese regulations and the terms of a QFII or RQFII license, as applicable, and insofar as Krane and/or the sub-adviser acquires a QFII or RQFII license, RMB Bonds will be held in the joint names of the Fund and Krane or the sub-adviser. While Krane and/or the sub-adviser may not use such an account for any purpose other than for maintaining the Fund's assets, the Fund's assets may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Fund. There is a risk that creditors of Krane and/or the sub-adviser may assert that the securities are owned by Krane and/or the sub-adviser and that regulatory actions taken against Krane and/or the sub-adviser may affect the Fund. The risk is particularly acute in the case of

cash deposited with a PRC sub-custodian (“**PRC Custodian**”) because it may not be segregated, and it may be treated as a debt owing from the PRC Custodian to the Fund as a depositor. Thus, in the event of a PRC Custodian bankruptcy, liquidation, or similar event, the Fund may face difficulties and/or encounter delays in recovering its cash.

Hong Kong Risk. The economy of Hong Kong has few natural resources and any fluctuation or shortage in the commodity markets could have a significant adverse effect on the Hong Kong economy. Hong Kong is also heavily dependent on international trade and finance. Additionally, the continuation and success of the current political, economic, legal and social policies of Hong Kong is dependent on and subject to the control of the Chinese government.

RQFII and QFII License Risk. A RQFII or QFII license and quota may be acquired to invest directly in RMB Bonds. The RQFII rules were adopted relatively recently and are novel. Chinese regulators may revise or discontinue the RQFII program at any time. The Fund’s investments may be limited to the quota obtained by Krane and/or the sub-adviser in their capacity as a RQFII or QFII on behalf of the Fund. There is no guarantee that the CSRC will ultimately grant a RQFII or QFII license or quota, and the application process may take a significant amount of time. In addition, a reduction or elimination of the quota may have a material adverse effect on the ability of the Fund to achieve its investment objectives. Should the amount of RMB Bonds that the Fund is eligible to invest in or become inadequate to meet its investment needs, such as if Krane is unable to obtain RQFII or QFII status, the Fund may need to rely exclusively on investments through the CIBM Program to purchase RMB Bonds.

Tax Risk. Although Chinese law provides for a 10% withholding tax (“**WHT**”) on capital gains realized by non-residents, significant uncertainties surround the implementation of this law, particularly with respect to trading of debt-related RMB Bonds by RQFIIs and QFIIs. In addition, there is uncertainty as to the application and implementation of China’s value added tax to the Fund’s activities. It is also unclear how China’s value added tax may apply to RMB Bonds and how such application may be affected by tax treaty provisions. If such a tax is collected, the expense will be passed on and borne by the Fund. The imposition of such taxes, as well as future changes in applicable PRC tax law, may adversely affect the Fund. In light of this uncertainty, the Fund reserves the right to establish a reserve for such taxes, although it currently does not do so. If the Fund establishes such a reserve but is not ultimately subject to these taxes, shareholders who redeemed or sold their shares while the reserve was in place will effectively bear the tax and may not benefit from the later release, if any, of the reserve. Conversely, if the Fund does not establish such a reserve but ultimately is subject to the tax, shareholders who redeemed or sold their shares prior to the tax being withheld, reserved or paid will have effectively avoided the tax. Investors should note that such provision, if any, may be excessive or inadequate to meet actual Chinese tax liabilities (which could include interest and penalties) on the Fund’s investments. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities.

Concentration Risk. Because the Fund’s assets are expected to be concentrated in an industry or group of industries to the extent that the Underlying Index concentrates in a particular industry or group of industries, the Fund is subject to loss due to adverse occurrences that may affect that industry or group of industries or sector. Market conditions, interest rates, and economic, regulatory, or financial developments could significantly affect a single industry or a group of related industries, and the securities of companies in that industry or group of industries could react similarly to these or other developments. From time to time, the Fund may invest a significant percentage of its assets in issuers in a single industry (or the same group of industries) or sector of the economy. While the Fund’s sector and industry exposure is expected to vary over time based on the composition of the Underlying Index, the Fund is currently subject to the principal risks described below. The Fund may have significant exposure to other industries or sectors over time.

