

Risk Disclosure Statement

This Risk Disclosure Statement (the "Statement") relates to risks associated with the services provided by STI Asset Management Limited (hereinafter referred to "STIAM", "us", "we" or the "Company") to our customers ("you" or "investors"). However, the Statement may not disclose all of the exposed risks and this statement must be read together with the Agreement entered between you and STIAM.

You should gather information including but not limited to considering your investing premise according to your own financial status and investment objectives before execute any investment decision making. Meanwhile, where you are unclear as to the meaning, effect or consequences of any of the disclosures, disclaimers or warnings in the Agreement or the Statement, you are strongly advised to seek independent legal and professional advice before entering into the Agreement or using any of our services.

This Statement is revised and supplemented from time to time and you should refer to its latest version for reference.

In the event of any discrepancy or inconsistency between the English and Chinese version of these contents, the English version shall apply and prevail.

1. Market Risk

Return in the investment products are contingent upon the performance of the underlying securities that may be bad or good. When such investment products perform badly, there is a risk of capital loss. Past performance is no guarantee of future results.

2. Investment Risk

Investment involves risk. Past performance is no guarantee of future results. Investments may fall in value and therefore investment of the investors in the product may suffer losses. There is no guarantee of the repayment of investment principal.

3. Risk of Investment Products' Prices Fluctuation

The prices of the investment product (including securities) fluctuate, sometimes dramatically. The price of an investment product may move up or down, and may become valueless. It is a likely that losses will be incurred rather than profit made as a result of buying and selling an investment product.

4. Global Investment Risk

Investments related to certain international jurisdictions may experience more rapid and extreme changes in value. The value may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.

5. Risks relating to Compliance with Foreign Account Tax Compliance Act (FATCA) or Common Reporting Standard (CRS)

STIAM will endeavour to satisfy the requirements imposed on STIAM by FATCA and CRS. However, there can be no guarantee or assurance that the Company will be able to comply with all the requirements imposed by FATCA. In the event that the Company does suffer US withholding tax on its investments as a result of FATCA, the Net Asset Value per Share in respect of the Funds may suffer significant losses as a result.

6. Counterparty Risk

Each party of a contract that counterparty will not live up to its contractual obligations.

7. Credit Risk

Investments in unrated securities (which are not rated by a rating agency) may be less liquid than comparable rated securities and may involve additional risk compared with securities which have a credit rating. Analysis of the creditworthiness of issuers/counterparties of high yield securities may be more complex than for issuers/counterparties of higher-quality fixed income securities. To the extent that the investments in high yield and/or unrated securities, the success in achieving its investment objective may depend more heavily on the portfolio manager's creditworthiness analysis than if invested exclusively in higher-quality and rated securities.

8. Foreign Exchange Risk

When the denomination used for valuating your investment is not in the currency of your place of residence (or your intended place of residence), there is a risk of capital loss due to depreciation of the currency used for the denomination of your investment.

9. Liquidity Risk

Liquidity risk exists when a particular investments are difficult to purchase or sell. Also, illiquid securities may become difficult to value especially in changing markets. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer/counterparty.

10. Reinvestment rate Risk

The cash flow produced by an investment may be reinvested at a reduced rate of return.

11. Political/Regulatory Risk

Your investment may suffer losses when there are changes in political or regulatory stability, structure or policies of a related country.

12. Transactions in Other Jurisdictions

Transactions on markets in jurisdictions other than Hong Kong, including markets formally linked to a domestic market, may expose you to additional risk that such markets may be subject to regulation which may offer different or diminished investor protection.

13. Risk of client assets received or held outside Hong Kong

Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571) and the rules made therein. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.