

Ongoing Compliance Form for Filing of Material Breach(es)

This Ongoing Compliance Form should be used for filing of material breach(es) and resulting pricing error(s) (if any) in relation to UCITS Scheme(s)¹ and MRF Scheme(s)² to the Securities and Futures Commission (the “Commission” or the “SFC”) in accordance with 4.1(c) of the Overarching Principles Section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (“SFC Handbook”) and 10.2, 10.2A and 10.2B of the Code on Unit Trusts and Mutual Funds (“UT Code”), where:

- “breach(es)” means breach(es) of (a) investment restriction(s) under the scheme’s home jurisdiction’s laws and regulations and/or (b) other restriction(s) or requirement(s) that is/are subject to the scheme’s home regulator’s supervision.
- If the pricing error(s) resulted from the breach(es) exceed(s) the reporting threshold set out in 10.2A of the UT Code, please also complete all requisite information regarding such resulting pricing error(s) in this Ongoing Compliance Form. Management Companies are not required to separately complete and submit to the SFC the Ongoing Compliance Form for Filing of Pricing Errors.

Where there are no Hong Kong investors investing in the scheme during the Breach Affected Period (as defined below), the Management Company is not required to file the breach(es) to the SFC.

Please refer to Questions 4E to 4G of Section 2 of the FAQs on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds for further details.

The Management Company is reminded (a) to tick ALL boxes that are applicable in this Ongoing Compliance Form; and (b) when submitting Part B of this Ongoing Compliance Form, Part A of this Ongoing Compliance Form should not be removed but may be left blank.

To: Investment Products Division
Securities and Futures Commission
Attention: [name of officer (if applicable)]

¹ For the purpose of this Ongoing Compliance Form, “UCITS Scheme(s)” means Undertakings for Collective Investment in Transferable Securities (“UCITS”) domiciled in France, Luxembourg, Ireland and Netherlands; and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS.

² For the purpose of this Ongoing Compliance Form, “MRF Scheme(s)” means scheme(s) domiciled in other jurisdiction(s) and authorized by the SFC under any mutual recognition of funds arrangements between Hong Kong and relevant jurisdictions outside Hong Kong published on the SFC website from time to time.



Part A (to be completed and submitted to the SFC upon the discovery of material breach(es))

Dear Sirs,

We, _____ (acting on the instructions of _____ [state the name of Management Company] (please delete if the Management Company is submitting this Ongoing Compliance Form directly)) hereby report to the Commission material breach(es) and resulting pricing error(s) (if any) in accordance with 4.1(c) of the Overarching Principles Section of the SFC Handbook and 10.2, 10.2A and 10.2B of the UT Code, in respect of the scheme(s) referred to in item 1 of this Part A below.

| | Details |
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| General information | |
| 1. Scheme(s) affected by the breach(es) ("Scheme(s)") | Name and CE ref. of the umbrella fund(s) _____ Name(s) and CE ref. of the sub-fund(s) _____ <i>(Please use separate row(s), if necessary)</i> Name(s) and CE ref. of the single fund(s) _____ <i>(Please use separate row(s), if necessary)</i> |
| 2. Domicile of the Scheme(s) | |
| 3. Home regulator and notification of the breach(es) and resulting pricing error(s) (if any) to the home regulator ³ | Home regulator: _____ The home regulator [(please delete as appropriate) has been / will be] notified of the breach(es) and resulting pricing error(s) (if any) |
| 4. Depositary / Trustee / Custodian of the Scheme(s) | Name of [(please delete as appropriate) the Depositary / Trustee / Custodian] of the Scheme(s) _____ |

³ For the breach(es) that does/do not require notification to the home regulator, please report to the Commission by submitting the Ongoing Compliance Form for Reporting of Material Breach(es) instead.