Derivatives Risk. The use of derivatives may involve leverage, which includes risks that are different from, and greater than, the risks associated with investing directly in a reference asset, because a small investment in a derivative can result in a large impact on the Fund. In addition, derivatives can be illiquid and imperfectly correlate with the reference asset, resulting in unexpected returns that could materially adversely affect the Fund. Certain derivatives (such as swaps) are bi-lateral agreements that expose the Fund to counterparty risk, which is the risk of loss in the event that the counterparty to an agreement fails to perform under it. Because a swap is an obligation of the counterparty, the Fund may suffer losses potentially equal to, or greater than, the full value of the swap if the counterparty fails to perform its obligations under the swap. Counterparty risks are compounded by the fact that there are only a limited number of options available to invest in certain reference assets and, therefore, there may be few counterparties to swaps based on those reference assets. Investments in futures or swaps may expose the Fund to leverage, which may cause the Fund to be more volatile than if it had not been leveraged. Many derivatives are subject to segregation requirements, pursuant to which the Fund must segregate the market or notional value of the derivatives and which could impede the portfolio management of the Fund.

Emerging Markets Risk. The Fund's investments in emerging markets are subject to greater risk of loss than investments in developed markets. This is due to, among other things, greater market volatility, greater risk of asset seizures and capital controls, lower trading volume, political and economic instability, greater risk of market shutdown and more governmental limitations on foreign investments than typically found in developed markets. The economies of emerging markets, and China in particular, may be heavily reliant upon international trade and may suffer disproportionately if international trading declines or is disrupted.

Equity Securities Risk. Equity securities are subject to volatile changes in value that may be attributable to market perception of a particular issuer or to general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than investments in other asset classes. In the event of liquidation, equity securities are generally subordinate in rank to debt and other securities of the same issuer.

ETF Risk. As an ETF, the Fund is subject to the following risks:

Authorized Participants Concentration Risk. The Fund has a limited number of financial institutions that may act as Authorized Participants. To the extent they cannot or are otherwise unwilling to engage in creation and redemption transactions with the Fund and no other Authorized Participant steps in, shares of the Fund may trade like closed-end fund shares at a significant discount to net asset value and may face delisting from the Exchange.

Cash Transactions Risk. Like other ETFs, the Fund sells and redeems its shares only in large blocks called Creation Units and only to "Authorized Participants." Unlike many other ETFs, however, the Fund expects to effect its creations and redemptions for cash, rather than in-kind securities. Thus, an investment in the Fund may be less tax-efficient than an investment in other ETFs as the Fund may recognize a capital gain that it could have avoided by making redemptions in-kind. As a result, the Fund may pay out higher capital gains distributions than ETFs that redeem in-kind. Further, paying redemption proceeds in cash rather than through in-kind delivery of portfolio securities may require the Fund to dispose of or sell portfolio investments to obtain the cash needed to distribute redemption proceeds at an inopportune time.

International Closed Market Trading Risk. Because the Fund's underlying securities trade on markets that may be closed when the Exchange is open, there are likely to be deviations between current pricing of an underlying security and stale pricing resulting in the Fund trading at a discount or premium to net asset value that may be greater than those incurred by other exchange-traded funds.

Premium/Discount Risk. There may be times when the market price of the shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount). As a result, shareholders of the Fund may pay more than NAV when purchasing shares and receive less than NAV when selling Fund shares. This risk is heightened in times of market volatility or periods of steep market declines.

Secondary Market Trading Risk. Investors buying or selling shares in the secondary market will normally pay brokerage commissions, which are often a fixed amount and may be a significant proportional cost for investors buying or selling relatively small amounts of shares. Secondary market trading in Fund shares may be halted by the Exchange because of market conditions or other reasons. If a trading halt occurs, a shareholder may temporarily be unable to purchase or sell shares of the Fund. In addition, although the Fund's shares are listed on the Exchange, there can be no assurance that an active trading market for shares will develop or be maintained or that the Fund's shares will continue to be listed.

Fixed Income Securities Risk. Fixed income securities are subject to credit risk and interest rate risk. Credit risk refers to the possibility that the issuer of a security will not make timely interest payments or repay the principal of the debt issued (i.e., it defaults on its obligations). This risk is significant, given that the Fund invests in unsecured debt instruments. Interest rate risk refers to fluctuations in the value of a debt resulting from changes in the level of interest rates. When interest rates go up, the prices of most debt instruments go down; and when interest rates go down, the prices of most debt instruments go up. Debt instruments with longer durations tend to be more sensitive to interest rate changes, typically making them more volatile. The current low-interest-rate environment heightens the risks associated with rising interest rates.

Pay-In-Kind and Step-Up Coupon Securities Risk. A pay-in-kind security pays no interest in cash to its holder during its life. Similarly, a step-up coupon security is a debt security that may not pay interest for a specified period of time and then, after the initial period, may pay interest at a series of different rates. Accordingly, pay-in kind and step-up coupon securities will be subject to greater fluctuations in market value in response to changing interest rates than debt obligations of comparable maturities that make current, periodic distribution of interest in cash.

Perpetual Bonds Risk. Perpetual bonds offer a fixed return with no maturity date. Because they never mature, perpetual bonds can be more volatile than other types of bonds that have a maturity date and may be more sensitive to changes in interest rates. If market interest rates rise significantly, the interest rate paid by a perpetual bond may be much lower than the prevailing interest rate. Perpetual bonds are also subject to credit risk with respect to the issuer. In addition, because perpetual bonds may be callable after a set period of time, there is the risk that the issuer may recall the bond.

Variable and Floating Rate Securities Risk. During periods of increasing interest rates, changes in the coupon rates of variable or floating rate securities may lag behind the changes in market rates or may have limits on the maximum increases in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities will typically readjust downward resulting in a lower yield. Floating rate notes are generally subject to legal or contractual restrictions on resale, may trade infrequently, and their value may be impaired when the Fund needs to liquidate such securities.

Foreign Securities Risk. Investments in securities of non-U.S. issuers may be less liquid than investments in U.S. issuers as foreign trading markets are not typically as active as U.S. markets and may have less governmental regulation and oversight. For example, non-U.S. issuers may be subject to different accounting, auditing, financial reporting and investor protection standards than U.S. issuers. As a result, there may be less information publicly available about non-U.S. issuers. Investments in non-U.S. securities also involve risk of loss due to foreign currency fluctuations and political or economic

instability. Foreign markets also may have clearance and settlement procedures that make it difficult for the Fund to buy and sell securities. These factors could result in a loss to the Fund by causing the Fund to be unable to dispose of an investment or to miss an attractive investment opportunity, or by causing the Fund's assets to be uninvested for some period of time.

Geographic Focus Risk. The Fund's investments will be focused in a particular country, countries, or region and therefore the Fund may be susceptible to adverse market, political, regulatory, and geographic events affecting that country, countries or region. Such geographic focus also may subject the Fund to a higher degree of volatility than a more geographically diversified fund.

Government and Quasi-Sovereign Debt Risk. Investments in government and quasi-sovereign bonds may involve special risks not present in corporate bonds. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities, such as due to the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of government or quasi-government debt defaults on payments of principal and/or interest, the Fund may have limited legal recourse against the issuer and/or guarantor. During periods of economic uncertainty, the market prices of government and quasi-sovereign bonds, and the Fund's NAV, may be more volatile than prices of corporate bonds, which may result in losses. In the past, certain governments of emerging market countries have declared themselves unable to meet their financial obligations on a timely basis, which has resulted in losses for holders of such government and quasi-sovereign bonds.

High Portfolio Turnover Risk. The Fund may incur high turnover rates, which may increase the Fund's brokerage commission costs and negatively impact the Fund's performance. Such portfolio turnover also may generate net short-term capital gains.

High Yield and Unrated Securities Risk. Securities that are unrated or rated below investment grade (or "junk bonds") are subject to greater risk of loss of income and principal than highly rated securities because their issuers may be more likely to default. Junk bonds are inherently speculative. The prices of unrated and high yield securities are likely to be more volatile than those of highly rated securities, and the secondary market for them is generally less liquid than that for highly rated securities.

Investment in Investment Companies Risk. The Fund may invest up to 10% of its net assets in shares of other investment companies, including ETFs and PRC Investment Companies, provided that it does not own more than 3% of any investment company or invest more than 5% of its assets in any one investment company. These investments limitations do not apply to investments in U.S. money market funds. As a result of such investments, the Fund will indirectly be exposed to the risks of investments by such funds. Moreover, the Fund will incur its pro rata share of the expenses of the underlying investment companies' expenses. To the extent that the Fund invests in investment companies or other pooled investment vehicles that are not registered pursuant to the 1940 Act, including foreign investment companies, it will not enjoy the protections of the 1940 Act.

Liquidity Risk. Certain of the Fund's investments may be or become difficult to purchase or sell at a reasonable time and price. If a transaction is particularly large or if the relevant market is or becomes illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may cause the Fund to suffer significant losses and difficulties in meeting redemptions. If a number of securities held by the Fund stop trading, it may have a cascading effect and cause the Fund to halt trading. Volatility in market prices will increase the risk of the Fund being subject to a trading halt.

Management Risk. Because the Fund may not fully replicate the Underlying Index and may hold less than the total number of securities in the Underlying Index, the Fund is subject to management risk. This is the risk that the sub-adviser's security selection process, which is subject to a number of constraints, may not produce the intended results.

Market Risk. The values of the Fund's holdings could decline generally or could underperform other investments. In addition, there is a risk that policy changes by the U.S. Government, Federal Reserve, and/or other government actors, such as continuing to raise interest rates, could cause increased volatility in global financial markets and higher levels of Fund redemptions, which could have a negative impact on the Fund. Further, the Fund is susceptible to the risk that certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Fund's investments to become less liquid and subject to erratic price movements. Such market developments may also cause the Fund to encounter difficulties in timely honoring redemptions, especially if market events cause an increased incidence of shareholder redemptions.

Non-Diversified Fund Risk. Because the Fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund, changes in the market value of a single portfolio holding could cause greater fluctuations in the Fund's share price than would occur in a diversified fund. This may increase the Fund's volatility and cause the performance of a single portfolio holding or a relatively small number of portfolio holdings to have a greater impact on the Fund's performance.

Passive Investment Risk. The Fund is not actively managed, does not seek to "beat" the Underlying Index and does not take temporary defensive positions when markets decline. Therefore, the Fund may not sell a security due to current or projected underperformance of a security, industry or sector. There is no guarantee that the Underlying Index will create the desired exposure. The Underlying Index may not contain an appropriate mix of securities, but the Fund's investment objective and principal investment strategies impose limits on the Fund's ability to invest in securities not included in the Underlying Index.

Privately-Issued Securities Risk. The Fund may invest in privately-issued securities, including those that are normally purchased pursuant to Rule 144A or Regulation S promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"). Privately-issued securities are securities that have not been registered under the Securities Act and as a result are subject to legal restrictions on resale. Privately-issued securities are not traded on established markets and may be illiquid, difficult to value and subject to wide fluctuations in value. Delay or difficulty in selling such securities may result in a loss to the Fund.

Securities Lending Risk. To the extent the Fund lends its securities, it may be subject to the following risks: (1) borrowers of the Fund's securities typically provide collateral in the form of cash that is reinvested in securities; (2) the securities in which the collateral is invested may not perform sufficiently to cover the return collateral payments owed to borrowers; (3) delays may occur in the recovery of securities from borrowers, which could interfere with the Fund's ability to vote proxies or to settle transactions; and (4) there is the risk of possible loss of rights in the collateral should the borrower fail financially.

Subordinated Obligations Risk. Payments under some bonds may be structurally subordinated to other existing and future liabilities and obligations of the issuer. Claims of creditors of subordinated debt will have less priority as to the assets of the issuer and its creditors who seek to enforce the terms of the bond. Certain bonds may not contain any restrictions on the ability to incur additional unsecured indebtedness.

Tax Risk. In order to qualify for the favorable tax treatment generally available to regulated investment companies, the Fund must satisfy certain income, asset diversification and distribution requirements each

year. If the Fund were to fail to qualify as a regulated investment company, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.

Tracking Error Risk. The Fund's return may not match or achieve a high degree of correlation with the return of the Underlying Index. This may be due to, among other factors, the Fund holding cash under certain circumstances in lieu of Underlying Index securities, such as when the Fund is subject to delays converting U.S. dollars into a foreign currency to purchase foreign securities. The Fund may not be able to invest in certain components of the Underlying Index due to legal restrictions imposed by foreign governments or other regulatory reasons. In addition, securities included in the Underlying Index may be suspended from trading. To the extent that the Fund employs a representative sampling strategy or calculates its NAV based on fair value prices and the value of the Underlying Index is based on securities' closing prices on local foreign markets, the Fund's ability to track the Underlying Index may be adversely affected. Changes in currency exchange rates or delays in converting currencies may also cause tracking error.

U.S. Dollar-Denominated Chinese Debt Securities Risk. Chinese debt securities denominated in U.S. dollars may behave very differently from RMB Bonds, and there may be little to no correlation between the performance of the two. For example, changes to currency exchange rates may impact issuers of Chinese debt securities denominated in U.S. dollars differently than issuers of RMB Bonds. Currency exchange rates can be very volatile and can change quickly and unpredictably, which may adversely affect the Fund. In addition, if the U.S. dollar increases in value against the local currency of a debt issuer, the issuer may be subject to a greater risk of default on their obligations (i.e., are unable to make scheduled interest or principal payments to investors).

Valuation Risk. Independent market quotations for the non-U.S. securities held by the Fund may not be readily available, and such securities may be fair valued. Fair valuation is subjective and different market participants may assign different prices to the same security. As a result, there is a risk that the Fund may not be able to sell a security at the price assigned to the security by the Fund. In addition, the securities in which the Fund invests may trade on days that the Fund does not price its shares; as a result, the value of Fund shares may change on days when investors cannot purchase or sell their holdings.

Cash and Cash Equivalents Risk. The Fund may hold cash or cash equivalents. Generally, such positions offer less potential for gain than other investments. Holding cash or cash equivalents, even strategically, may lead to missed investment opportunities. This is particularly true when the market for other investments in which the Fund may invest is rapidly rising. If the Fund holds cash uninvested it will be subject to the credit risk of the depositing institution holding the cash.

Item 9 Disciplinary Information

Neither the Adviser nor any management persons have ever been the subject of any disciplinary event or action.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

The Adviser is a registered broker-dealer with the Securities and Futures Commission of Hong Kong.

The Adviser is also affiliated (under common control and ownership) with CCB International Group Holdings Limited, doing business as CCB International Group Limited in Hong Kong (“**CCB International Group**”). CCB International Group is registered with the SFC in Hong Kong as a broker-dealer.. CCB International Group is not engaged by the Adviser or the Sub-Advisory Client to execute transactions for the account of the Fund or future clients of the Adviser.

In the U.S., the Adviser is not a U.S. broker-dealer; nor is it affiliated with any broker-dealer. None of the Adviser’s management persons are a registered representative of a U.S. broker-dealer.

B. Commodities-Related Registration Status

Neither the Adviser nor any of the Adviser’s management persons are registered, or have an application pending to register, as a futures commission merchant, a commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants

This Item is not applicable.

D. Material Conflicts of Interest Relating to Other Investment Advisers

This Item is not applicable.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

The Adviser has adopted a Code of Ethics (the “**Code**”) that obligates the Adviser and its related persons to put the interests of the Adviser’s client(s) before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser’s personnel will be required to comply with applicable U.S. federal securities laws. A client may obtain a copy of the Code by contacting the Adviser’s Chief Compliance Officer by email at Jason.CS.Lau@asia.ccb.com. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management activities, may come into possession of confidential or material nonpublic information about issuers. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to recommend the purchase or disposition of a security held by the Fund, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

B. Client Transactions in Securities where Adviser has a Material Financial Interest

This Item is not applicable.

C. Investing in Securities Recommended to Clients

The Adviser, its Employees (as defined below), and/or the Employees’ relatives may invest in the same securities that are held by the Fund.

The Adviser recognizes that the personal investment transactions of members and employees of the Adviser demands the application of a high code of ethics and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, the Adviser believes that if investment goals are similar for clients and for Employees, it is logical that there be a common ownership of some securities. However, it is the express policy of the Adviser that no Employee may purchase or sell any security prior to a transaction being implemented for a client account, thereby preventing such Employee from benefiting from transactions placed on behalf of the Adviser’s advisory clients. In order to address potential conflicts of interest, the Adviser has adopted a set of procedures with respect to transactions effected by its partners, officers and employees (hereafter, “**Employees**”) for their “personal accounts.” In order to monitor compliance with its personal trading policy, the Adviser has implemented a securities transaction reporting system for all of its Employees (for purposes of the policy, an Employee’s “personal account” generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Adviser’s client

accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest). The procedures adopted by the Adviser are expected to include the following, among other things:

1. Employees may not buy or sell securities for their personal portfolio(s) where his or her decision is substantially derived, in whole or in part, by reason of his or her employment at the Adviser, unless the information is also available to the investing public on reasonable inquiry. No Employee shall prefer his or her own interest to that of clients.
2. The Adviser requires that all Employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
3. Any Employee not in observance of any of the above may be subject to termination.

D. Conflicts of Interest Created by Contemporaneous Trading

This Item is not applicable.

Item 12 Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

To the extent the Adviser uses broker-dealers or other intermediaries to effect the disposition of securities for its clients, the Adviser will consider a number of factors in selecting such broker-dealers or intermediaries and determining the reasonableness of the broker-dealers' or intermediaries' compensation. Such factors may include net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer or an intermediary to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

1. Research and Other Soft Dollar Benefits

The Adviser currently does not, but may in the future, receive research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. In that event, the Adviser will limit the use of "soft dollars", if any, to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended ("**Section 28(e)**"). The use of "soft dollars" to purchase products or services that the Adviser might otherwise need to pay for with its assets may create a conflict of interest. Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

If the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Chief Compliance Officer will periodically review and evaluate the Adviser's soft dollar practices to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

Where a particular service or product that a broker or dealer is willing to provide for soft dollars has not only a "research" application, but it is also useful to the Adviser for non-"research" purposes, the Adviser may allocate the cost of the product or service between its "research" and non-"research" uses and pay only the "research" portion with soft dollars. The Adviser's interest in making such an allocation may

differ from clients' interests in that the Adviser has an incentive to designate as great a portion of the cost as "research" as possible in order to permit payment with soft dollars. Where a particular service or product provides benefits to the Adviser's clients and/or the Adviser itself, the Adviser may allocate the cost among the various persons who receive benefits.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including for the benefit of other client accounts. The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

The Adviser may participate in "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

2. Brokerage for Client Referrals

Neither the Adviser nor a related person may select or recommend a broker-dealer based on whether the Adviser or the related person receives client referrals from a broker-dealer or third-party.

B. Order Aggregation

The Adviser has a fiduciary obligation to seek the "best execution" on securities transactions. Best execution entails the efficient placement of orders, clearance, settlement and overall execution quality as well as the price obtained in the transaction. To the extent applicable, as part of its efforts to obtain best execution, where possible, the Adviser may aggregate orders for several clients. When it does so, the Adviser will generally allocate the proceeds arising out of those transactions (and the related transactions expenses) on an average price basis among the various participants in the transactions. The Adviser seeks to allocate investment opportunities among client accounts in a fair and equitable manner over time. Securities are generally allocated among client accounts on a pro rata, percentage, or other objective basis. The Adviser may also allocate securities among its funds and accounts based upon the nature of the investment opportunity and an assessment of the appropriateness of that opportunity for such funds or accounts, taking into consideration the various risk characteristics associated with the investment opportunity and the relative risk profile of the clients.

Regardless of whether the Adviser aggregates orders or not, the Adviser attempts in good faith to ensure that its trading allocations are fair to all of its clients.

Item 13 Review of Accounts

A. Frequency and Nature of Review

Client portfolios are reviewed on a continuous basis by the investment team. These reviews are designed to monitor and analyze the transactions, positions, investment levels, mandates of each account, adherence to investment guidelines and account performance. The Portfolio Manager and Chief Compliance Officer participate in the review.

B. Factors Prompting a Non-Periodic Review of Accounts

Though the Adviser reviews client accounts on a regular basis, there are circumstances which prompt ad hoc reviews. Significant market events affecting the prices of one or more securities in client accounts, among other things, may trigger reviews of client accounts on other than a periodic basis.

C. Content and Frequency of Regular Account Report

It is anticipated that the Sub-Advisory Client will receive periodic and special reports, balance sheets or financial information, and such other information as it may reasonably request from the Adviser pursuant to the terms of the sub-advisory agreement.

Item 14 Client Referrals and Other Compensation

A. Economic Benefits Received from Non-Clients for Providing Services to Clients

This Adviser currently does not receive any economic benefits from non-clients for providing services to its clients.

B. Compensation to Non-Supervised Persons for Client Referrals

The Adviser does not compensate any third-party for client referrals directly to it for advisory services and does not receive any economic benefit from a third-party for providing investment advice or other services to its clients. Thus, it has no cash solicitation arrangements subject to the SEC's cash solicitation rule of Rule 206(4)-3 under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Item 15 Custody

The Adviser does not have “custody” of client assets for purposes of Rule 206(4)-2 under the Advisers Act.

Item 16 Investment Discretion

The Adviser acts as a discretionary investment adviser to the Sub-Advisory Client with respect to the Fund. Subject to the supervision and oversight of the Manager and the board of trustees of the Trust, the Sub-Adviser will manage all the securities and assets of the Fund in accordance with any specific investment guidelines and restrictions as stated in the Fund's prospectus.

Item 17 Voting Client Securities

The Adviser does not expect to accept authority to vote securities held by the Fund. Therefore, the proxy materials will be sent directly to the Sub-Advisory Client, as the investment adviser for the Fund.

Item 18 Financial Information

The Adviser is required in this Item to provide certain financial information or disclosures about its financial condition. The Adviser has no financial condition that would impair its ability to meet contractual and fiduciary commitments to the Sub-Advisory Client and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

This Item is not applicable.