| | Details |
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| Nature and discovery of the breach(es)⁴ | |
| 5. Nature of the breach(es) | <input type="checkbox"/> Breach(es) of investment restriction under home jurisdiction's laws and regulations. Please specify the relevant laws and regulations: _____ <input type="checkbox"/> Breach(es) of any other restrictions and requirements that are subject to the scheme's home regulator's supervision / oversight. Please specify nature of breach(es): _____ |
| 6. Duration of the breach(es) ("Breach Affected Period") ⁵ (a) Start date of the Breach Affected Period (b) End date of the Breach Affected Period | (a) _____ (b) _____ |
| 7. Date of discovery of the breach(es) | |
| Impact on Hong Kong investor(s) and the Scheme(s)⁴ | |
| 8. Number of Hong Kong investor(s) investing in the Scheme(s) during the Breach Affected Period ⁵ | Number of Hong Kong investors: _____ <i>(please also tick one of the boxes below)</i> <input type="checkbox"/> The number of Hong Kong investors specified above has taken into account all SFC-authorized investment-linked assurance scheme(s) ("ILAS") that invest(s) in the Scheme(s) ⁶ . Please provide the name(s) of the ILAS / ILAS issuer(s) affected by the breach(es): _____ <input type="checkbox"/> There is no SFC-authorized ILAS linked to the performance of the Scheme(s). |

⁴ If breach(es) and resulting pricing error(s) (if any) in respect of more than one Scheme is / are reported, please provide the required information / details in respect of each relevant Scheme.

⁵ "Breach Affected Period" in Part A and Part B of this Ongoing Compliance Form refers to the time period from the inception of the relevant breach(es) until rectification such that the Scheme(s) are brought back to compliance with all relevant restriction(s) and requirement(s).

⁶ If investor(s) of the Scheme(s) includes insurance company(ies) which is/are issuer(s) of SFC-authorized ILAS linked to the performance of the Scheme(s), please make sure that you include those end investor(s) who may be affected by their investment via such ILAS issuer(s) (if known). Alternatively,

| | Details |
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| 9. Financial impact on the Scheme(s) as a result of the breach(es) (a) In monetary terms (b) % NAV | <input type="checkbox"/> Loss <input type="checkbox"/> Gain <input type="checkbox"/> Nil (a) _____ (b) _____ |
| Pricing error(s) resulting from the breach(es) (if any)⁴ | |
| 10. Is / are there any pricing error(s) resulting from the breach(es) which exceed(s) the reporting threshold set out in 10.2A of the UT Code? | <input type="checkbox"/> Yes. Please specify the nature and magnitude of the pricing error(s) for each Scheme: <i>(Please use separate row(s), if necessary)</i> (a) Name and CE ref. number of the Scheme(s): _____ (b) Nature: <input type="checkbox"/> Overvalued <input type="checkbox"/> Undervalued (c) Magnitude: _____% of NAV <input type="checkbox"/> No |
| 11. Duration of the error(s) ("Pricing Error Affected Period") ⁷ (a) Start date of the Pricing Error Affected Period (b) End date of the Pricing Error Affected Period | <i>(Applicable only if your answer to item 10 of this Part A above is "Yes")</i> (a) _____ (b) _____ |
| 12. Date of discovery of the error(s) (if different from the date of discovery of breach(es)) | <i>(Applicable only if your answer to item 10 of this Part A above is "Yes")</i> |

if the Management Company has no information concerning such end investors who may be affected by their investment via ILAS issuer(s), for the purposes of filing this form, the Management Company may regard each affected ILAS issuer as ONE Hong Kong investor in which case please indicate clearly.

⁷ "Pricing Error Affected Period" in Part A and Part B of this Ongoing Compliance Form refers to the time period during which the NAV of the Scheme(s) is being impacted by the error(s).

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| <p>13. Number of Hong Kong investor(s) subscribing into or redeeming from the affected unit / share class(es) of the Scheme(s) during the Pricing Error Affected Period^{7, 8}</p> | <p><i>(Applicable only if your answer to item 10 of this Part A above is “Yes”)</i></p> <p>Please specify:</p> <p>(a) number of Hong Kong investors subscribing into the affected unit / share class(es) of the Scheme(s): _____</p> <p>(b) number of Hong Kong investors redeeming from the affected unit / share class(es) of the Scheme(s): _____</p> <p>To the Management Company’s reasonable knowledge, <i>(please tick one of the boxes below)</i></p> <p><input type="checkbox"/> the numbers of Hong Kong investors specified above have taken into account all SFC-authorized ILAS that invest(s) in the Scheme(s)⁶. Please provide the name(s) of the ILAS / ILAS issuer(s) affected by the error(s): _____</p> <p><input type="checkbox"/> there is no SFC-authorized ILAS linked to the performance of the Scheme(s).</p> <p>(c) whether there is any monetary impact on the Scheme(s)⁹: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |

We further undertake, with respect to the breach(es) and resulting pricing error(s) (if any) reported in this Part A, that:

- a. all enquiry(ies) and/or complaint(s) from affected Hong Kong investor(s) (if any) relating to the breach(es) and resulting pricing error(s) (if any) will be properly handled in accordance with the applicable laws and regulations and constitutive documents of the Scheme(s);

⁸ If the error(s) involve(s) both overvaluation and undervaluation, please state separately the total number of investors having subscribed into / redeemed from the affected unit / share class(es) during the period of overvaluation and undervaluation.

⁹ “Monetary impact on the Scheme(s)” refers to “loss(es)” to the scheme” as provided under 10.2B(c) of the UT Code.



- b. we will promptly notify the SFC of the final compensation arrangements and/or remedial measures¹⁰ by completing and submitting Part B of this Ongoing Compliance Form; and
- c. *(applicable to breach(es) resulting in pricing error(s) which exceed(s) the reporting threshold as stipulated in 10.2A of the UT Code)* 10.2, 10.2A and 10.2B of the UT Code will at all times be complied with.

Yours faithfully,

Name:
Position:
Duly authorized¹¹

For and on behalf of
[Name of Management Company]
Date:

¹⁰ All references to “remedial measures” in Part A and Part B of this Ongoing Compliance Form include all forms of rectification and preventive actions and/or measures in relation to the breach(es) and resulting pricing error(s) (if any).

¹¹ The signatory is expected to be a senior-ranking executive of the Management Company (or an appropriate person designated by the senior-ranking executive of the Management Company) with overall responsibility for the reporting of the breach(es) and resulting pricing error(s) (if any) to the SFC.



Part B (to be used to report the final compensation arrangements and/or remedial measures¹⁰ in respect of the material breach(es) and resulting pricing error(s) (if any) reported under Part A of this Ongoing Compliance Form)

Dear Sirs,

We, _____ (acting on the instructions of _____ [*state the name of Management Company*] (please delete if the Management Company is submitting this Ongoing Compliance Form directly)) refer to in Part A of this Ongoing Compliance Form submitted to the SFC on [*please insert the date*] (“Submitted Part A Form”) in accordance with 4.1(c) of the Overarching Principles Section of the SFC Handbook and 10.2, 10.2A and 10.2B of the UT Code. We hereby submit Part B of this Ongoing Compliance Form in respect of such material breach(es) and resulting pricing error(s) (if any).

| | Details |
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| General information | |
| 1. Any update to the information contained in the Submitted Part A Form? | <input type="checkbox"/> No <input type="checkbox"/> Yes, revised Part A Form has been attached |
| Further details of the breach(es)⁴ | |
| 2. Reason(s) for the breach(es) | <input type="checkbox"/> IT system related issues <input type="checkbox"/> Internal control and procedures related issues <input type="checkbox"/> Human error / oversight <input type="checkbox"/> Miscommunication among the parties who operate the Scheme(s) <input type="checkbox"/> Others. Please specify: _____ |
| 3. Party(ies) responsible for the breach(es) (“Responsible Party(ies)”) | <input type="checkbox"/> Management Company <input type="checkbox"/> Investment Delegate(s): _____ [<i>state the name(s) of Investment Delegate(s)</i>] <input type="checkbox"/> Depository / Trustee / Custodian <input type="checkbox"/> Fund Administrator: _____ [<i>state the name of Fund Administrator</i>] <input type="checkbox"/> Others. Please specify name(s) and role(s) of the party(ies): _____ |

| | Details |
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| <p>4. Party(ies) who discovered the breach(es) and the resulting pricing error(s) (if any)¹²</p> | <p><input type="checkbox"/> Management Company</p> <p><input type="checkbox"/> Investment Delegate (s): _____ <i>[state the name(s) of Investment Delegate(s)]</i></p> <p><input type="checkbox"/> Depository / Trustee / Custodian</p> <p><input type="checkbox"/> Fund Administrator: _____ <i>[state the name of Fund Administrator]</i></p> <p><input type="checkbox"/> Others. Please specify name(s) and role(s) of the party(ies): _____</p> |
| <p>Impact on / compensation to Hong Kong investor(s) and the Scheme(s)⁴</p> | |

¹² If the part(ies) who discovered the resulting pricing error(s) is different from the part(ies) who discovered the breach(es), please separately indicate here.

| | Details |
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| <p>5. Is there any compensation to affected Hong Kong investor(s) required?</p> | <p>In respect of the breach(es):</p> <p><input type="checkbox"/> No. Please provide reason(s): _____</p> <p><input type="checkbox"/> Yes.</p> <p>(a) Total amount of compensation required (in monetary terms): _____</p> <p>(b) Party(ies) responsible for the compensation: _____</p> <p>(c) Compensation paid / settled? <input type="checkbox"/> Yes. Date of payment / settlement: _____</p> <p><input type="checkbox"/> No. Expected date of payment / settlement: _____</p> <p>In respect of the resulting pricing error(s) (if any):</p> <p><input type="checkbox"/> No. Please provide reason(s): _____</p> <p><input type="checkbox"/> Yes</p> <p>(a) Total amount of compensation required (in monetary terms): _____</p> <p>(b) Form of compensation (<i>please tick all applicable boxes</i>):</p> <p><input type="checkbox"/> (<i>Applicable to overvaluation</i>) allotment of extra unit(s) / share(s) of the Scheme(s).</p> <p><input type="checkbox"/> (<i>Applicable to overvaluation</i>) repayment of relevant excess portion of subscription proceeds.</p> <p><input type="checkbox"/> (<i>Applicable to undervaluation</i>) payment of the difference to make up for correct redemption proceeds.</p> <p>(c) Party(ies) responsible for the compensation: _____</p> <p>(d) Compensation paid / settled? <input type="checkbox"/> Yes. Date of payment / settlement: _____</p> <p><input type="checkbox"/> No. Expected date of payment / settlement: _____</p> |

| | Details |
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| <p>6. Is there any compensation to the Scheme(s) required?</p> | <p>In respect of the breach(es):</p> <p><input type="checkbox"/> No. Please provide reason(s): _____</p> <p><input type="checkbox"/> Yes.</p> <p>(a) Total amount of compensation required (in monetary terms): _____</p> <p>(b) Party(ies) responsible for the compensation: _____</p> <p>(c) Compensation paid? <input type="checkbox"/> Yes. Date of payment: _____</p> <p><input type="checkbox"/> No. Expected date of payment: _____</p> <p>In respect of the resulting pricing error(s) (if any):</p> <p><input type="checkbox"/> No. Please provide reason(s): _____</p> <p><input type="checkbox"/> Yes</p> <p>(a) Total amount of compensation required (in monetary terms): _____</p> <p>(b) Party(ies) responsible for the compensation: _____</p> <p>(c) Compensation paid? <input type="checkbox"/> Yes. Date of payment: _____</p> <p><input type="checkbox"/> No. Expected date of payment: _____</p> |

| | Details |
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| 7. Bilingual notice to affected Hong Kong investor(s) regarding the breach(es) and resulting pricing error(s) (if any) and the resultant compensation (if any) required? | <input type="checkbox"/> Yes. Date of issuance / expected date of issuance (<i>please delete where appropriate</i>): _____ <input type="checkbox"/> No. Please provide reason(s): <input type="checkbox"/> The breach(es) do / does not have any material adverse impact on any Hong Kong investor(s) and their rights or interests and no compensation is required for any Hong Kong investor(s) as a result of the breach(es) and resulting pricing error(s) (if any). <input type="checkbox"/> Other. Please specify: _____ |
| 8. Is / are there any enquiry(ies) or complaint(s) received from affected Hong Kong investor(s) relating to the breach(es) and/or resulting pricing error(s) (if any)? | <input type="checkbox"/> Yes. Please refer to item (i) in the confirmations and undertakings section of this Part B below. <input type="checkbox"/> No |
| Other information⁴ | |
| 9. Any remedial measures ¹⁰ required (other than, where applicable, the compensation and notice to affected Hong Kong investor(s) referred to in items 5 to 7 in this Part B above)? | <input type="checkbox"/> Yes. <input type="checkbox"/> No. Please provide reason(s): _____ |

Confirmations and undertakings¹³:

We confirm, with respect to the breach(es) and resulting pricing error(s) (if any) reported in this Ongoing Compliance Form, that:-

- a. the home regulator of the Scheme(s) has been notified of the breach(es) and resulting pricing error(s) (if any) on [please insert the date] and does not have any comment thereon and the remedial measures¹⁰ (including the compensation arrangement, if required) taken to date and (to the extent any remedial measures¹⁰ are yet to be taken) to be taken; and to the extent the home regulator has any comment(s), all such comment(s) have been addressed and the home regulator has not raised any further comments or concerns;

¹³ Please notify the SFC immediately if there are any material adverse changes to the information and/or confirmations provided to the SFC in this Ongoing Compliance Form which may affect the SFC's assessment of the matters contained herein.

- b. *(applicable to breach(es) and resulting pricing error(s) (if any) which require(s) compensation to affected Hong Kong investor(s))*
- the independent auditor of the Scheme(s) has reviewed the compensation methodology and calculation (“Independently Reviewed Compensation Methodology and Calculation”) and does not have any comment thereon; and to the extent the auditor has any comment(s), all such comment(s) have been addressed to the satisfaction of the auditor;
- the methodology and calculation of the compensation is not required to be reviewed by the independent auditor of the Scheme(s) under the relevant laws and regulations of the home jurisdiction; or
- (Applicable to UCITS Schemes domiciled in Luxembourg only)* the independent auditor of the Scheme(s) will review the compensation on an ex-post basis (e.g. in the course of its annual audit of the Scheme(s)) in accordance with the relevant laws and regulations of the home jurisdiction, in order to form its opinion as to whether the methodology and calculation are appropriate and reasonable;
- c. *(applicable to breach(es) resulting in pricing error(s) which exceed(s) the reporting threshold as stipulated in 10.2A of the UT Code)* 10.2, 10.2A and 10.2B of the UT Code have been and will be at all times complied with;
- d. the depositary / trustee / custodian of the Scheme(s) (i) has been notified of the breach(es) and resulting pricing error(s) (if any) on [please insert the date]; and (ii) does not have any comment thereon and the remedial measures¹⁰ (including the compensation arrangement, if required) taken to date and (to the extent any remedial measures¹⁰ are yet to be taken) to be taken; and to the extent the depositary / trustee / custodian has any comment(s), all such comment(s) has / have been addressed to the satisfaction of the depositary / trustee / custodian;
- e. the home regulator of the Scheme(s) has not taken any actions or imposed any restrictions on the Scheme(s) or any other SFC-authorized scheme(s) as a result of the breach(es) and resulting pricing error(s) (if any) (e.g. change of / restriction on the authorisation status, request for suspension of trading, imposition of conditions, etc.);
- f. the breach(es) and resulting pricing error(s) (if any) do / does not affect the eligibility / ability of the Responsible Party(ies) to perform its / their respective current role(s) of the Scheme(s) on an ongoing basis;
- g. the breach(es) and resulting pricing error(s) (if any) has / have been properly rectified and all affected Hong Kong investor(s) has been / have been / will be compensated (if any) in such manner



as notified to the home regulator (if notification to the home regulator is required) and the depositary / trustee / custodian of the Scheme(s), and in accordance with (i) the Independently Reviewed Compensation Methodology and Calculation (where applicable) and (ii) the applicable laws and regulations and constitutive documents of the Scheme(s);

- h. proper remedial measures¹⁰ have been / will be put in place in such manner as notified to the home regulator (if notification to the home regulator is required) and the depositary / trustee / custodian of the Scheme(s) to prevent issue(s) arising from the reason(s) identified in item 2 of this Part B above from occurring in the future in respect of the Scheme(s) and all other impacted SFC-authorized scheme(s) (if any);
- i. all enquiry(ies) and/or complaint(s) received from affected Hong Kong investor(s) (if any) relating to the breach(es) and resulting pricing error(s) (if any) has / have been properly handled in accordance with the applicable laws and regulations and constitutive documents of the Scheme(s); and
- j. unless otherwise specifically allowed for in this Ongoing Compliance Form, no deletion, addition or amendment has been made to standard template of the current prescribed form as published on the SFC website.

We further undertake, with respect to the breach(es) and resulting pricing error(s) (if any) reported in this Ongoing Compliance Form, that all enquiry(ies) and/or complaint(s) received from affected Hong Kong investor(s) (if any) after the date of this Part B relating to the breach(es) and resulting pricing error(s) (if any) will be properly handled in accordance with the applicable laws and regulations and constitutive documents of the Scheme(s).

Yours faithfully,

Name:
Position:
Duly authorized¹¹

For and on behalf of
[Name of Management Company]
Date: