



[Translation]

**KGI Taiwan Premium Selection High Dividend 30 ETF**  
**(Dividends may be distributed from the reserve for income equalization.**  
**No guaranteed incomes or dividends)**  
**PROSPECTUS**

- I. KGI Taiwan Premium Selection High Dividend 30 ETF **(Dividends may be distributed from the reserve for income equalization. No guaranteed incomes or dividends)** ("Fund")
- II. Category of the Fund: Exchange Traded Fund (ETF)
- III. Fundamental Investment Policy: For details, please refer to [I. Fund Overview] (I). ix
- IV. Type of the Fund: Open-end
- V. Authorized territories for investment: Republic of China (ROC)
- VI. Pricing Currencies: New Taiwan Dollars
- VII. Approved Offering Amount: Not applicable (There is no limit on the maximum offering amount of the Fund.)
- VIII. The Number of Beneficiary Units of the Current Issue as Approved: Not applicable (There is no limit on the maximum offering amount of the Fund)
- IX. Guarantor Institution: Nil; Not a guaranteed fund, and thus no guarantor institution.
- X. Name of the Securities Investment Trust Enterprises: KGI Securities Investment Trust Co. Ltd.

**Note:**

- (I.) **The Fund has been approved by the Financial Supervisory Commission ("FSC") to be effective. However, this does not indicate that the Fund is risk-free. The past performance of the Management Company does not guarantee the minimum investment return of the Fund. While exercising the duty of care of a good administrator, the Management Company is not responsible for the Fund's profit or loss, nor does it guarantee a minimum return. Investors should carefully read the Fund's prospectus before subscribing.**
- (II.) **From the Fund's establishment date until its listing date (excluding that day), the Management Company will not accept subscriptions or redemptions of the Fund's beneficiary units. The listing and trading of the Fund's beneficiary certificates should be conducted in accordance with the relevant regulations governing the securities trading market.**
- (III.) Since the Fund's establishment date, investment allocation has been based on the tracked benchmark index. Fluctuations in the price of the Fund's investment portfolio components will affect the performance of the Fund's net asset value. The issuance price of beneficiary units subscribed by investors before the establishment date of the Fund (excluding that date) may differ from the price at which the Fund is listed. Investors subscribing for the Fund shall bear the risk of discount/premium arising from fluctuations in the price of the Fund's net assets value during the period from the Fund's establishment date to the listing date. The secondary market trading price of the Fund after listing may also differ from the net asset value of the Fund at the close of business on each business day, which may result in the risk of discount/premium. The trading price of beneficiary certificates of the Funds after listing shall be subjected to the relevant regulations of the Taiwan Stock Exchange ("TWSE").
- (IV.) **The Fund aims to track the performance of the return of the benchmark index. Fluctuations in the prices of the component stocks of the benchmark index will affect the movement of the benchmark index. The Fund's net asset value is also subject to the risk of significant fluctuations when the prices of the component stocks of the benchmark index fluctuate or change significantly.**



- (V.) Although the Fund aims to track the benchmark index, the following factors may cause the Fund's return to deviate from the return of the benchmark index and the direction of such deviation is unpredictable.
1. The Fund may be required to make daily adjustments to the Fund's exposure as a result of, among other things, redemptions or the maintenance of the required exposure ratio. Therefore, the net value of the Fund will be affected by fluctuations in the prices of securities or futures traded, transaction costs, other necessary expenses of the Fund (e.g., management fees, custodian fees, listing fees, index licensing fees, etc.), or the Fund's overall exposure to the Fund, which may cause the Fund's return to deviate from its investment objective.
  2. The Fund's portfolio correlation with the benchmark index will be affected by factors such as the correlation between the securities or futures held by the Fund and the benchmark index. In addition, if the Fund holds futures in its portfolio, the price discovery function of futures may result in a different price response to market information and long/short trends than the corresponding securities. Therefore, when certain information is available in the market, the net asset value of the Fund will be subject to price fluctuations in futures and securities invested in, which may cause the Fund's return to deviate from the investment objective. Further description of the Fund's investment strategy, please refer to [I. Fund Overview] (I). x of the Prospectus.
- (VI.) For subscriptions of the Fund from the listing date (inclusive), the Management Company will collect the subscription amount from the subscribers in advance. The subscription amount, as outlined in the Prospectus, will be based on the "Net Asset Value Equivalent per Subscription/Redemption Base" set out in the Fund's "List of Cash Subscription/Redemption Dates" plus an additional 110% to 120%. However, in the event of consecutive vacations in the Taiwan securities market, the aforesaid proportion may be adjusted by the Management Company on a proactive basis after the announcement, and the proportion stipulated by the Fund shall be restored within three business days after the adjustment.
- (VII.) The investment risks of the Fund include, but are not limited to, those described in (6) above. Investors should read the Prospectus and ensure that they fully understand the risks and characteristics of the Fund before trading. Further description of the restrictions on the use of the Fund and the disclosure of investment risks, please refer to pages 21 to 23 and 32 to 44.
- (VIII.) The Fund is classified as RR4 for its risk and return level. This classification reflects market price volatility risk under general market conditions and cannot cover all risks, and should not be used as the sole basis for investment. Investors should still be aware of the individual risks of the funds they invest in.
- (IX.) **The Fund's distribution rate is not indicative of the Fund's rate of return and past distribution rates are not indicative of future distribution rates. The Fund's dividend may be paid from the reserve for income equalization of the Fund, and any portion that involves a charge against the reserve for income equalization may result in a reduction in the amount of the initial investment. The components of the Fund's net asset value can be found on the Management Company's website.**
- (X.) **After the listing date, the Fund will provide an intraday estimated net asset value for investors' reference during Taiwan securities trading hours, subject to the TWSE's regulation. The calculation of the estimated net asset value may differ from the actual net asset value due to the difference in timing and source of information. Investors should be aware of the risk of inaccuracy between the estimated net asset value and the actual net asset value. The estimated intraday net value provided by the Management Company during the trading hours of Taiwan securities is for investors' reference only and the actual net value should be based on the daily net value as finally announced by the Company.**
- (XI.) **The investment in the Fund is not protected by mechanisms such as deposit insurance, Taiwan Insurance Guaranty Fund or other protection mechanisms. Investors must assume their own profits or losses.**



**Investments may result in loss of part or all of the capital. Investors must assume their own profits or losses.**

(XII.) **Index Company Disclaimer:** TIP Customized Taiwan Multi-Factor High Dividend 30 Index is jointly developed by Taiwan Index Plus Corporation (TIP) and Taipei Exchange (TPEX) (collectively referred to as "Cooperating Organizations") and is solely licensed to KGI Securities Investment Trust Co. Ltd. ("KGI SITE") for use in issuing the "Fund". Cooperating Organizations do not in any way sponsor, endorse, sell, or promote the "Fund", nor do they explicitly or implicitly provide any guarantee or representation regarding the results of using the index and/or the data of the index at any specific date, time, or other times. The index is calculated by the TIP. However, Cooperating Organizations are not liable to anyone for any errors, inaccuracies, omissions, or interruptions in the transmission of index data, and have no obligation to notify anyone of such errors, inaccuracies, or omissions.

(XIII.) **In the event that any of the contents of this prospectus are falsified or concealed, the securities investment trust enterprise (the "SITE") and its responsible person and other persons who have signed this prospectus shall be held liable in accordance with the law.**

(XIV.) Check the website of the Prospectus:  
TWSE Market Observation Post System("MOPS"): <https://mops.twse.com.tw>  
KGI SITE: <https://www.KGIfund.com.tw>

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**I. Name, address, website, and telephone number of the SITE**

Name : KGI Securities Investment Trust Co. Ltd.  
 Address : No. 698, Mingshui Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)  
 Website : [www.kgifund.com.tw](http://www.kgifund.com.tw)  
 Tel/Fax : (02)2181-5678 / (02)8501-2388  
 Spokesman : General Manager Chang, Tzu-En  
 Tel : (02)2181-5678  
 Email : [fund.addresser@kgi.com](mailto:fund.addresser@kgi.com)

**II. Name, address, website, and telephone number of the fund custodian**

Name : Chang Hwa Commercial Bank, Ltd.  
 Address : 12F., No. 57, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)  
 Website : <https://www.bankchb.com/frontend/index.jsp>  
 Tel : (02)2536-2951

**III. Name, address, website, and telephone number of the appointed management institution: Nil**

**IV. Name, address, website, and telephone number of the offshore investment consulting company: Nil**

**V. Name, address, website, and telephone number of the appointed offshore custodian: Nil**

**VI. Name, address, website, and telephone number of the fund guarantor institution: Nil**

**VII. Name, address, website, and telephone number of the certifying institution for the beneficiary certificates: Nil.**  
 The Fund's beneficiary certificates are issued on an entity-free basis.

**VIII. Name, address, website, and telephone number of the service agent in beneficiary certificate matters: Nil**

**IX. Name of the auditor on the Fund's financial reports, and the name, address, website, and telephone number of the CPA firm.**

Auditor : Huang, Jin-Lian, Li; Xiu-Ling  
 Firm : PricewaterhouseCoopers  
 Address : 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (ROC)  
 Website : [www.pwc.tw](http://www.pwc.tw)  
 Tel : ((02)2729-6666

**X. The name, address, website, and telephone number of the credit rating agency of the SITE or the Fund: Nil**

**XI. Where and how to get a copy of the Prospectus**

Display : KGI Securities Investment Trust Co. Ltd.  
 Location :  
 How to request : Investors may obtain a copy at the Display Location, call KGI SITE, or download it from KGI SITE's website, the MOPS.  
 Distribution : KGI Securities Investment Trust Co. Ltd. Will distribute to the investor by mail or e-mail  
 Method : transmission if requested by KGI Securities Investment Trust Co. Ltd.

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## I. FUND OVERVIEW

### (I.) Fund Profile

- i. Fund offering amount  
The Fund's minimum offering amount is TWD200 million and there is no maximum offering amount limit.
- ii. Total number of beneficiary units  
The Fund is not subject to a maximum number of units.
- iii. Face value of each beneficiary unit  
Prior to the Fund's establishment date (excluding that date), the issue price per beneficiary unit was TWD15.
- iv. Whether follow-on issues may be made.  
The Fund is not subject to a maximum offering limit. Therefore, no follow-on issuances will be made.
- v. Conditions for establishment
  - (i.) The condition for the establishment of the Fund is that, according to Article 3, Paragraph 2 of the Securities Investment Trust Deed of the Fund ("Trust Deed"), the minimum required amount of TWD200 million must be raised within thirty (30) days from the offering commencement date.
  - (ii.) When the Fund meets the conditions for establishment, the Management Company shall immediately report to the Financial Supervisory Commission ("FSC"). The Fund may only be established after receiving recordation approval from the FSC.
  - (iii.) The Fund's establishment date is August 1, 2022
- vi. Scheduled issue date  
The Fund's beneficiary certificates shall be issued no later than thirty (30) days from the Fund's establishment date and shall be prior to the listing and Fund's trading commencement date.
- vii. Duration  
The Fund will continue for an indefinite period of time, which will expire upon termination of the Trust Deed.
- viii. Investment regions and objects  
The Fund's investments in securities in the ROC include:
  - (i.) TWSE- listed stocks within the ROC (including initial listed underwriting stocks) or TPEx-listed stocks, ETF beneficiary certificates (including leveraged ETFs or inverse ETFs), call (put) warrants, stock warrants, index-type, bond-type (including fixed income) and money market-type securities investment trust funds offered domestically by SITEs, and futures trust funds raised by futures trust enterprises from unspecified persons, as well as other securities and money market instruments
  - (ii.) The Fund's investment in initial listed underwriting stocks is limited to those stocks for which the listing information has been publicly announced and that the Management Company, based on its professional judgment, expects such stocks will be included as component stocks in the benchmark index at the time of their initial listing.
- ix. Brief indication of fundamental investment policies and scope of investment.

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- (i.) The Management Company should aim to diversify risk and ensure the safety of the fund by tracking the performance of the benchmark index as the objective of the Fund's investment portfolio management. In accordance with principles of integrity and professional management, the Fund will be invested in securities within the ROC and will adhere to the following regulations
  - 1. The Management Company will adopt an indexing strategy, with the objective of tracking the performance of the benchmark index as closely as possible, after deducting various necessary expenses from the Fund. To achieve the aforementioned operational objective, the Fund shall, from the date of listing, invest in securities that are component parts of the benchmark index with an amount not less than 90% (inclusive) of the Fund's net asset value. The Management Company may use the Fund to engage in the aforementioned securities investments and other securities-related transactions approved by the FSC, so that the overall exposure of the investment portfolio can closely match 100% of the Fund's net asset value.
  - 2. If any failure in subscription/redemption occurs or if a situation specified in Paragraph 3, Article 21 of the Fund's Trust Deed arises, resulting in a deviation from the investment proportion limit specified in item (1) above for the benchmark index component stocks, the investment portfolio must be adjusted to meet the proportion requirements of (1) within five (5) business days following the end of such situation.
  - 3. However, based on the Management Company's professional judgment, in exceptional circumstances, for the purpose of diversifying risk and ensuring the safety of the fund, the investment proportion limits specified in item (1) above may be disregarded. "Exceptional circumstances" are defined as follows:
    - (1.) One month prior to the termination of the Fund's Trust Deed; or
    - (2.) Significant and unexpected political or economic events within the country (e.g. coups, wars, energy crises, terrorist attacks, or natural disasters), temporary suspension of domestic or international financial markets (stock, bond, or currency markets), changes in laws and regulations or policies (e.g., the implementation of foreign exchange controls or reduction of daily price downward fluctuation limit), or other force majeure events that could potentially affect the economic development and financial market stability of the country or region.
  - 4. Within thirty (30) business days after the conclusion of the exceptional circumstances described in item B of the previous paragraph, the Management Company shall promptly adjust the investment portfolio to comply with the proportion limits specified in item (1).
  - 5. The Fund will track the benchmark index from the date of its listing.
- (ii.) The Management Company may maintain the Fund's assets in cash, deposited with financial institutions (including the Fund Custodian), engaging in repurchase agreement of bonds, or purchasing short-term notes, or using other methods as specified by the FSC, and instruct the Fund Custodian to handle these assets accordingly. Unless otherwise specified by laws and regulations, the credit ratings of the financial institutions where the assets are deposited, the counterparties for repurchase agreement of bonds, or the underlying assets, should meet or exceed the



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minimum rating levels provided by credit rating agencies approved or recognized by the FSC.

- (iii.) When the Management Company uses the Fund to invest in TWSE or TPEX-listed securities, unless otherwise specified by laws and regulations, it should entrust a securities broker to conduct cash transactions for spot trading in central exchange market or OTC market, and instruct the Fund Custodian to handle the settlement.
  - (iv.) When the Management Company entrusts a securities broker for trading as described in the preceding paragraph, it may appoint a broker with an interest in the Management Company or the Fund Custodian, or the brokerage department of the Fund Custodian, provided that the commission paid to such a broker does not exceed the rates charged by other general securities brokers.
  - (v.) To align with the Fund's tracking objectives and capital allocation needs, the Management Company may use the Fund to engage in transactions of futures, options, or futures options derived from stock indices, stocks, depositary receipt, or ETF, and other securities-related products approved by the FSC. Such transactions must comply with the "Directions for Use by Securities Investment Trust Enterprises of Securities Investment Trust Funds for Trading of Securities-Related Products" and other relevant regulations from the FSC.
- x. Key information on the investment strategies and characteristics
- (i.) Investment strategies
    1. The Management Company adopts an indexing strategy, aiming to track the performance of the benchmark index as closely as possible after deducting all necessary expenses. To achieve this investment objective, the Fund will start from its listing date, invest at least 90% of its net asset value in the component stocks of the benchmark index, and in principle, must achieve 100% coverage of the index components. To meet the Fund's need for index tracking and requirements for capital allocation, the Management Company may engage in the aforementioned securities investments and transactions of other securities-related product approved by the FSC, to ensure that the overall exposure of the investment portfolio can closely match 100% of the Fund's net asset scale.
    2. The aforesaid indexing strategy primarily uses full replication method. However, in exceptional circumstances (including but not limited to insufficient liquidity of component stocks, trading suspensions, the Fund's response to subscriptions and redemptions, or other market factors, which makes it difficult for the Fund to use full replication method to track the benchmark index performance), the Management Company may, based on actual needs, use optimization methods for asset management to pursue performance closely tracking the benchmark index.
    3. Strategies for the Fund's overall exposure position, securities exposure position, and securities-related products exposure position are described below:
      - (1.) Strategies for overall exposure position
 

The investment objective of the Fund is to track the return of the benchmark index, while using securities and trading in securities-related products to ensure that the Fund's overall exposure position closely matches 100% of its net asset value.
      - (2.) Strategies for securities exposure position

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The component stocks of the benchmark index are the primarily investment objects, with the total amount invested in these component stocks being no less than 90% of the Fund's net asset value.

(3.) Strategies for securities-related products exposure position

In addition to investing in securities, the Fund will also engage in transactions involving related products to ensure that overall total exposure position of the Fund closely matches 100% of its net asset value. The Fund's securities-related products will be selected based on a combination of index correlation and sufficient liquidity, and the Fund's investment portfolio will be adjusted according to the current status of the securities market and the liquidity of the underlying futures.

During the initial phase of the Fund, the exposure to securities-related products will primarily consist of index futures related to the benchmark index. Additionally, considering liquidity and asset management, the Fund may also use other futures contracts with high correlation as supplementary instruments.

(ii.) Investment characteristics

1. Replicating the index through passive investment:

The Fund aims to manage its investment portfolio to replicate the performance of TIP Customized Taiwan Multi-Factor High Dividend 30 Index. The index selects 30 stocks from the top 300 TWSE or TPEx-listed stocks after liquidity testing, quality factors, and downside risk screening and by prioritizing market capitalization. These 30 stocks are ranked based on low volatility factor and dividend factor performance. The index then allocates component stock weights by using a combination of free float adjusted market capitalization and dividend factor indicators, in order to create a stock portfolio with financial quality, low volatility, and cash dividends, thereby relieving investors of the need to select individual stocks.

2. Transparency of information and investment efficiency:

The Fund announces its portfolio composition daily and releases real-time estimated net asset values during trading hours. The index provider regularly or from time to time publishes the latest component stocks of the Fund's benchmark index and relevant changes. The Management Company will also disclose the Fund's investment portfolio. Information is relatively transparent, which will facilitate investors to assess investment opportunities and risks.

3. Convenient trading and low investment risk

This Fund is listed on the TWSE. Investors can trade during the TWSE's trading hours or conduct subscriptions and redemptions through participating securities firms in the primary market during the times specified by the Management Company. Trading method is easy and can be done in many convenient ways. Investing in ETFs offers diversification of individual stock risk and generally incurs lower overall transaction costs compared to traditional common mutual funds, making them suitable for long-term investors.

xi. Profile of the typical investor for whom the Fund is suitable

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**The Fund is an ETF, mainly investing in the component stocks of TIP Customized Taiwan Multi-Factor High Dividend 30 Index. The main income sources include potential capital gains and dividend incomes. As the Fund only invests in the domestic securities market, the risk is relatively concentrated, and investment risks cannot be completely eliminated. Investors should fully understand the Fund's investment characteristics and risks. The Fund is suitable for investors who seek long-term capital appreciation and who can withstand the risks of benchmark index price fluctuations, over-concentration in certain sectors, industry cyclicality, liquidity issues, risks of tracking the benchmark index, and the Fund returns not closely mirroring to the benchmark index's returns.**

xii. Sale commencement date

The Fund began selling on July 21, 2022, and must raise the minimum offering amount of TWD200 million within thirty (30) days from the start of the offering period.

xiii. Methods of selling

- (i.) Prior to the Fund's establishment date (excluding that date), subscriptions for beneficiary units shall be made to the Management Company or the appointed fund sales agents.
- (ii.) **From the Fund's establishment date until the day before its listing date (excluding that date), the Management Company will not accept subscriptions or redemptions of the Fund's beneficiary units.**
- (iii.) From the listing date of the Fund (inclusive), subscribers may, in accordance with the Fund's Trust Deed and the Prospectus, instruct participating securities firms to subscribe for the Fund's beneficiary certificates in cash with the Management Company. Participating securities firms may also subscribe on their own behalf.

xiv. Selling price

- (i.) Subscriptions made through the Management Company or sales agents before the Fund's establishment date (excluding that day):
  - 1. The subscription amount for each beneficiary unit of the Fund includes the issue price and the subscription service charge, which is determined by the Management Company.
  - 2. The issue price per beneficiary unit of the Fund is TWD15.
  - 3. The subscription service charge for the Fund's beneficiary certificates is not included in the Fund's assets, and shall not be more than 2% of the Fund's net asset value per beneficiary unit. The actual applicable rate is determined and adjusted within this range by the Management Company according to its sales strategy.
  - 4. **From the Fund's establishment date, investments will be made according to the tracked benchmark index. The price fluctuations of the components in the fund's investment portfolio will affect the Fund's net asset value. The issue price of each beneficiary unit purchased by investors before the establishment date (excluding that day) may differ from the price after the Fund is listed. Investors who participate in the subscription must bear the risk of any discount or premium resulting from fluctuations in the Fund's net asset value from the establishment date until the listing date.**

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- (ii.) From the listing date of the Fund, subscriptions can be made through participating securities firms
  - 1. Unless otherwise specified by the competent authority or the stock exchange, the Management Company shall, starting from one business day before the listing date, determine and announce the "Cash Subscription/Redemption List" for the following business day after the net asset value of the Fund is calculated and completed every business day.
  - 2. The "Cash Subscription/Redemption List" mentioned in the previous paragraph shall be publicly announced on the Management Company's website.
  - 3. From the listing date, subscribers may, on any business day, appoint participating securities firms to submit subscription applications to the Management Company in accordance with the procedures specified in the Trust Deed and operational guidelines. Participating securities firms may also make subscriptions on their own behalf. The Management Company has discretion to decide whether to accept the subscription. If the Management Company decides not to accept a subscription, it must handle the matter in accordance with the relevant provisions of the operational guidelines.
  - 4. The Management Company may charge a subscription processing fee for each subscription. The subscription service fee of the Fund's beneficiary certificates is not included in the Fund's assets. The subscription processing fee per beneficial unit may not exceed 2% of the net asset value per beneficiary unit of the Fund. The actual applicable rate within this range is determined and adjusted by the Management Company according to its sales strategy.
  
- xv. Minimum subscription amount
  - (i.) Prior to the establishment date of the Fund (excluding that day)
 

The issue price per beneficiary unit is TWD15. The minimum subscription amount for each transaction should be the issue price multiplied by 1,000 beneficiary units or its multiples (i.e., TWD15,000 or its integral multiple).
  - (ii.) From the listing date of the Fund
 

Subscribers may, on any business day, instruct participating securities firms to submit subscription applications to the Management Company in accordance with the procedures specified in the Trust Deed and operational guidelines. Participating securities firms may also subscribe on their own behalf. **However, the number of beneficiary units for each subscription must be in multiples of the subscription base (500,000 beneficiary units) or its integral multiples.**
  - (iii.) **From the Fund's establishment date until the day before its listing date (excluding that day), subscriptions for the Fund's beneficiary units will not be accepted.**
  
- xvi. Listing and trading method
  - (i.) After the Management Company has raised the minimum required offering amount for the Fund and reported to the FSC for establishment approval, it shall, in accordance with laws and regulations and requirements of the TWSE, apply with the TWSE for the Fund's listing on the centralized trading market. The reference price for auction trading for the initial public offering of the Fund's beneficiary certificates shall be based on the latest net asset value per beneficiary unit calculated from the Fund's income as of the last business day before the listing as reference,

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and shall be handled according to the regulations of the TWSE. After the listing of the Fund's beneficiary certificates, the Management Company may appoint a service agent to handle beneficiary certificate related matters.

- (ii.) Before the beneficiary certificates of the Fund are listed, they may not be transferred, except in cases of inheritance or other legal reasons. From listing date of the Fund, except for termination of the Trust Deed as per Article 26 of the Trust Deed, liquidation as per Article 27, or any other regulations by the FSC or relevant laws and regulations, the beneficiary certificates may only be publicly traded on the stock exchange according to its regulations. However, if there are circumstances as specified in the proviso of Article 150 of the Securities and Exchange Act, the transfer shall be conducted in accordance with the relevant laws and regulations.
- xvii. The documentation that the Management Company might request from subscribers for anti-money laundering purposes and the circumstances in which it might refuse subscription requests
- (i.) The documentation that the Management Company might request from subscribers
    - 1. When processing a subscriber's first subscription to the Fund, the subscriber must be asked to provide the following documents for verification as required:
      - (1.) If the subscriber is a natural person and a citizen of the country, they must provide their national identification card. However, for individuals who are under fourteen years old and have not yet applied for a national ID card, a household certificate may be used as a substitute. If the subscriber is a foreign national, they must provide their passport. However, if the subscriber is a minor or a person under guardianship, the national identification card or passport of the legal representative or guardian must also be provided.
      - (2.) If the subscriber is a legal entity or other institution, the following documents must be provided by the authorized representative: The authorization letter issued by the subscriber, the identification documents of the authorized representative, the identification documents of the representative of the entity, the registration certificate of the subscriber, and official documents or related certificates. However, tax payment certificates cannot be used as the sole basis for opening an account.
      - (3.) The Management Company shall keep the original power of attorney and retain copies of the other verification documents provided by the aforementioned clients for record-keeping purposes.
    - 2. When processing a subscriber's first subscription to the Fund, if the client handles the subscription by delivering cash in person or by delegation, the double identification document check and the verification of the documents shall be implemented. Except for the power of attorney, which must be kept in its original form, copies of the other documents should be retained for record-keeping purposes. Additionally, the subscriber must provide the following documents for verification as required:
      - (1.) If the subscriber is a natural person and a citizen of the country, they must provide their national identification card. However, for individuals who are under fourteen years old and have not yet applied for a national ID card, a household certificate may be used as a substitute. Additionally, other documents that can verify identity should be collected, such as a health



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insurance card, passport, driver's license, student ID, household certificate, or household registration transcript. For foreign nationals, in addition to requiring a passport, other documents such as a residence permit or other identity verification documents should also be collected. However, if the subscriber is a minor or a person under guardianship, it is necessary to also provide the national identification card or passport of the legal representative or guardian, as well as other documents that can verify the identity of the representative or guardian.

- (2.) If the subscriber is a legal entity or other institution, in addition to requiring the authorized representative to provide the power of attorney issued by the client, the representative's identification documents, the identification documents of the entity's representative, the registration certificate of the subscriber, official documents, or related certificates, board meeting minutes, Article of Incorporation, or financial statements should be collected as well. Only after obtaining these documents can the subscription or delegation be accepted. However, a tax payment certificate cannot be used as the sole basis for opening an account.

(ii.) The circumstances in which it might refuse subscription requests

1. In addition to the national identification card, passport, and registration certificate mentioned above, the second document of identification must be recognizable. Lists from organizations or schools that can confirm the subscriber's identity may also be accepted as a second document of identification. If the subscriber refuses to provide such document, the subscription may be declined, or it will only be processed after a thorough verification of their identity.
2. When reviewing the identification documents of the subscriber and the authorized representative, attention should be paid to the following issues: Suspected use of aliases, front names, fictitious entities, or fictitious organizations for the subscription or delegation, use of forged or altered identification documents, suspicious or unclear documentation, unwillingness to provide additional supporting documents, or inability to verify the provided documents, unusual delays by the subscriber in providing supplementary identification documents, and any other irregularities or inability of the subscriber to provide reasonable explanations during the subscription or delegation process. In such cases, subscriptions or delegations should be declined.
3. For subscriptions or delegations made through authorization or similar forms, it is necessary to verify the required authorization or delegation documents, as well as the identification documents of both the subscriber and their representative. The authenticity of the authorization or delegation and the identity details must be thoroughly verified. Detailed records of the identities of both the subscriber and the representative should be maintained. If necessary, confirmation should be obtained from the subscriber through phone, written communication, or other appropriate means. If verification is difficult, such subscriptions or delegations should be declined.

xviii. Redemption commencement date

From the date of listing of the Fund (inclusive), beneficiaries may request the redemption in accordance with the latest prospectus by instructing participating securities firms to submit a redemption request to the Management Company in writing, electronically, or through other agreed-upon methods, following the procedures specified in the Trust



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Deed and the participation agreement. The total redemption amount, based on the number of the Fund's beneficiary units, will be paid to the beneficiaries, and participating securities firms may also submit redemption applications on their own.

xix. Redemption fees

Since the Fund is an ETF, it is not applicable.

xx. Redemption Amount

(i.) Actual total redemption amount

For details, please refer to [I. Fund Overview] (IX).

(ii.) Redemption service charge

The redemption service charge for the Fund may not exceed 2% of the net asset value per beneficiary unit. The Management Company may adjust the redemption service charge within this limit and announce such adjustments. The redemption service charge is not included in the Fund's assets.

xxi. Regulations and handling of short-term trading

Since the Fund is an ETF, it is not applicable.

xxii. Definition of "business day" for the purposes of the Fund.

Trading days in the domestic securities market.

xxiii. Management fee

The Management Company's compensation is calculated daily based on the Fund's net asset value at the following rate, and is paid once a calendar month starting from the Fund's establishment date:

- (i.) 0.30% per annum when the Fund's net asset value is TWD5 billion (inclusive) or less;
- (ii.) 0.25% per annum when the Fund's net asset value is more than TWD5 billion.

xxiv. Custodian fee

The Fund Custodian's compensation is calculated by the Management Company accumulatively daily based on 0.035% per annum of the Fund's net asset value. The payment is made each calendar month, from the Fund's establishment date.

xxv. Ex-dividend date

The second business day before the record date when the Management Company stops processing transfers for the purpose of distributing incomes. Beneficiary units purchased or subscribed on or after the ex-dividend date will not be entitled to the current period's income distribution.

xxvi. Whether there is income distribution

- (i.) The incomes distributable per beneficiary unit of the Fund refer to:
  - 1. Cash dividends, interest income, distributions from the Fund's incomes, cash dividends returned by the borrower of securities lent by the Fund and lease incomes and the reserve for income equalization prior to the ex-dividend date (excluding that date), net of expenses incurred by the Fund.
  - 2. If the additional distribution includes realized capital gains, net of capital losses (both realized and unrealized) and expenses borne by the Fund, then the net asset value per beneficiary unit on the distribution valuation date should be higher than the issue price per beneficiary unit prior to the Fund's establishment

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date (excluding that date). Furthermore, the net asset value per beneficiary unit, after subtracting the distributable incomes per beneficiary unit for the current period, should not be lower than the issue price per beneficiary unit prior to the Fund's establishment date (excluding that date).

- (ii.) Starting from the 180 days (inclusive) after the Fund's establishment date, the Management Company shall value the Fund's net asset value and income situation on the distribution valuation date (i.e., the last calendar day of February, May, August, and November each year) to determine the value of the distribution of incomes. The Management Company may decide the amount to be distributed or whether to make a distribution based on the Fund's incomes situation. Therefore, the amount distributed each time is not necessarily the same. However, for the distributable income of the beneficiary units of the Fund, after the Management Company determines the amount of income to be distributed, any undistributed income may be accumulated and included in the next distributable income. The Management Company shall, in accordance with laws and regulations, announce the distribution amount per beneficiary unit, the distribution payment date, the distribution record date, the distribution method, and other relevant matters related to the income distribution. The Management Company must distribute the incomes to the beneficiaries within forty-five (45) business days after each distribution valuation date. The period during which changes to the beneficiaries' register are suspended and the distribution record date must be announced in advance by the Management Company in accordance with Article 33 of the Trust Deed.
- (iii.) The distributable incomes of the Fund may only be distributed after the auditor approved by the FSC to audit public companies has issued a verification report. However, if the distributable incomes include capital gains, distribution can only occur after the audit by the auditor approved by the FSC to audit public companies.
- (iv.) The total amount of each distribution should be deposited by the Fund Custodian into an independent account named "KGI Taiwan Premium Selection High Dividend 30 ETF Distributable Income Account." This amount will no longer be considered part of the Fund's assets; however, any interest earned on this amount should be included in the Fund.
- (v.) The distributable income should be allocated equally among the total number of beneficiary units outstanding as of the income distribution record date. The distribution payments should be made by means of registered, crossed, non-endorsable, non-transferable note or remittances payable to the beneficiaries. The Management Company must announce the calculation method, as well as the amount, location, time, and method of the payment.
- (vi.) Distribution example:
  1. Assuming that the following net asset value and number of beneficiary units on the valuation date before income distribution:

Item	Amount
Net asset value	1,550,000,000
Number of units outstanding	100,000,000
Net asset value per unit (TWD)	15.50

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2. Cash dividends, interest income, fund income distributions, lease income, and the reserve for income equalization, net of the expenses borne by the Fund, are used to calculate the distributable amount. The distributable income includes realized capital gains net of capital losses (both realized and unrealized loss) and the expenses borne by the Fund, provided that the remaining amount is positive. The decided distribution amount is TWD30,000,000. The distributable income table is as follows:

#### Distributable Income Statement

Distribution item	Amount	Expenses to be borne	Distributable amount	Decided distribution amount
Cash dividends, interest income, fund income distributions, lease income, and the reserve for income equalization	47,000,000	6,080,000	40,920,000	30,000,000
Realized capital gains and losses	1,000,000	20,000	980,000	
Total	48,000,000	6,100,000	41,900,000	
Distributable income				30,000,000
Units				100,000,000
Distribution amount per unit				0.30

3. After the distribution, the net asset value per beneficiary unit and the number of units are as follows:

Item	Amount
Net asset value	1,520,000,000
Number of units outstanding	100,000,000
Net asset value per unit (TWD)	15.20
Change in net asset value per unit before and after distribution	0.30

## (II.) Fund Nature

- i. Establishment of the fund and its basis.

This Fund is established in accordance with the "Securities Investment Trust and Consulting Act," the "Regulations Governing the Management of Securities Investment

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Trust Enterprises," the "Regulations Governing Securities Investment Trust Funds ("Regulations"), and other relevant laws and regulations. It became effective on, as per the FSC's letter (Ref No.: Jin-Guan-Jheng-Tou-Zih No. 1110347603) dated July 6, 2022, and is a securities investment trust fund offered and established within the territory of the ROC.

- ii. The contractual relation under the Securities Investment Trust Deed.

The Fund's Trust Deed was entered into in accordance with the Securities Investment Trust and Consulting Act and other relevant ROC laws and regulations. The Fund Trust Deed is entered into between the Management Company as principal and the Fund Custodian as trustee to govern the rights and obligations between the Management Company, the Fund Custodian and the holders of the beneficiary certificates of the Fund (i.e., beneficiaries). The Management Company and the Fund Custodian are parties to the Trust Deed of the Fund as of the date the Trust Deed is executed and becomes effective. Unless the Management Company rejects the subscription of subscribers, the subscribers become a party to the Trust Deed of the Fund from the date of completion of the subscription process or from the date of purchase of the beneficiary certificates of the Fund on the stock exchange.

- iii. In case of any follow-on offering of the fund, a description of the status of the issue at the time the fund was established and of each subsequent follow-on issue: N/A

### **(III.) Responsibilities of the Management Company and the Fund Custodian**

- i. Responsibilities of the Management Company

- (i.) The management company shall manage the Fund in accordance with the relevant laws and regulations, the Trust Deed, the participation agreement, and the orders of the FSC, with the duty of care of a good administrator and fiduciary duty. Unless otherwise stipulated in the Trust Deed, it may not seek benefits for itself, its agents, representatives, employees, or any third parties. If its agents, representatives, or employees intentionally or negligently fail to fulfill their obligations under the Trust Deed, the Management Company shall bear the same liability as if the act were its own. If the Management Company violates laws and regulations or the Trust Deed intentionally or negligently, causing damage to the assets of the Fund, it shall be liable for compensating the Fund for such damages.
- (ii.) Unless the Management Company, its agents, representatives, or employees have intentional misconduct or negligence, the Management Company shall not be held liable for the profits or losses of the Fund, or for any losses incurred by the beneficiaries or the Fund Custodian.
- (iii.) The Management Company has the authority to make decisions regarding the acquisition and disposal of the Fund's assets and shall execute these actions by itself. Unless otherwise stipulated by the FSC, it may not sub-delegate these functions to a third party. However, when exercising other rights related to the Fund's assets, the Management Company may, if necessary, request the Fund Custodian to issue a power of attorney or provide assistance. The Management Company may delegate or sub-delegate the exercise of other rights related to the Fund's assets to the Fund Custodian, a lawyer, or a certified public accountant ("CPA"). When delegating or sub-delegating to a lawyer or CPA to exercise these rights, the Fund Custodian must be notified.
- (iv.) The Management Company, within the scope permitted by laws and regulations, has the authority to instruct the Fund Custodian and may conduct unscheduled inventories and inspections of the Fund's assets. The Management Company shall also, based on its judgment, orders from the FSC, or requests from beneficiaries,

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take necessary actions within the scope permitted by law to ensure that the Fund Custodian fulfills its obligations under the Trust Deed.

- (v.) If the Management Company believes that the Fund Custodian or participating securities firm has violated or is likely to violate the Trust Deed, participation agreement, or relevant laws and regulations, it shall immediately report to the FSC.
- (vi.) The Management Company shall, three (3) days before the commencement of the Fund's offering, and within three days after the update or amendment of the prospectus, transmit the electronic file of the prospectus to the information reporting website designated by the FSC.
- (vii.) The Management Company, fund sales agent, or participating securities firm shall provide a simplified prospectus to the subscriber before the subscriber submits the subscription application and completes the payment of the advance total subscription amount or prepayment of the subscription amount. Upon request by the subscriber, the full prospectus must also be provided. If the subscription method is electronic or the subscriber agrees in writing, the prospectus may be sent via email or downloaded by the subscriber. The sales documents and advertisements for the Fund must indicate that both the prospectus and the simplified prospectus are available and specify where they can be obtained. If the content of the prospectus is found to be false or concealed, the Management Company, its responsible persons, and other signatories of the prospectus shall be legally liable.
- (viii.) The Management Company may, if necessary, amend the prospectus and make an announcement. Except for items (3) through (5) which should be reported to the industry association, all other items must be reported to the FSC.
  - 1. Addition of new investment objects and their risk factors that do not require amendments to the Trust Deed according to regulations.
  - 2. The subscription base and redemption base of the Fund.
  - 3. Subscription and redemption service charge.
  - 4. Subscription and redemption transaction fees.
  - 5. Administrative processing fees for failed subscriptions or redemptions.
  - 6. Amendments to the prospectus in accordance with changes to the Trust Deed.
  - 7. Other amendments which have a material impact on the rights and interests of beneficiaries.
- (ix.) The Management Company shall ensure that all securities transactions, settlements, or other investment activities comply with the relevant laws and regulations of the ROC securities market. The Management Company must also instruct its appointed securities firms to conduct securities investments for the fund in accordance with the trading and settlement practices of the ROC securities market.
- (x.) The Management Company shall ensure that transactions involving securities-related products conducted by the Fund comply with relevant laws and regulations and the requirements of the FSC.
- (xi.) The rights and obligations between the Management Company and its appointed fund sales agents shall be governed by the sales contract. The Management Company shall select sales agents with the duty of care of a good administrator.
- (xii.) The Management Company shall enter into a participation agreement with any participating securities firms before they begin processing subscriptions and redemptions. The participation agreement must include terms that reflect the intent

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and spirit of the provisions outlined in Appendix 2, "Important Contents of the Participation Agreement for the KGI Taiwan Premium Selection High Dividend 30 ETF." The rights and obligations between the Management Company and the participating securities firms shall be governed by the participation agreement.

- (xiii.) The Management Company may request compensation from the Fund in accordance with Article 19 of the Trust Deed and shall exercise its rights and fulfill its obligations in accordance with relevant laws and regulations and the Trust Deed. The Management Company shall not be held liable for damages to the Fund and/or beneficiaries attributable to the Fund Custodian, the centralized bills depository enterprise, or participating securities firms, but the Management Company is responsible for pursuing compensation.
- (xiv.) Except for legally entrusting the Fund Custodian with the custody of the Fund, if the Management Company delegates the management matters to a third party, it shall be liable for any damages caused to the Fund by the intentional misconduct or negligence of that third party.
- (xv.) The Management Company shall commence utilizing the Fund from the Fund's establishment date.
- (xvi.) The Management Company shall convene meetings of beneficiaries in accordance with the orders of the FSC, relevant laws and regulations, and the Trust Deed. If the Management Company is unable to or does not hold the beneficiaries' meeting, it must immediately notify the Fund Custodian.
- (xvii.) Information about the Fund, unless otherwise required by law, instructed by the FSC, or stipulated in the Trust Deed, must be kept confidential by the Management Company or its employees before it is made public and shall not be disclosed to others.
- (xviii.) If the Management Company is unable to continue serving as the Fund's management company due to dissolution, suspension of operations, closure, revocation, or abolishment of its license, it must promptly arrange for another SITE to assume its existing rights and obligations. If the Management Company is clearly failing in its management of the Fund, the FSC may instruct the Management Company to transfer the Fund to another SITE designated by the FSC.
- (xix.) If the Fund Custodian is unable to continue serving as the fund custodian due to dissolution, suspension of operations, closure, revocation, or abolishment of its license, the Management Company must promptly arrange for another fund custodian to assume the original rights and obligations of the Fund Custodian. If the Fund Custodian is clearly failing in its custodianship of the Fund, the FSC may instruct the Fund Custodian to transfer the Fund to another fund custodian designated by the FSC.
- (xx.) When the net asset value of the Fund falls below TWD200 million, the Management Company shall instruct the participating securities firms to inform the subscribers of the net asset value and the number of beneficiaries as of the end of the previous month.
- (xxi.) If the situation described in Subparagraph 2, Paragraph 1, Article 26 of the Trust Deed occurs, leading to the termination of the Trust Deed, the Management



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Company shall, before the selection of a liquidator, execute the necessary procedures after obtaining approval from the FSC.

ii. Responsibilities of the Fund Custodian

- (i.) The Fund Custodian, based on the trust relationship, is entrusted by the Management Company to handle the Fund's account opening, custody, disposal, and collection/payment of the Fund. All cash and other assets of the Fund delivered by beneficiaries for subscription of beneficiary units must be handed over to the Fund Custodian in full.
- (ii.) The Fund Custodian shall, in accordance with the relevant laws and regulations of the Securities Investment Trust and Consulting Act, the provisions of the Trust Deed, and the orders of the FSC, perform the Fund's account opening, custody, disposal, and collection/payment of the Fund's assets and funds in the Fund's distributable income dedicated account with the duty of a good administrator and fiduciary duty. Except as otherwise provided in the Trust Deed, the Fund Custodian shall not seek benefits for itself, its agents, representatives, employees, or any third party. If its agents, representatives, or employees fail to fulfill the obligations of the Trust Deed with intent or negligence, the Fund Custodian shall bear the same responsibility as if it were intentional or negligent. The Fund Custodian shall be liable for damages to the Fund's assets caused by its intentional misconduct or negligence in violating laws and regulations or Trust Deed provisions, and shall be responsible for compensating the Fund.
- (iii.) The Fund Custodian shall acquire or dispose of the Fund's assets in accordance with the instructions of the Management Company and exercise rights related to those assets, including but not limited to pursuing claims against third parties. However, if the Fund Custodian believes that following such instructions would violate the Trust Deed or relevant laws and regulations of the ROC, it may refrain from following the Management Company's instructions but must promptly report to the FSC. The Fund Custodian shall not dispose of the Fund's assets except as provided by relevant laws and regulations or the Trust Deed and shall provide a power of attorney or other necessary assistance as requested by the Management Company for the exercise of rights related to the Fund's assets.
- (iv.) The Fund Custodian may fulfill its obligations under the Trust Deed by processing or safeguarding fund-related matters through institutions or systems such as centralized securities depository enterprise, centralized bills depository enterprise, central government construction bonds, stock exchanges, clearing institution, interbank remittance and clearing system, and general communication. However, if damages to the Fund result from the fault of these institutions or systems, the Fund Custodian shall not be liable for compensation unless it has acted with intentional misconduct or negligence, but the Fund Custodian is responsible for pursuing compensation on behalf of the Fund.
- (v.) The Fund Custodian may, in accordance with the Securities Investment Trust and Consulting Act and other relevant laws and regulations, subdelegate the custody of the Fund's purchased securities or securities-related products and the fulfillment of Trust Deed obligations to a centralized securities depository. The costs associated with this shall be borne by the Fund Custodian.
- (vi.) The Fund Custodian shall, based on the income distribution data provided by the Management Company, act as the payer for the Fund's income distribution and carry out the related distribution tasks.

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- (vii.) The Fund Custodian may only dispose of the Fund's assets under the following circumstances:
  - 1. In accordance with the instructions of the Management Company, for the following actions:
    - (1.) Adjustments to the investment portfolio necessary for investment decisions.
    - (2.) Adjustments to margin accounts or payment of premiums required for trading securities-related products.
    - (3.) Payments of amounts that the Fund is obligated to bear as stipulated in Article 12 of the Trust Deed.
    - (4.) Payments of distributable income allocated to beneficiaries as specified in the Trust Deed.
    - (5.) Payments for the total redemption amount of the beneficiary certificates redeemed by the beneficiaries.
    - (6.) Disposal of collateral provided by the borrower of securities as stipulated in Article 8 of the Trust Deed, in order to purchase securities and other related rights and interests of the securities that the borrower has failed to return within the specified time, or to return the collateral to the borrower and pay the service fees and related costs for the securities lent.
  - 2. Upon termination of the Trust Deed and liquidation of the Fund, distribute the assets due to beneficiaries according to their proportionate share of beneficial rights.
  - 3. Dispose of the Fund's assets as mandated by compulsory laws and regulations.
- (viii.) The Fund Custodian shall, in accordance with laws and regulations and the Trust Deed, regularly deliver relevant records/books of the Fund to the Management Company, to be forwarded by the industry association to the FSC for recordation. The Fund Custodian shall prepare and deliver to the Management Company the following documents: on the last business day of each week, the inventory detail of custodial assets (including realized stock dividends), bank deposit balance statement, detailed statement of securities-related products as of such date, and information on the component stock of the benchmark index as of such date; on the last business day of each month, the inventory detail of custodial assets, bank deposit balance statement, detailed statement of securities-related products, and information on the components of the benchmark index as of such date; and shall deliver these to the Management Company within five (5) business days of the following month. The Management Company shall prepare the Fund's inspection report, balance sheet, inventory asset reconciliation statement, and other reports required by the FSC, and after having them verified and signed by the Fund Custodian, submit them to the industry association for forwarding to the FSC by the 10th of each month.
- (ix.) The Fund Custodian shall notify the Management Company of any known violations of the Trust Deed or relevant laws and regulations by the Management Company, or any potential violations thereof, and shall notify the Management Company to fulfill its obligations according to the Trust Deed or relevant laws and regulations. If such violations are likely to infringe the rights and interests of the beneficiaries, the Fund Custodian shall immediately report them to the FSC and send a copy to the industry association. However, this does not apply if the Fund Custodian is unaware of such

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issues due to circumstances not attributable to its own intentional misconduct or negligence.

- (x.) If the Management Company damages the assets of the Fund due to intentional misconduct or negligence, the Fund Custodian is responsible for pursuing compensation on behalf of the Fund.
- (xi.) The Fund Custodian may claim compensation of fees from the Fund according to the provisions of Article 19 of the Trust Deed, and exercise rights and fulfill obligations in accordance with relevant laws, regulations, and the Trust Deed. The Fund Custodian is not liable for damages to the Fund attributable to the Management Company or third parties appointed or sub-appointed by the Management Company, but it is responsible for pursuing compensation on behalf of the Fund.
- (xii.) When the FSC designates the Fund Custodian to convene a beneficiaries' meeting, the Fund Custodian shall do so immediately, with the costs borne by the Fund.
- (xiii.) The Fund Custodian, except as required by laws and regulations, orders from the FSC, or provisions of the Trust Deed, shall not provide the Fund's information and contents of other custodial matters to others. Its directors, supervisors, managers, business personnel, and other employees shall not engage in securities trading activities based on information obtained in the course of their duties or disclose such information to others.
- (xiv.) If the Fund does not establish, the Fund Custodian shall, according to the instructions of the Management Company, refund the subscription amount and its interest to the subscribers within ten (10) business days from the date of non-establishment of the Fund. However, the costs for registered mail or remittance fees shall be borne by the Management Company.
- (xv.) Except for the provisions mentioned in the preceding article, the Fund Custodian shall not be liable for any losses suffered by the Fund or other contracting parties.

#### **(IV.) Investment of the Fund**

- i. Investment objectives and scope of the fund  
For details, please refer to [I. Fund Overview] (I). ix.
- ii. The decision-making process of the Management Company in determining the use of the Fund's assets for investment purpose, and the name, major work experience, educational background, and authority of the Fund Manager
  - (i.) The decision-making process of the Management Company in determining the use of the Fund's assets for investment purpose:  
The investment process of the Fund is divided into four stages: investment analysis, investment decision, investment execution and investment review.
    - 1. Investment analysis  
The investment analysis report shall contain the basis of analysis, rationale, and recommendations, and be documented in writing in accordance with the internal control system. The report shall be written by the reporting officer, and the written report shall be reviewed by the reviewer and signed by the responsible officer.
    - 2. Investment decision  
The investment decision report shall be recorded in accordance with the internal

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control system, prepared by the manager, and submitted in writing for review by the reviewer and signing by the responsible officer before it is delivered to the Trading Department for execution.

3. Investment execution

The investment execution form shall be recorded in accordance with the provisions of the internal control system, and shall be recorded in writing by the trader, reviewed by the reviewer and signed by the responsible officer.

4. Investment review

For each fund and the discretionary investment mandate account, it is required in accordance with the provisions of the internal control system to submit a written investment review report within ten (10) business days after the end of each month on the performance of the investment, which shall be prepared by the manager, reviewed by the reviewer and signed by the responsible officer.

(ii.) The decision-making process of the Management Company in determining the use of the Fund's assets for engagement in securities-related products:

1. Trading analysis

The fund manager or personnel with knowledge or experience in trading securities-related products will conduct trading analysis and prepare a report on investment analysis of securities-related products, which will be signed by the reviewer and the responsible officer and archived.

2. Trading decisions

Based on the investment analysis report of securities-related products and the adequacy of the margin balance, the fund manager will produce a trading decision report, which will be signed by the reviewer and the responsible officer, and then delivered to the trading staff for execution.

3. Trade execution

The investment execution form shall be recorded in accordance with the provisions of the internal control system, and a written record shall be prepared by the trader, checked by the reviewer, and signed by the responsible officer.

4. Trade review

When engaging in securities-related products, the fund manager shall review the actual transaction execution situation of the account on a monthly basis and prepare a transaction review report with recommendations. The report shall be signed by the fund manager, the reviewer and the responsible officer.

(iii.) The name, major working experience, educational background, and authority of the Fund Manager:

Name	Educational Background	Work Experience
Cheng-Ting Shih	MBA, University of Illinois Chicago / M.S. in Civil Engineering, National Central University	Fund Manager, KGI Taiwan Premium Selection High Dividend 30 ETF (2024/04/15~now)  Fund Manager, KGI Taiwan Premium Selection AI 50 ETF

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		<p>(2024/08/26~now)</p> <p>Fund Manager, KGI Global Industry Elite 55 ETF (2023/05/26~2024/04/14)</p> <p>Fund Manager, KGI Taiwan Premium Selection High Dividend 30 ETF(2022/08/01~2023/3/31)</p> <p>Fund Manager, KGI Big five Taiwan Fund (2021/11/22~2022/06/30)</p> <p>Fund Manager, KGI Asia Economic Moat Fund (2021/11/22~2022/06/30)</p> <p>Fund Manager, Equity Investment Management Department, KGI SITE (2021/11/~2022/06/30) &amp; (2018/09~2020/06)</p> <p>Department Head, Segregated Trust Accounts Management Department, KGI SITE (2020/06~2021/11)</p> <p>Investment Manager, Segregated Trust Accounts Management Department, KGI SITE (2020/06~2021/06)</p> <p>Investment Manager, Trans Globe Life Insurance Inc. (2016/09~2018/08)</p> <p>Fund Manager, Equity Investment Management Department, (2013/04~2016/09)</p> <p>Professional Associate, First Capital Management Inc. (2010/09~2013/03)</p> <p>Researcher, Oriental Investment Advisory (2010/06~2010/08)</p>
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1. Authority: The Fund Manager shall follow the Fund's investment decision-making process, shall not violate applicable laws and regulations, the Regulations and the provisions of the Trust Deed, and shall comply with the

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restrictions on the use of the Fund's investments.

2. Disclosure of the Fund Manager's concurrent management of other funds: KGI Taiwan Premium Selection AI 50 ETF

- (iv.) Names and terms of service of the manager of the Fund for the most recent three years:

Name of Manager	Term of Service
Shih Cheng-Ting	2024/04/15~now
Yen Liang-Yu	2023/04/01~2024/4/14
Shih Cheng-Ting	2022/08/01~2023/03/31

- (v.) Measures adopted to prevent conflicts of interest if the Fund Manager manages other funds at the same time:

1. In order to maintain the independence of investment decisions and the confidentiality of its business, in addition to the implementation of the "Chinese wall" system, the Management Company establishes a sound monitoring and audit system for the construction of the investment decision process to prevent conflicts of interest or illegal activities and to separate the investment decision and trading processes based on the internal audit and internal control system.
2. In order to avoid affecting the rights and interests of the beneficiaries of the Fund by the Fund Manager's opposite investment decisions in relation to the trading of the same stock and bonds with equity characteristics between different funds, unless due to the nature of a special type of fund or to comply with the laws and regulations otherwise specifically permitted by the law and regulations, the Trust Deed and the internal control system of the company, or other provided by laws and regulations, the fund manager shall abide by the principle that different funds shall not make opposite investment decisions on the same stock and bonds with equity characteristics at the same time or on the same day.
3. The fund manager shall comply with the laws and regulations and the rules of the competent authorities on the prevention of conflicts of interest, and shall follow the rules of the Management Company's internal control system for the prevention of conflicts of interest.

- iii. If for the use of fund assets, the SITE delegates any of the management functions of the Fund to a third party, indicate the status of the delegation as well as the professional competence of the appointed management institution with respect to the delegated management function(s):

Nil. The management functions of the Fund do not involve the delegation to a third party.

- iv. If for the use of fund assets, the SITE engages an offshore investment consulting company to provide investment consulting or advisory services, indicate the professional competence of the offshore investment consulting company with respect to the provision of fund consulting or advisory services:

Nil. The Fund does not appoint an offshore investment consulting company.



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- v. Restrictions on the use of the assets of the Fund
  - (i.) The Management Company shall manage the Fund in accordance with the relevant laws and regulations and the provisions of the Trust Deed, and unless otherwise stipulated by the FSC, shall comply with the following provisions:
    1. Shall not invest in structured interest rate products, unlisted or non-OTC-listed stocks or privately-placed securities. However, it shall not apply to the original shareholder to subscribe for shares in a capital increase by cash of unlisted or non-OTC-listed stocks or privately-placed securities, or securities that have received FSC approval for underwriting or effective registration;
    2. Shall not lend money or provide collateral. However, it shall not apply if complying with the provisions of Article 10-1 of the Regulations Governing Securities Investment Trust Funds;
    3. Shall not engage in securities margin trading;
    4. Shall not engage in trading in securities or securities-related products between any other fund, mutual trust funds, discretionary investment mandate account or proprietary trading securities account managed by the Management Company itself, except for those transactions executed through consigned transactions on central exchange market or OTC market, and where the result of the relative transactions is not intentional;
    5. No investment shall be made in securities issued by the Management Company or a company in which the Management Company has an interest, unless held for the purpose of complying with the composition of the benchmark index;
    6. The Fund's assets may not be used to purchase the Fund's beneficiary certificates, unless the beneficiary requests the redemption of the beneficiary certificates or the beneficiary certificates are retrieved due to the fact that the Fund, in whole or in part, has ceased to exist;
    7. The total amount invested in stocks of any single TWSE or TPEx-listed company shall not exceed 10% of the net asset value of the Fund, unless held for the purpose of complying with the composition of the benchmark index;
    8. The total amount invested by the Fund in the shares of any single TWSE or TPEx-listed company shall not exceed 10% of the total issued and outstanding shares of that company; the total amount invested by all funds under the common management of the Management Company in the shares of any single TWSE or TPEx-listed company shall also not exceed 10% of the total issued and outstanding shares of that company;
    9. The total amount invested by the Fund in an underwriting of shares of any single TWSE or TPEx-listed company shall not exceed 3% of the total underwriting shares;
    10. The total amount invested by all funds under the common management of the Management Company in any single underwriting may not exceed 10% of the total underwriting shares;
    11. The securities held by the Fund shall not be loaned to another person, provided that this restriction shall not apply if complying with Article 14 of Regulations Governing Securities Investment Trust Funds;
    12. Except for investment in beneficiary certificates of ETF, it is not allowed to invest in listed fund beneficiary certificates with a market price more than 90% of the net asset value of the previous business day;

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13. The total amount invested by the Fund in the beneficiary certificates of other funds shall not exceed 20% of the Fund's net asset value; the total amount invested in futures trust fund, inverse ETFs, and leveraged ETFs offered to unspecified persons by the futures trust enterprise shall not exceed 10% of the Fund's net asset value;
14. The total number of beneficiary units of any single fund that may be invested in by the Fund shall not exceed 10% of the beneficiary units already issued by the fund being invested in; the total number of beneficiary units of any single fund that may be invested in by all funds under the common management of the Management Company shall not exceed 20% of the issued beneficiary units of the fund being invested in;
15. The amount of stock trading entrusted to a single securities firm shall not exceed 30% of the total amount of stock trading of the Fund in the given fiscal year, unless the Fund has been established for less than one full fiscal year;
16. When investing in the fund managed by the SITE itself, no management fee shall be charged;
17. Shall not transfer or sell the proxies for the shareholders meeting of the issuing company for the stocks acquired by the Fund;
18. The total amount the Fund may invest in short-term bills and securities issued, guaranteed, or endorsed by any single company shall not exceed 10% of the Fund's net asset value. However, this restriction does not apply to investments in beneficiary certificates of funds;
19. Investment in call (put) warrants or stock warrants shall comply with the following requirements:
  - (1.) The total amount invested in call (put) warrants or stock warrants shall not exceed 5% of the Fund's net asset value;
  - (2.) The total number of shares represented by the investment in the call (put) warrants or stock warrants shall not exceed 10% of the total number of issued shares of the underlying securities issuing company when aggregated with the shares issued by the underlying securities issuing company in which the call (put) warrants or stock warrants are held (including the shares represented by underwritten stocks, depositary receipts, and participatory notes);
  - (3.) The total amount of shares represented by the call (put) warrants or stock warrants of all the funds managed by the SITE shall not exceed 10% of the number of issued shares of the underlying securities company when aggregated with the shares issued by the underlying securities company in which the call (put) warrants or stock warrants are held (including the shares represented by underwritten stocks, depositary receipts, and participatory notes);
  - (4.) However, the total amount of shares of the call warrants, stock warrants and put warrants may be netted against each other in order to calculate the upper limit of the ratio of the combined investment.
20. Shall not engage in any improper trading activity and thereby affect the net asset value of the Fund;
21. Shall not engage in any other act prohibited or restricted by the FSC.

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- (ii.) The term "various funds" of the preceding paragraph and the term "all funds under the common management of the Management Company" include securities investment trust funds and futures trust funds publicly offered or privately placed by the Management Company.
  - (iii.) If the ratio limits or prohibitions set forth in the each Item of preceding Paragraph (i) are amended by relevant laws and regulations, the revised provisions shall prevail.
  - (iv.) The determination of whether the Management Company has violated the prohibitions set forth in paragraph 1 above shall be based on the circumstances surrounding the act in question. In the event that the circumstanced prohibited under paragraph (i) above have occurred as a result of a change in circumstances subsequent to the act, no such limitation shall apply. However, if the Management Company needs to dispose of the Fund's assets for the purpose of raising cash, it shall dispose of the securities in excess of the proportionality limit first.
- vi. Principles and methods for handling the exercise of voting rights when the Fund participates in the shareholders meetings of stock-issuing companies:
- (i.) Domestic part
    - 1. Handling principles:  
The Management Company and its responsible persons, department heads, managers or business personnel of branches shall not transfer the shareholders meeting attendance proxies or accept money or other benefits by exercising the right to vote on the shares held by the Fund.
    - 2. Handling methods:
      - (1.) The voting rights of shares held by the Management Company shall be exercised in writing or by electronic means in accordance with the Regulations Governing Securities Investment Trust Enterprises.
      - (2.) Unless otherwise provided by the laws and regulations, the Management Company shall appoint a representative who is an employee of the Management Company to act on its behalf.
      - (3.) In the event that the funds managed by the Management Company meet the following conditions a and b, the Management Company may be exempted from appointing personnel to attend the shareholders meeting:
        - a. If any fund holds less than 300,000 shares of the public company and the total number of shares held by all funds is less than 1,000,000 shares, the Management Company may be exempted from appointing personnel to attend the shareholders meeting.
        - b. None of the funds holds more than one-ten thousandth (0.0001%) of the total number of shares issued by the public company adopting the electronic voting system, and the total shares held by all the funds are less than three-ten thousandth(0.0003%).
      - (4.) The Management Company may appoint a person outside of the Management Company (hereinafter referred to as "External Person") to attend the shareholders meeting if any of the funds under the Management Company's management owns 300,000 or more shares of a public company, or if all of the funds in the aggregate own 1,000,000 or more shares of a public company, and there is no proposal for the election of directors or supervisors at the shareholders meeting; or if there is a proposal for the election of directors or supervisors at the shareholders meeting, and the shares of any of the funds under the Management Company do not reach

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five thousandths (0.5%) of the total number of shares of the public company issued or five hundred thousand shares.

- (5.) The Management Company shall appoint a company that meets the conditions set forth in Paragraph 2, Article 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies or a person outside of the Management Company to exercise the voting rights of the shares held by the Fund.
  - (6.) If the Management Company appoints an External Person to attend a shareholder meeting under the circumstances described in section (4) above, the instructions for exercising the right to vote on each of the motions shall be clearly stated in the letter of appointment.
  - (7.) The Management Company shall explain the evaluation and analysis of the exercise of voting rights before attending the shareholders meeting of the issuing company whose shares are held by the fund.
  - (8.) The exercise of voting rights by the Management Company on behalf of the Fund at shareholders meetings of issuing company shall be for the best interests of the Fund's beneficiaries, and shall not participate, directly or indirectly, in the operation of the issuing company or the fund management company, nor engage in any inappropriate arrangements.
  - (9.) The Management Company shall register and manage the notices of shareholders meetings and attendance cards of the issuing companies held by the Fund, and shall make written records of the attendance at shareholders meetings for the purpose of exercising voting rights, the evaluation and analysis of the exercise of voting rights, the decision-making process and the implementation results of the exercise of voting rights, which shall be numbered and documented for at least five (5) years.
- (ii.) Foreign part
- Nil. The Fund does not invest in foreign equities.
- vii. Principles and methods for handling the exercise of voting rights when the Fund participates in the meetings of beneficial owners of funds held by the Fund:
- (i.) Handling principles
- The Management Company, its responsible officers, department heads, branch office managers or business personnel shall not transfer or sell such voting rights to receive money or other interests.
- (ii.) Handling methods
1. Domestic part:
    - (1.) The Management Company shall prepare an explanation of how it has evaluated and analyzed the exercise of voting rights before attending beneficiary meetings of the funds held by the Fund.
    - (2.) Unless otherwise provided by the laws and regulations, the Management Company shall appoint an employee or an External Person of the Management Company to attend the fund's beneficiary meeting. If an External Personnel is appointed to attend a beneficiary meeting of the fund,

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instructions for exercising the right to vote on each of the motions shall be clearly specified in the letter of appointment.

(3.) The Management Company attending the beneficiary meetings of the funds held by the Fund shall exercise its voting rights in the best interests of the Fund's beneficiaries.

(4.) The Management Company shall register and manage the meeting notices of beneficiary meetings of the funds held by the Fund, and shall make written records of the attendance at beneficiary meetings for the purpose of exercising voting rights, the evaluation and analysis of the exercise of voting rights, the decision-making process and the implementation results of the exercise of voting rights, which shall be numbered and documented for at least five (5) years.

2. Foreign part:

Nil. The Fund does not invest in foreign beneficiary certificates.

viii. Introduction of the Fund's investment in foreign countries

Nil. The Fund invests in domestic regions.

ix. Lending of securities held by the Fund

- (i.) Unless otherwise provided by the Regulations Governing Securities Investment Trust Funds, the Operating Rules of the Taiwan Stock Exchange Corporation (hereinafter referred to as the "Operating Rules of the TWSE"), the Taiwan Stock Exchange Corporation Regulations on Securities Borrowing and Lending (hereinafter referred to as the "Regulations on Securities Borrowing and Lending"), and other relevant rules of the FSC or TWSE the lending procedures, conditions and related rights and obligations of the securities held by the Fund shall be handled in accordance with the provisions of this Article and the relevant regulations of the Management Company.
- (ii.) In accordance with the Regulations on Securities Borrowing and Lending, the Management Company may lend securities held by the Fund through fixed-price trading, auction trading or negotiated lending transactions on the TWSE.
- (iii.) Borrowers who borrow securities held by the Fund through fixed-price trading, auction trading, or negotiated lending transactions on the TWSE shall provide collateral in accordance with the Regulations on Securities Borrowing and Lending.
- (iv.) The Fund shall not loan any single security in an amount exceeding 50% of the total of that security held by it.
- (v.) The duration of the loan period for the loaned securities held by the Fund shall not exceed six (6) months from the date on which the loan transaction takes place. However, the Management Company may request the return of the borrowed securities in advance in accordance with the Regulations on Securities Borrowing and Lending, and the borrower shall return the borrowed securities within the period set by the Management Company.
- (vi.) The Management Company may approve or reject a request for a securities loan, taking into account the Fund's current securities holdings and other relevant circumstances.
- (vii.) If the ratio limits set forth in the preceding Paragraph (iv) or duration limit of loan set forth in the preceding Paragraph (v) are amended by relevant laws and regulations, the revised provisions shall prevail.

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## (V.) Additional Matters to be Described for ETF

### i. Index compilation method

#### (i.) Index overview

Benchmark Index	TIP Customized Taiwan Multi-factor High Dividend 30 Index. The benchmark index tracked by this Fund is a customized and Smart Beta index.
Index Publication Date	2022/5/23
Index Base Period/Base Value	2022/5/20 / 5000 points
Number of Components	30 stocks
Periodic Review of Components	The components are reviewed twice a year, with the 17th trading day of June and December as the review record dates, and the data cut-off dates are the 10th trading day of June and December.
Calculation Frequency:	Calculate and publish the real-time index every 15 seconds based on the latest transaction prices of components, and calculate the closing index once after the market closes each day.

#### (ii.) Principle of component selection

##### 1. Sampling universe

- (1.) Index Universe: Common stocks listed on the TWSE and the TPEx, excluding managed stocks, emerging stocks, and stocks with altered trading methods or suspended from trading; however, those suspended from trading due to corporate actions, including but not limited to capital reduction, conversion to holding company, exchange of shares into the shares of newly established companies or change of par value may still be included in the Index Universe.
- (2.) Sampling Range: The 300 stocks with the largest market capitalization in the Index Universe, excluding stocks from the Innovation Board.

##### 2. Criteria of component selection

###### (1.) Liquidity test:

A stock in the top 80% of total trading volume in the last 12 calendar months that meets any of the following criteria shall be deemed to pass the liquidity test:

- a. A stock in the top 20% of total trading volume in the last 12 calendar months.
- b. The free float turnover ratio reaches at least 3% for at least 8 months in the last 12 calendar months; for stocks listed on the TWSE or the TPEx



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less than one (1) year, the free float turnover ratio must reach at least 3% for the last 3 calendar months.

(2.) Index screening:

- a. Profitability: The sum of the operating profits in the last four quarters is positive.
- b. Quality indicators: After screening by profitability, the lowest 25% of stocks in the financial and non-financial industries are excluded, based on return on assets and return on equity, respectively.
- c. Downside risk: After screening by quality indicators, the daily gross up return for the past 126 days is calculated, then stocks with the highest 10% standard deviation of negative daily gross up return are excluded.

(3.) Sorting methods:

- a. Volatility indicator: The reciprocal of the standard deviation of daily gross up return for the past 252 days is calculated.
- b. Dividend indicator: The dividend rate is calculated based on the average in the following indicators.
  - (a) Average cash dividend in the past three (3) years.
  - (b) Cash dividends in the last year.
  - (c) Sum of earnings per share in the last four (4) quarters  $\times$  average cash dividend payout rate in the last three (3) years.
- c. After adjustments<sup>1</sup> to volatility indicators and dividend indicators, priority is given to those with a free float adjusted market capitalization of TWD20 billion or more; if the number of the components is not 30, the 30 components are selected in the following order.
  - (a) The adjusted dividend indicators are non-negative.
  - (b) The adjusted volatility indicators are arranged in descending order of priority.

(4.) Weighting method:

- a. The weight of each individual component is determined via its free float adjusted market capitalization, and the weight is then adjusted according to the dividend indicator.
- b. According to free float adjusted market capitalization with weight then further adjusted according to the dividend indicator, with the exception of financial industry stocks, the initial weight for a single industry shall not exceed 15%.
- c. The weight of each individual component has a maximum limit of 8%, and shall not exceed 5 times<sup>2</sup> of the free float adjusted market capitalization ratio.

<sup>1</sup> Values are 95% winsorized before standardization.

<sup>2</sup> If it is not possible to achieve the weight allocation, the multiplier limit may be adjusted by gradual relaxation thereof, but the multiplier shall still not exceed 8%.

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(5.) Index calculation

a. Index calculation frequency:

- (a) Starting from July 4, 2022, the real-time TIP Taiwan MFHD30 Index is calculated and announced every five (5) seconds during the trading hours of the TWSE and the TPEx, based on the latest trading prices of the component stocks. The end-of-day (EOD) index is calculated once a day after the market closes.
- (b) TIP also compiles the TIP Taiwan MFHD30 Total Return Index, which adjusts the TIP Taiwan MFHD30 Index after considering the cash dividend factor, in order to reflect cash dividend-included returns. The index is calculated and announced once every day after the market closes.

b. Calculation formula:

- (a) TIP Taiwan MFHD30 Index as a "Price Index":

$$\text{Index} = \frac{\text{Total Index Market Values}}{\text{Index Divisor}} \times \text{base value}$$

$$\text{Index}_t = \frac{\sum_{i=1}^n cp_{i,t} \times s_{i,t} \times p_{i,t}}{\text{Divisor}_t} \times 5000$$

$cp_{i,t} \times s_{i,t} \times p_{i,t}$  = index market value of constituent i on day t

$n$  = number of index constituents

$p_{i,t}$  = price of constituent i on day t

$s_{i,t}$  = number of issued shares of constituent i on day t

$cp_{i,t}$  = the adjustment coefficient of constituent i on day t is decided in accordance with the "SmartBeta Investment Index Category" described in the ["TIP Corporate Actions and Events Methodology"](#).

$\text{Divisor}$  = index divisor of "Price Index"; after the market closes, the index divisor is adjusted in accordance with the "SmartBeta Investment Index Category" described in the ["TIP Corporate Actions and Events Methodology"](#) to maintain the index continuity. The adjustment method is as follows:

Index divisor = index divisor on the previous day

$$\times \left( \frac{\text{total index market values at the previous day's close} \pm \text{total index market values changes}}{\text{total index market values at the previous day's close}} \right)$$

Note 1: The base date is set on May 20, 2022, and the base index is set at 5000 points.

Note 2: The index divisor on the base date is the total index market values at that time.

$$\sum_{i=1}^n cp_{i,launch} \times s_{i,launch} \times p_{i,launch} \cdot launch = \text{base date}$$

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(b) TIP Taiwan MFHD30 Total Return Index as the "Total Return Index":

$$Index = \frac{\text{Total Index Market Values}}{\text{Index Divisor}} \times \text{base value}$$

$$Index_t = \frac{\sum_{i=1}^n CP_{i,t} \times S_{i,t} \times P_{i,t}}{\text{DivisorTR}_t} \times 5000$$

*DivisorTR* = index divisor of the "Total Return Index"; after the market closes, the index divisor is adjusted in accordance with the "SmartBeta Investment Index Category" under the "[TIP Corporate Actions and Events Methodology](#)" to maintain the index continuity. The adjustment method is as follows:

Index divisor = index divisor on the previous day

$$\times \left( \frac{\text{total index market values at the previous day's close} \pm \text{total index market values changes}}{\text{total index market values at the previous day's close}} \right)$$

(6.) Component adjustment and index maintenance

a. Periodic review and adjustment of components:

- (a) The components are reviewed twice a year, with the 17th trading day of June and December as the review record dates, and the data cut-off dates are the 10th trading day of June and December. A fixed number of 30 components is selected after each periodic review.
- (b) The results of the component regular review will become effective 5 trading days after the review date.
- (c) For the index divisor maintenance, the closing data of each previous trading day during the rebalancing period will be adopted to calculate the difference in index market value between the new component stock portfolio and the original one, which is used as the total index market value changes.
- (d) If the review data of holding companies or newly established companies is insufficient, and the representative companies of the converted stocks meet the Sampling Universe qualification, the data of the representative companies or their stocks may be used in the review.

b. TIP Taiwan MFHD30 Index is a "Smart Beta Investment Index Category". The related maintenance such as the non-periodic adjustment of components, the adjustment coefficient, the number of issued shares, and the index divisor is handled according to the "TIP Corporate Actions and

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Events Methodology". If a component is removed as a result of the above reasons, the vacancy created will not be filled.

c. Principles for implementation of the free float coefficient:

- (a) If the free float coefficient is lower than 10%, it will not be included in the Sampling Universe.
- (b) The update for the free float coefficient shall be in conjunction with the effective date of component periodic review.
- (c) The free float coefficient is updated based on the latest data generated from TIP's "TIP Free Float Coefficient Calculation Guide".

(iii.) Method for replicating index performance by the Management Company

From the date of listing, the Management Company will aim to replicate the performance of the benchmark index by adjusting the investment portfolio to align the overall exposure closely with 100% of the Fund's net asset value. Additionally, the total amount invested in the stocks constituting the benchmark index must not be less than 90% (inclusive) of the Fund's net asset value, and the coverage rate of the number of component stocks must reach 100%. If the aforementioned investment ratios are amended by relevant laws or regulations, the revised provisions shall prevail.

To align with the Fund's tracking objects and capital allocation needs, the Management Company may use the Fund to engage in transactions of futures, options, or futures options derived from stock indices, stocks, depositary receipts, or ETF, and other securities-related products approved by the FSC. Such transactions must comply with the FSC's "Directions for Use by Securities Investment Trust Enterprises of Securities Investment Trust Funds for Trading of Securities-Related Products" and other relevant FSC regulations. This is to ensure that the overall exposure of the Fund's investments in component bonds of the benchmark index, including securities-related products, closely aligns with 100% of the Fund's net asset value.

1. Methods for adjustment of investment portfolio:

- (1.) The Management Company receives the latest index data directly from the index provider each day, including details such as component stocks, free float coefficients, shares outstanding, and ex-dividend information. When the latest index data differs from that of the previous business day, the Fund will generate a list of required adjustments to the investment portfolio based on the updated index data. This list will then serve as a reference for investment decisions.
- (2.) In addition to the daily index data files, the Management Company collects information on corporate events such as mergers, splits, acquisitions, adjustments, and dividend distributions of component stocks from sources like the MOPS and Bloomberg. This data is used to verify the index and ensure the accuracy of the index information.
- (3.) Monitor value at risk and make timely adjustments to the portfolio composition: Since the prices of component stocks can fluctuate daily, which may alter their weights in the benchmark index and cause deviations between the model portfolio performance and the benchmark index, the fund manager monitors the differences in returns and weights of component stocks between the model portfolio and the benchmark index on each trading day. Based on these deviations in returns and component stock weights,

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adjustments to the investment portfolio are made to ensure closer alignment with the performance of the benchmark index.

2. When the Fund invests in a representative sample of component stocks of the index, the following sampling and operational methods are used to ensure the sample accurately reflects the overall characteristics of the index:

The Fund's portfolio management objective is to seek the return of the benchmark index. In order to achieve the Fund's investment objective, the investability and market representativeness of securities and securities-related products within the Fund's investment universe will be taken into account. The Management Company will calculate the allocation ratio of the investment portfolio based on the correlation between individual securities and securities-related products and the underlying index.

ii. Comparison of Fund performance with the benchmark index performance:

- (i.) The investment objective of this Fund is to track the performance of the benchmark index. Therefore, to measure the difference between the Fund's performance and the investment objective, the goal of investment management will be to minimize the Tracking Difference. The definition and calculation method are explained as follows:

1. Definition:

The Fund aims to track the performance of the benchmark index. Since the Fund has a dividend distribution mechanism and the benchmark index's returns include dividend, the comparison of the Fund's performance with that of the benchmark index will be based on the Fund's dividend-inclusive returns, i.e., the Tracking Difference, which measures the fund's tracking performance.

2. Calculation Formula:

Tracking Difference = Current Period Fund Unit Net Asset Value Dividend-Inclusive Return (%) – Current Period Benchmark Index Return (%)

Among them,

Current Period Fund Unit Net Asset Value Dividend-Inclusive Return (%) is based on the dividend-inclusive return rate calculated by a fair third party (such as experts commissioned by the SITCA, Morningstar, Bloomberg, or other fund evaluation organizations). This rate serves as the standard for comparison.

Current Period Benchmark Index Return (%) = (Current Period Benchmark Index Value (TWD) / Previous Period Benchmark Index Value (TWD) ) - 1

- (ii.) Control Indicators are as follows, and the reasonableness of tracking difference and tracking error standards will be reviewed annually:

1. Daily Tracking Difference (TD): The daily tracking difference (TD) should not be less than -1%.
2. Monthly Tracking Error (TE): The monthly tracking error (TE) should not exceed 4%.

## (VI.) Investment Risk Disclosure

**The Fund is an ETF that aims to track the performance of "TIP Customized Taiwan Multi-Factor High Dividend 30 Index." The Fund invests in securities within the ROC and, at reasonable risk levels, in securities related to the benchmark index. The Fund's investment risks include the risks associated with benchmark index price fluctuations, over-**

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concentration in certain sectors, industry cyclicality, liquidity, tracking of the benchmark index, and the Fund's returns not closely mirroring the benchmark index's returns. Whilst investing in ETFs has the effect of risk diversification, there are still considerable risks, and investors should be aware of all risks associated with investment in the Fund. With reference to the "Fund Risk and Return Classification Standard issued by the Securities Investment Trust & Consulting Association of the ROC." and the Fund's characteristics, investment strategy, investment area, and main investment risks, a fund's risk and return level is classified on a scale from RR1 to RR5 (low to high) based on fund types, investment areas or main investment objects/industries. The Fund is classified as RR4 for its risk and return level. This classification is based on the calculated standard deviation of a fund's net asset value volatility over the past five years and the range of standard deviations. Investors are reminded that this classification reflects market price volatility risk under general market conditions and cannot cover all risks (such as a fund's currency exchange risk, invested industry risk, credit risk, interest rate risk, liquidity risk, etc.). It should not be referred to as the sole basis for investment. Before investing, investors should still pay attention to the specific risks of the funds they invest in and consider their own risk tolerance and the length of time their capital can be utilized. Please peruse the Fund's prospectus for the relevant risks of investing in the Fund. Relevant data such as annualized standard deviation, Alpha, Beta, and Sharpe ratio can be found on the website of the Securities Investment Trust & Consulting Association of the ROC in the Fund Performance and Evaluation Indicators Inquiry section ([https://www.sitca.org.tw/index\\_pc.aspx](https://www.sitca.org.tw/index_pc.aspx)). The risk and return level for different types of funds are based on the following principles:

Fund Type	Investment Region	Primary Investment Targets/Industries	Risk and Return Level
Equity Fund	Global	General Type (Developed Markets), Utilities, Telecommunications, Healthcare	RR3
		General Type, Small and Mid-Cap, Financial, Ethical/Socially Responsible Investment, Biotechnology, General Technology, Information Technology, Industrial, Alternative Energy, Natural Resources, Cyclical Consumer Goods and Services, Non-Cyclical Consumer Goods and Services, Infrastructure Industry, Other Industries, Unclassified	RR4
		Gold and Precious Metals, Energy	RR5
	Regional or Single Country (Developed)	Utilities, Telecommunications, Health Care	RR3
		General Type, Small and Mid-Cap, Financial, Ethical/Socially Responsible Investment, Biotechnology, General	RR4



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Fund Type	Investment Region	Primary Investment Targets/Industries	Risk and Return Level
		Technology, Information Technology, Industrial, Energy, Alternative Energy, Natural Resources, Cyclical Consumer Goods and Services, Non-Cyclical Consumer Goods and Services, Infrastructure Industry, Other Industries, Unclassified	
		Gold and Precious Metals	RR5
	Regional or Single Country (Emerging Markets, Asia, Greater China, Others)	General (Single Country - Taiwan)	RR4
		General Type, Utilities, Telecommunications, Healthcare, Small and Mid-Cap, Financials, Ethical/Socially Responsible Investing, Biotechnology, General Technology, Information Technology, Industrial, Energy, Alternative Energy, Natural Resources, Cyclical Consumer Goods and Services, Non-Cyclical Consumer Goods and Services, Infrastructure Industry, Gold and Precious Metals, Other Industries, Unclassified	RR5
Bond Fund (Fixed-income Fund)	Global, Regional or Single Country (Developed)	Investment-grade Bonds	RR2
		Non-investment-grade Bonds Convertible Bonds Primarily invests in dynamically adjusted investment-grade or non-investment-grade bonds (hybrid bond funds)	RR3
	Regional or Single Country (Emerging Markets, Asia, Greater China, Others)	Investment-grade Bonds	RR3
		Primarily invests in dynamically adjusted investment-grade or non-investment-grade bonds (hybrid bond funds)	RR3
		Non-investment-grade Bonds Convertible Bonds	RR4
Principal Guaranteed Fund			Risk and return level based on the primary investment objects of the fund
Money Market Fund			RR1
Balanced Fund (Blend Fund)			Based on the fund's long-term core investment strategy, the

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Fund Type	Investment Region	Primary Investment Targets/Industries	Risk and Return Level
			risk and return level can be determined within the range of RR3 to RR5, considering factors such as equity-to-bond ratios and investment regions, and must be able to demonstrate its reasonableness.
Multi-asset Fund			Based on the fund's long-term core investment strategy and considering factors such as investment ratios and regions, the risk and return level should be confirmed within the RR3 to RR5 range, and its reasonableness must be demonstrated.
Financial Asset Securitization Fund	Investment-grade		RR2
	Non-investment-grade		RR3
REITs Fund	Global, Regional or Single Country (Developed)		RR4
	Regional or Single Country (Emerging Markets, Asia, Greater China, Others)		RR5
Index Fund and Exchange Traded Fund (ETF)			Risk and return level of tracking benchmark index
Leveraged / Inverse Index Fund and Exchange Traded Fund (ETF)			Risk and return one level above the tracking benchmark index
Fund of Funds			Risk and return level of the same with primary

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Fund Type	Investment Region	Primary Investment Targets/Industries	Risk and Return Level
			investment object
Other Types			Risk and return level of the same with primary investment object

The Management Company employs an indexing strategy with the goal of closely tracking the performance of the benchmark index (TIP Customized Taiwan Multi-Factor High Dividend 30 Index) after deducting all necessary expenses. However, investment risks cannot be completely eliminated. In addition to the risks associated with investing in domestic securities and securities-related products, the volatility of the benchmark index's price will impact the Fund's net asset value. The following are potential investment risks that may affect the Fund (including but not limited to):

i. **Risk of over-concentration in same-sector stocks**

**The Fund is an ETF. The fund manager will conduct optimal asset allocation based on the benchmark index. However, due to potential price fluctuations caused by industrial cycles or non-economic factors, the Fund's net asset value may experience significant short-term volatility. This may lead to a risk of over-concentration in same-sector stocks. The Management Company will exercise due diligence as a prudent manager to reduce the risk of sector over-concentration, but this does not imply that the risk can be fully eliminated.**

ii. **Business cycle risk**

**The component stocks of the benchmark index may be affected by the cyclical fluctuations of the industry. When the overall industry outlook becomes conservative, the incomes and growth potential of domestic companies may be constrained, and the performance of the domestic stock market may adjust downward due to the contraction of the industry cycle. This could potentially affect the net asset value of the Fund. The Management Company will strive to monitor changes in the economic cycle and adopt timely diversification strategies to mitigate the risks associated with industry cycles; however, these risks cannot be entirely eliminated.**

iii. **Liquidity risk**

**The Fund employs an indexing strategy, investing its assets in securities and securities-related products that are associated with the tracked benchmark index. To achieve the performance of the benchmark index, the fund will maintain a certain level of exposure. However, in the event of special political or economic conditions, trading target price limit or suspensions of trading in specific securities, there could be situations where investment objects become untradeable, margin calls for futures occur or insufficient trading volume, and therefore liquidity risks may arise. The Management Company will diligently fulfill their management duties, but this does not mean that such risks can be entirely avoided.**

iv. **Risk associated with foreign exchange controls and exchange rate fluctuations**

**Nil. (The Fund only invests in securities within the ROC.)**

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- v. **Risk associated with changes in the political or economic conditions of the geographic regions in which the fund invests**  
 The securities market in our country is significantly affected by political factors. Thus, domestic and international political and economic situations, cross-strait relations, and future developments can impact the price fluctuations of the securities in which the Fund invests. Additionally, factors such as interest rate adjustments and industry structure changes can influence the prices of listed and over-the-counter listed stocks, leading to fluctuations in the net asset value of the Fund. While the Management Company will strive to diversify investment risks, these risks cannot be completely eliminated.
- vi. Credit risk of the financial instrument counterparty and guarantor institution
  - (i.) Counterparty Credit Risk: This refers to the risk that a counterparty may fail to fulfill its settlement obligations for current or future cash flows. The extent of this risk depends on the counterparty's ability to perform. Before engaging in transactions, the Fund carefully selects its counterparties, evaluates and manages the credit risk of both counterparties and clients, and implements corresponding risk control measures. However, this does not guarantee that the risk can be completely eliminated.
  - (ii.) Credit Risk of Guarantor Institutions: Nil. (The Fund does not involve guarantee institutions, and thus there is no such risk.)
- vii. Risk associated with investment in structured products  
 Nil. (The Fund does not invest in structured products, and thus there is no such risk.)
- viii. Risk associated with other underlying investments or specific investment strategies
  - (i.) **Risk associated with investment objects:**
    1. **Risk of investing in call or put warrants or stock warrants.**  
 This refers to financial investment tools derived from the underlying stock, but they do not confer shareholder rights. Their prices are closely related to the underlying stock's price and may be influenced by factors such as market interest rates, time to expiration, and exercise price. These instruments use high financial leverage to pursue significant returns, and therefore possess high risk and high reward characteristics.
    2. **Risk of investing in ETFs**  
 An ETF is a type of security traded on a stock exchange. It holds a portfolio of stocks and divides it into numerous lower-priced investment units to reflect the beneficial rights of the holders. A potential risk is that, at the initial issuance stage, low investor awareness of the product may lead to poor liquidity, causing a discrepancy between the ETF's market price and its intrinsic value, resulting in an ETF discount or premium. However, this risk can be mitigated through market makers who act as intermediaries to improve liquidity.
    3. **Investment in inverse ETFs and leveraged ETFs**  
 In addition to market risk, inverse ETFs may face risks related to insufficient short-sale targets, regulatory changes that may prohibit short selling, tracking error risks due to divergence between the short-sale targets and the index movements, and liquidity risks when there are fewer market makers for the ETF. Leveraged ETFs aim to achieve returns that are higher than the index movements with a smaller amount of investment.

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If the manager believes that the market is likely to rise, they can use leveraged ETFs to accelerate gains. However, if the index falls, they may incur greater losses.

4. **Risks associated with investing in futures trust funds that are raised from unspecified investors:**

Futures trust funds engage in futures or options trading, which has low margin financial leverage characteristics. This can result in substantial profits or losses within a short period, causing significant volatility in the Fund's net asset value.

(ii.) **Risks associated with specific investment strategies:**

1. **Risk of tracking the benchmark index:** The investment performance of the Fund will be influenced by the movements of the benchmark index it tracks. When the benchmark index experiences significant fluctuations or declines, the Fund's net asset value will also fluctuate accordingly.

2. **Risk of the fund not fully tracking the performance of the benchmark index:** The Fund may not fully track the performance of the benchmark index due to the following factors:

(1.) The Fund may need to adjust its exposure due to factors such as redemptions or maintaining required exposure levels. As a result, the fund's net asset value will be influenced by factors such as the trading prices of securities or futures, transaction fees, other necessary expenses of the Fund (e.g., management fees, custodian fees, listing fees, or index licensing fees), price fluctuations of portfolio components, or the overall exposure ratio of the fund. These factors may cause deviations between the fund's returns and its investment objectives.

(2.) To achieve the performance effect of the tracked benchmark index, the Fund needs to construct its overall exposure using the components of the benchmark index and related securities products. Therefore, factors such as the overall exposure ratio of the fund, the daily bid-ask spread of securities-related products (e.g., futures) relative to the benchmark index or its components, the correlation between the held securities-related products and the underlying assets, and the price fluctuations of portfolio components will affect the degree to which the fund's overall portfolio deviates from the multiple returns of the benchmark index.

3. **Risk of changes in the benchmark index's construction method or calculation accuracy:** The index provider may alter the method of index construction or make errors in index value calculations, leading to distortions in the index. Even if the Fund's investment operations are strictly controlled, there remains a risk of deviation due to these factors.

4. **Risk of changes in the fund's investment portfolio:** The components of the benchmark index tracked by the Fund may change due to the inclusion or exclusion of index components. When there are changes in index components or their weights, the Fund will adjust its investment portfolio to align with the index changes to meet its investment objectives. Consequently, the Fund's most recent portfolio may not be identical to the benchmark index components at the time of the investor's initial investment.

5. **Risk of termination of the benchmark index authorization:** The benchmark index of the Fund is governed by an index licensing agreement

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between the Management Company and the index provider, which includes terms for the termination of index authorization. If the Management Company and the index provider decide to terminate the index authorization, there is a risk that the benchmark index tracked by the Fund may face termination. This could result in the Fund being forced to terminate earlier than anticipated.

**6. Risk due to differences between the benchmark index and its traditional index and related discrepancies:**

- (1.) The benchmark index tracked by the Fund is a customized index, specifically a Smart Beta (single-factor/multi-factor) index. The characteristics of the index and the differences from traditional indices may lead to an index-based product being weighted more heavily in stocks with specific themes, attributes, or sizes. This can result in the performance of the index-based product being less suitable for comparison with traditional index performance. The Management Company does not guarantee that the index performance will always outperform market conditions. Under certain market environments, the index performance may lag behind market-cap-weighted indices or other performance benchmarks, with the duration of such underperformance being uncertain.
- (2.) The benchmark index of the Fund is a Smart Beta (single-factor/multi-factor) index. Compared to ETFs that track market-cap-weighted indices, it may allocate a significant portion of its holdings to companies with smaller market capitalizations.

The benchmark index of the Fund is the TIP Customized Taiwan Multi-Factor High Dividend 30 Index. The differences and risks compared to the representative index, the Taiwan Weighted Index (TAIEX), are as follows:

Key Differences from the Representative Index	Explanation of Differences	Potential Risks
<b>Sampling Range Differences</b>	The sampling range of the index includes common stocks listed and traded over the counter in Taiwan, specifically the top 300 stocks by market capitalization.	When there are differences between over-the-counter companies and listed companies, the performance of the index and the representative index will also show differences.
<b>Difference in screening methods</b>	The index only includes stocks with positive total operating income over the past four quarters. It excludes the lowest 25% of	When the returns of companies meeting the screening criteria differ from the returns of companies within the



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	stocks based on 'return on assets' for financial industry stocks and 'return on equity' for non-financial industry stocks. It calculates daily gross up return from the past 126 days, excluding the top 10% of stocks with the highest standard deviation of negative daily gross up returns, which is different from the representative index.	representative index, the performance of this index compared to the representative index will also differ.
<b>Difference in Sorting Method</b>	The index uses the inverse of the standard deviation of the past 252 days' daily gross up return and dividend indicators—namely, the average cash dividend over the past three (3) years, the cash dividend of the past year, and the sum of earnings per share over the past 4 quarters multiplied by the average dividend payout ratio over the past three (3) years—for sorting. This differs from the representative index.	When the returns of companies that meet the sorting criteria differ from those in the representative index, the performance of the index and the representative index will also differ.
<b>Differences in Weighting</b>	The index is weighted by free float adjusted market capitalization and then adjusted based on "dividend indicators." Additionally, except for the financial sector, the initial weight of any single industry is capped at 15%, which is different from the representative index.	When the weight of individual stocks differs from that in the representative index, the performance of the index may also differ from the representative index.

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**ix. Risk of trading in securities-related products**

To manage the risk of price fluctuations in securities, the Fund may use transactions in securities-related products approved by the FSC for hedging or increasing investment efficiency. However, if the Management Company makes incorrect market judgments or if the securities-related products are not highly correlated with the Fund's underlying positions, this could lead to potential losses for the Fund. Additionally, if it becomes necessary to liquidate securities-related products before their expiration, there may be a risk of inability to execute trades due to insufficient market liquidity.

**x. Risk associated with the lending of held securities or the borrowing of securities**

The Fund may participate in the securities lending market to enhance its returns. However, there is a risk that the borrower may fail to return the securities on time, potentially causing losses to the fund. Additionally, there is a risk that the securities lending ratio may exceed the regulatory limits if the fund repurchases the securities. To effectively manage these risks, the Management Company has established specific securities lending methods and limits, conducts rigorous reviews to ensure that the securities lending ratio does not exceed regulatory limits, and adheres strictly to securities lending management guidelines and procedures.

**(i.) Severe price fluctuations before the return of borrowed securities**

If the fund managed by the Management Company encounters an unexpected event and needs to dispose of the borrowed securities, it can request the borrower to return the securities early. However, due to the time lag in the return of the securities, there is a risk that severe price fluctuations may occur, potentially leading to difficulties in disposing of the securities in a timely manner.

**(ii.) Liquidity issues**

If the borrower defaults on their obligation to return the borrowed securities, the stock exchange, the OTC trading center, or the lender will liquidate the collateral and purchase the securities from the market to return to the lender. However, if insufficient liquidity prevents the securities from being repurchased at a fair price and in sufficient quantity, the lender may be compensated in cash. This poses a risk that the cash value may be less than the original value of the borrowed securities.

**xi. Risk of borrowing**

The Fund may borrow from financial institutions in the fund's name for temporary purposes, including to cover repurchase amount or to handle securities settlements, but only up to a certain value relative to the fund's net assets. The purpose of borrowing is to create short-term financing opportunities for the fund to meet these limited needs, thereby avoiding the need to sell securities under unfavorable conditions. However, borrowing involves higher financial risks and may expose the Fund to factors such as rising interest rates, economic downturns, and others. If the income or returns from retained securities (if any) do not cover the interest or other costs of the borrowing, the net asset value per beneficiary unit may be lower compared to when no borrowing occurs. The Management Company will

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**make careful decisions to mitigate this risk, but this does not guarantee that the risk can be completely avoided.**

**xii. Other investment risks**

**(i.) Investment risks associated with investors subscribing to or trading the Fund**

**1. Risks of subscribing to the Fund before the listing date (excluding that day)**

From the Fund's establishment date, the Fund will arrange its initial investment portfolio based on the benchmark index components and the fund's investment objectives. The price fluctuations of the portfolio components will affect the fund's net asset value. The net asset value per unit for investors subscribing to the Fund before its listing may differ from the price after the fund is officially listed. Investors who subscribe before the listing must bear the risk of potential discounts or premiums due to price fluctuations from the subscription date until the listing date.

**2. Risks of investing in the Fund through the primary market**

**(1.) Minimum base risk:** From the listing date onward, investors must submit subscription or redemption applications through participating securities firms to the Management Company. Each subscription or redemption must be in whole numbers of a base or its multiples. If an investor holds fewer units than the minimum base, they can only trade through the secondary market.

**(2.) Risk of needing to go through participating securities firms:** Investors must use participating securities firms to submit subscription and redemption requests, rather than all securities brokers. If there are special circumstances where subscriptions or redemptions are temporarily suspended, participating securities firms may be unable to provide these services to investors.

**(3.) Risk of the Management Company refusing or suspending subscription and redemption requests:** The Management Company has the right to refuse or suspend acceptance of subscription or redemption requests under orders from the FSC or in special circumstances as outlined in the Trust Deed. However, investors/beneficiaries can still trade the Fund's beneficiary certificates through the secondary market by instructing securities brokers to buy or sell on the securities exchange.

**(4.) Risk of administrative processing fees for failed transactions:**

**a. Failed Subscription:** Subscriptions to the Fund require the subscriber to prepay the total subscription amount based on the "Cash Subscription/Redemption List" announced on the subscription application date. If the prepaid amount is insufficient to cover the actual total subscription amount, and the Management Company has accepted the subscription but the subscriber fails to pay the remaining subscription amount as required by the Fund's Trust Deed, the subscription will be considered a failure.

**b. Failed Redemption:** If the Management Company has accepted a redemption request and the beneficiary fails to deliver the beneficiary certificates being redeemed as required by the Fund's Trust Deed, the redemption will be considered a failure. To protect the interests of existing beneficiaries, in the event of such a failed

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**transaction, the applicant must pay an administrative processing fee to the Fund to cover transaction costs and losses incurred by the Fund due to the failed transaction.**

- c. For failed subscriptions: The administrative processing fee will be deducted from the advance total subscription amount paid by the subscriber on the subscription application date. For failed redemptions: The administrative processing fee must be paid to the fund by the participating securities firm on behalf of the beneficiary, according to the Fund's regulations. The participating securities firm should also make arrangements with the beneficiary regarding compensation for the administrative processing fee.**

**3. Risks of investing in the Fund through the secondary market:**

- (1.) **Risk of the fund's trading price differing from its net asset value:** The trading price of the Fund on the TWSE may not match its net asset value, potentially resulting in discounts or premiums. Additionally, secondary market prices are influenced by various market factors such as the political and economic situation in the investment region, investor confidence, and liquidity constraints. This means that the trading price on the TWSE may be higher or lower than the net asset value. However, through primary market subscriptions and redemptions, as well as market-making and arbitrage activities conducted by participating securities firms, any deviations between the discount/premium and the net asset value can be further narrowed.
- (2.) **Risk of suspension of trading on the securities exchange:** The Fund is listed and traded on the TWSE. There is a risk that trading may be halted if the TWSE announces a suspension of trading in the Taiwanese securities market.
- (ii.) **Risk of liquidation after termination of the Fund's listing:** If the Fund encounters a termination event as specified in the Trust Deed, it will terminate its Trust Deed and proceed with liquidation following approval from the FSC and the TWSE, and after completing the process for terminating the Fund's listing.
- (iii.) **Risks related to FATCA compliance:**

**The U.S. government began implementing the Foreign Account Tax Compliance Act (FATCA) in phases starting July 1, 2014. FATCA requires foreign financial institutions (referred to as "FFIs") to identify account holders, report U.S. account information, and withhold U.S. source income for FFIs and non-compliant account holders. To prevent FFIs from avoiding agreements or non-compliance, FATCA mandates a 30% withholding tax on U.S. source income for FFIs that do not sign a Foreign Financial Institution Agreement (FFIA) or comply with FATCA regulations. The Fund managed by the Management Company is an FFI as defined by FATCA. To avoid the 30% withholding tax by the U.S. Internal Revenue Service, the Fund has completed the FFIA signing and is in compliance with FATCA.**

**To comply with FATCA, the Management Company will require investors or beneficiaries to provide relevant identification documents to confirm their U.S. tax status. Investors or beneficiaries should understand that, within the scope permitted by domestic laws and FATCA regulations, the Management Company may need to report beneficiary information to relevant domestic and foreign government agencies or tax authorities. This includes, but is not**

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limited to, information obtained through business dealings (e.g., for corporate clients, including their substantial U.S. owners), information on accounts held by the investor (or corporate clients, including their substantial U.S. owners) and interacted with the Management Company (e.g., client names, addresses, U.S. taxpayer identification numbers, account numbers, account balances or values, etc.). Investors or beneficiaries should be aware and agree that providing false or misleading tax status information may result in penalties under U.S. law. If there is any change in the investor's or beneficiary's tax status, they must notify the Management Company within thirty (30) days. While the Fund strives to comply with FATCA requirements, the complexity of FATCA, or failure by investors or beneficiaries to provide required identification documents or accurate and complete information, or non-compliance by business partners or counterparties, may expose the fund to the risk of a 30% withholding tax. This could negatively impact the fund and lead to a decrease in the net asset value per unit, resulting in significant losses for investors. Withheld taxes may not be refundable by the U.S. Internal Revenue Service. To adhere to FATCA requirements, the fund may, to the extent permissible under FATCA regulations and domestic laws, impose the following requirements on transactions by investors or beneficiaries:

1. **Rejection of subscription**
2. **Compulsory redemption or refusal of redemption**
3. Relevant taxes will be withheld from the funds held by the beneficiary. Investors or beneficiaries should understand that the Fund may withhold relevant taxes from the amounts held by the beneficiary in accordance with FATCA compliance requirements. Investors should be aware of the tax withholding risks associated with complying or failing to comply with U.S. FATCA regulations. Given that tax withholding rules and disclosure requirements may change, investors agree that the Fund may take the aforementioned measures within the scope of applicable laws. Investors should consult their tax advisors regarding the impact of FATCA on their investments in the Fund and any potential requirements to provide and disclose information to the Management Company, the Fund, the sales agents, and possibly to the U.S. Internal Revenue Service.

## **(VII.) Distribution of Incomes**

For details, please refer to [I. Fund Overview] (I). xxvi.

## **(VIII.) Subscription of beneficiary certificates**

- i. Subscription prior to the Fund's establishment date (excluding that date)
  - (i.) Subscription procedure, location, and deadline.
    1. The Management Company shall handle the subscription process for beneficiary certificates in accordance with the "Regulations Governing the Offering, Issuance, Sale, and Subscription or Redemption Procedures of Securities Investment Trust Funds."
    2. To subscribe to the Fund's beneficiary units, the subscriber must submit the fund subscription documents on the day of application, including the subscription form, the seal card, and a copy of their national identification card (if the subscriber is a legal entity, a copy of the company registration certificate should be provided) to the Management Company or the fund sales agent. If investors subscribe to the fund through a non-discretionary trust fund, they

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must submit the application documents and subscription payment to the bank or securities firm on the day of application. Except that the Management Company and banks or securities firms handling subscriptions through non-discretionary trust fund may accept subscription amount, other fund sales agents can only receive the application documents. Applicants should follow the instructions of the sales institution and transfer the subscription payment directly to the fund's dedicated account set up by the Fund Custodian.

3. The Management Company, fund sales agent, or participating securities firm shall provide a simplified prospectus to the subscriber before the subscriber submits the subscription application and completes the payment of the subscription amount or payment of the advance subscription amount. Upon request by the subscriber, the full prospectus must also be provided. If the subscription method is electronic or the subscriber agrees in writing, the prospectus may be sent via email or downloaded by the subscriber. The sales documents and advertisements for the Fund must indicate that both the prospectus and the simplified prospectus are available and specify where they can be obtained.
4. Subscription time: For direct submissions to the Management Company or by fax, the deadline is 4:30 PM on each business day. For other sales agencies, the time of receipt is subject to the regulations of each respective institution. Unless the subscriber can provide proof that the application was submitted before the deadline, any applications submitted after the deadline will be considered as transactions for the next business day. In the event of force majeure such as natural disasters or significant events that prevent normal business operations, the Management Company may adjust the deadline. However, transactions for which the subscription procedures were completed before the original deadline remain valid.
5. The subscriber should submit the fund subscription documents to the Management Company on the subscription date and transfer the subscription amount directly to the fund's dedicated account. If the subscriber applies for subscription through the fund sales agents in the name of the fund sales agents, the application form and the subscription amount should be delivered to the sales agents on the day of subscription. Except for the case in (6), the Management Company shall calculate the number of subscribed units based on the net value of the subscription amount of the subscriber on the day it is credited to the fund account.
6. If the subscriber applies for subscription through the fund sales agent in the name of the fund sales agents, or if the subscription amount is deducted from a financial institution account on the subscription date, and if the financial institution has issued instructions to transfer the subscription amount before 10:00 a.m. on the next business day after processing the subscription or deduction, and if the Management Company confirms that the subscription amount has been credited to the fund's dedicated account or receives proof of the transfer instruction before 10:00 a.m. on the next business day after processing, or if the financial institution's cross-bank network system, established under Article 47-3 of the Banking Law, experiences force majeure resulting in the subscription amount not being credited to the fund's dedicated account by 10:00 a.m. on the next business day after processing, the



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subscription units will be calculated based on the net asset value of the fund on the subscription day.

7. If the fund sales agent processes fund payments through a securities depository enterprise, and if the enterprise has issued instructions to transfer the subscription amount before the next business day following the receipt of the subscription or deduction, and if the Management Company confirms that the subscription amount has been credited to the fund's dedicated account on the next business day after processing, or if the enterprise provides proof of the transfer instructions issued before the next business day after processing, and if the subscription day is within the subscription period, the subscription units will be calculated based on the fund's offering price.
  8. When a beneficiary applies for a transfer subscription between different funds managed by the same management company, the Management Company shall treat the actual date on which the redemption proceeds are transferred into the subscribed fund's account as the subscription date. However, this applies only if the funds have been transferred into the fund's dedicated account before the Fund's establishment date (excluding that day).
  9. The subscription of beneficiary units should be made to the Management Company or its appointed fund sales agents.
  10. For subscribers who make their purchase through the Management Company or fund sales agents, the minimum subscription amount for each transaction should be calculated as the issue price multiplied by 1,000 beneficiary units or its multiples (i.e., TWD15,000 or its integral multiple).
  11. The Management Company shall exercise appropriate control over the sale of beneficiary units. In cases where the subscription amount exceeds the maximum allowable total face value, the Management Company and each fund sales agent shall handle the subscriptions fairly according to the order of the subscription times of the subscribers.
  12. From the date of the Fund's establishment until the day before the listing date (excluding that day), the Management Company will not accept subscriptions or redemptions of the Fund's beneficiary units.
- (ii.) Calculation and payment of subscription amount
1. Calculation of subscription amount  
For details, please refer to [I. Fund Overview] (I). xiv and xv.
  2. Payment of subscription amount  
The subscription amount for the beneficiary units must be paid on the day of subscription through cash, remittance, bank transfer, postal money order, or by means of demand drafts such as checks, promissory notes, bank drafts, or postal drafts accepted by the fund sales agency's local clearinghouse. The date of the draft or check's clearing is considered as the subscription date. If the drafts or checks are not honored, the subscription will be deemed invalid (checks and promissory notes must be issued by the subscriber or financial institution). Once the subscription amount is fully paid, no additional payment is required from the subscriber.
- (iii.) Delivery of beneficiary certificates
1. The beneficiary certificates for the Fund are registered and issued electronically. No physical certificates are printed. Instead, the Taiwan Depository & Clearing Corporation (TDCC) will handle the delivery using book-entry methods, in

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accordance with the regulations governing book-entry securities and the relevant rules set by the securities central depository. Beneficiaries are not allowed to request retrieval of these certificates.

2. The date on which the Management Company first registers the Fund's beneficiary certificates and units with the TDCC will be the issuance date of the beneficiary certificates. The issuance date of the beneficiary certificates must occur within thirty (30) days from the Fund's establishment date and prior to the commencement of trading of the Fund.
- (iv.) Handling of subscription unaccepted by the Management Company or fund not-established
1. The Management Company has the discretion to decide whether to accept subscriptions for beneficiary units. However, if the Management Company decides not to accept subscriptions, it must instruct the fund custodian to refund the subscription amounts, without interest, within three(3) business days after the Fund Custodian has received and redeemed the cash or negotiable instruments from the subscriber. The subscriber must simultaneously return the receipt of the subscription application. If the receipt is not returned, it will become invalid from the date of refund of the subscription amount.
  2. If the Fund is not established, the Management Company shall immediately instruct the Fund Custodian to refund the subscription amount and interest to the subscribers within ten (10) business days from the date the Fund fails to establish. The refund shall be made through a registered, crossed, non-endorsable, non-negotiable note or remittance in favor of the subscribers. The interest shall be calculated from the day after the Fund Custodian receives the subscription amount until the day before the refund is made, based on the Fund Custodian's savings deposit interest rate. The interest shall be rounded to the nearest New Taiwan Dollar (TWD), with amounts less than one TWD rounded up.
  3. If the Fund is not established, the Management Company, fund sales agents, and Fund Custodian shall not be entitled to any compensation. All expenses paid for the Fund shall be borne severally by the Management Company, fund sales agents, and Fund Custodian. However, the registered mail post fees or remittance fees for refunding the subscription amount and its interest shall be borne by the Management Company.
- ii. Subscription from the listing date of the Fund (inclusive)
- (i.) Procedure, location, and deadline of the subscription from the listing date of the Fund
    1. The subscriber may, on any business day, authorize a participating securities firm to submit a subscription application to the Management Company according to the procedures specified in the Trust Deed, based on the advance total subscription amount. The participating securities firm may also submit the subscription application on its own behalf. The Management Company has the discretion to decide whether to accept the subscription application; however, if the Management Company chooses not to accept the subscription, it must handle the matter in accordance with the fund's "Operational Guidelines."
    2. The subscriber, either personally (if the subscriber is also the participating securities firm) or by authorizing a participating securities firm, should submit the subscription application to the management company via the ETF trading

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operation transmission platform. The subscriber must complete the "Cash Subscription Application Form," which allows the participating securities firm to handle the subscription process. The subscriber should also transmit the data from the "Cash Subscription Application Form" to the Management Company according to the procedures specified in the "Operational Guidelines."

### 3. Subscription base

- (1.) The Fund's base unit for subscription/redemption is 500,000 beneficiary units. Each subscription must be the subscription base or a multiple thereof.
- (2.) The net asset value of each subscription base, representing a certain number of beneficiary units, on any business day should be equal to the total net asset value of the fund divided by the total number of issued beneficiary units, multiplied by the number of beneficiary units represented by each subscription base.
- (3.) If the Management Company deems it necessary, it may, after reporting to the FSC, adjust the number of beneficiary units represented by the Fund's base unit for subscription

### 4. Submission deadline for applications

- (1.) The subscription application for the Fund must be submitted from 9:00 AM to 12:00 PM on each business day. Any applications received after this deadline, unless the subscriber can prove they submitted before the cutoff time, will be considered as transactions for the next business day.
- (2.) In the event of force majeure, such as natural disasters or significant events that prevent normal operations, the Management Company may adjust the deadline. However, transactions completed before the adjusted deadline will still be considered valid.

### (ii.) Calculation of the advance total subscription amount

1. The Management Company should, on each business day, refer to the index data provided by the index provider to establish and announce the "Cash Subscription/Redemption List" for the beneficiary certificates for the following business day.
2. For subscriptions made by a participating securities firm on its own or by consigned trading, the advance total subscription amount payable is the "equivalent net value of each cash subscription/redemption base" disclosed in the "Cash Subscription/Redemption List" on each business day, multiplied by a certain ratio, plus the subscription service charge and the pre-collected subscription transaction fee. The subscriber must pay the advance subscription amount to the Fund's dedicated account on the subscription application date to process the subscription.

The aforementioned calculation formula for the advance total subscription amount for each subscription base is as follows:

**Advance total subscription amount = Advance subscription amount + Subscription service charge**

- (1.) Advance subscription amount = the "equivalent net value of each cash subscription/redemption base" disclosed in the "Cash Subscription/Redemption List" on each business day, multiplied by a certain

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ratio. The aforementioned "certain ratio" is currently 110%, with a maximum of 120%, and will be adjusted according to the latest prospectus.

- (2.) Subscription service charge= the Management Company may charge a subscription fee for each subscription application. Subscription service charge is not included in the Fund's assets. The applicable fee rate may be adjusted by the Management Company based on the Fund's sales strategy, while the subscription service charge per beneficiary unit must not exceed 2% of the net asset value per beneficiary unit.
- (3.) The "advance total subscription amount" listed in the "Cash Subscription/Redemption List" announced on each business day will be calculated using the above formula and rounded unconditionally to the nearest thousand TWD.

(iii.) Calculation of the actual total subscription amount for subscriptions

After the Fund's net asset value has been settled, the Management Company shall calculate the actual total subscription amount payable by the subscriber by subtracting the advance total subscription amount from the actual advance total subscription amount (i.e., the total subscription amount difference). If the difference is a positive amount, the subscriber must pay the difference to complete the subscription process. If the difference is a negative amount, the Management Company shall return the difference, net of any remittance fees, without interest. The Management Company must notify the participating securities firm of the difference in the total subscription amount that needs to be paid or refunded. If the participating securities firm subscribes by consigned trading, it must inform the subscriber of the amount to be paid or refunded.

The formula for calculating the actual total subscription amount per subscription base is as follows:

**Actual total subscription amount = Actual subscription amount + Subscription service charge + Actual subscription transaction fee**

1. Actual total subscription amount = Number of beneficiary units represented per subscription base x (Net asset value of the fund/ Number of beneficiary certificates of the Fund for outstanding beneficiary units)
2. Subscription service charge= the Management Company may charge a subscription fee for each subscription application. This subscription fee is not included in the Fund's assets. The applicable fee rate may be adjusted by the Management Company based on the Fund's sales strategy, while the subscription service charge per beneficiary unit must not exceed 2% of the net asset value per beneficiary unit of the Fund. **Currently, the subscription service charge is TWD5,000 per subscription base (including the processing fee charged by the TDCC but excluding the service charge charged by participating securities firms).**
3. Actual subscription transaction fee = Actual subscription amount x Subscription transaction fee rate

Currently, the Fund's subscription transaction fee rate is 0.1% (Note). The abovementioned subscription transaction fee rate may be adjusted according to the condition of the securities market and the holdings of the investment portfolio. The rate is capped at 2%. The rules specified in the latest prospectus shall apply subsequently.

(Note) The Fund's subscription transaction fee rates are calculated based on the

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rates and taxes announced by Taiwan's securities and futures markets, which include but are not limited to the brokerage fee of Taiwan securities dealers ranging from 0.1% to 0.1425% (based on market rates), brokerage fee of Taiwan futures dealers ranging from 0.005% to 0.015% (based on market rates), futures transaction tax of 0.002% and securities transaction tax of 0.1% to 0.3%. The subscription fee rate of the Fund will be adjusted according to the stock or futures positions held or traded in the Fund's investment portfolio.

(iv.) Subscription failure

1. When a participating securities firm subscribes by consigned trading or directly processes a subscription application, it must ensure that the subscriber pays the advance total subscription amount, the subscription price difference, and any other amounts due under the Trust Deed within the specified time frame, and deposits them into the relevant account. If the subscriber fails to pay the required subscription amount and deposit it into the Fund's dedicated account within the specified deadline, the subscription application will be deemed failed, and the Management Company will not issue or deliver the beneficiary certificates. The subscriber will also be responsible for paying an administrative processing fee for each failed payment.
2. Base on the professional judgment of the Management Company, if the subscriber's advance total subscription amount is insufficient to cover the actual subscription amount required for the subscription base or its multiples on the subscription date, the Management Company will not proceed with the transaction, and it will be deemed a failed subscription.
3. The subscriber must pay an administrative processing fee for each failed subscription record, except where the Management Company agrees to waive it. According to the operational guidelines, the Management Company shall deduct the administrative processing fee from the advance total subscription amount paid by the failed subscriber on the subscription date, and return the remaining amount to the subscriber's designated remittance account within three (3) business days after the failed subscription, starting from the next business day following the failure. The administrative processing fee is included in the assets of the Fund. The standards for the payment of the administrative processing fee shall be calculated according to the operational guidelines."
4. The Management Company should instruct the Fund Custodian to return the advance total subscription amount paid by the subscriber, less the administrative processing fee and any other amounts the subscriber is responsible for under the Trust Deed, in accordance with the Fund's "Operational Guidelines." The returned amount will be without interest. Any costs related to the return of the failed subscription payment, such as remittance fees, will be borne by the subscriber.
5. The calculation standards for the aforementioned administrative processing fee are as follows:
  - (1.) If the net asset value per unit of the beneficiary certificate on the business day following the subscription date is greater than the net asset



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value per unit on the subscription date, the calculation formula for the administrative processing fee is as follows:

T : subscription date

$T+1$  net asset value per unit  $>$  T net asset value per unit

Administrative processing fee = Actual subscription amount  $\times$  2%

- (2.) If the net asset value per unit of the beneficiary certificate on the business day following the subscription date is less than (or equal to) the net asset value per unit on the subscription date, the calculation formula for the administrative processing fee is as follows

T : subscription date

$T+1$  net asset value per unit  $\leq$  T net asset value per unit

Administrative processing fee = Actual subscription amount  $\times$  [2%+( T net asset value per unit-  $T+1$  net asset value per unit/ T net asset value per unit)]

(v.) Payment timing and methods for subscription amount

1. The subscriber must instruct a participating securities firm to submit the application to the Management Company by 12:00 PM on the subscription date and pay the advance total subscription amount to the fund's dedicated account to process the subscription.
2. After the fund's net asset value has been settled, the Fund Management shall calculate the difference between the actual total subscription amount and the advance total subscription amount (i.e., the total subscription amount difference). If the difference is a positive amount, the subscriber must pay the difference by 12:00 PM on the next business day following the subscription date to complete the subscription process. If the difference is a negative amount, the Management Company shall refund the total subscription amount difference, net of any remittance fees, to the subscriber within three (3) business days starting from the next business day after the subscription date, without interest. If the participating securities firm subscribes by consigned trading, it must inform the subscriber of the amount to be paid or refunded.

(vi.) Delivery of non-physical beneficiary certificates

After the issuance date of the Fund's beneficiary certificates, the Management Company must deliver the beneficiary certificates to the subscriber within seven (7) business days from the date the Fund Custodian has received the total subscription amount and any other payments due under the Trust Deed. This delivery should be done through book entry. The issuance (or delivery) of the Fund's beneficiary certificates must comply with the regulations set by the centralized securities depository enterprise in the fund's registration location. However, if there is any discrepancy or shortfall in the total subscription amount or other payments required by the Trust Deed, resulting in the failure to deliver or make up for the amount within the timeframe specified in the operational guidelines, the subscription will be considered unsuccessful, and the Management Company will not issue beneficiary certificates to the subscriber.

(vii.) Conditions for subscription cancellation

When a subscriber tends to cancel a subscription application, they must complete a "Cash Subscription Cancellation Application Form" and instruct the participating securities firm to cancel the application through the ETF trading operation transmission platform. The participating securities firm must notify the



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Management Company before the submission deadline on the subscription application date. After this deadline, the subscriber cannot make changes or cancel the application, unless agreed upon by the Management Company.

(viii.) Subscription application results

The Management Company should verify the advance total subscription amount received from the participating securities firm to determine whether the subscription application is successful or not. The results should be communicated to the ETF trading operation transmission platform on the same day as the subscription application, providing the participating securities firm with the relevant information for inquiry.

(ix.) Handling when the Management Company does not accept subscriptions

The Management Company has the discretion to decide whether to accept subscription applications for the Fund's beneficiary certificates. However, if the Management Company decides not to accept a subscription, they must notify the participating securities firm on the same day the subscription application is received.

**(IX.) Redemption of beneficiary certificates**

i. The Fund redemption procedure, location, and deadline

(i.) The Management Company should handle the redemption operations according to the Fund's "Operational Guidelines." From the Fund's listing date (inclusive) onwards, beneficiaries may instruct participating securities firms to apply with the Management Company for the redemption of the Fund's beneficiary certificates according to the procedures specified in the Trust Deed, in exchange for the total redemption amount to be paid to the beneficiaries. Participating securities firms may also submit redemption applications on their own behalf. Based on professional judgment, the Management Company may refuse to process redemptions under special circumstances to reduce the risk of inappropriate fluctuations in the fund's net value and to ensure the rights and interests of other beneficiaries and the safety of the Fund. However, if the Management Company does not accept a redemption, it should handle the matter according to the provisions outlined in the Fund's "Operational Guidelines."

(ii.) Beneficiaries, either directly (if the beneficiary is also the participating securities firm) or if through a participating securities firm, submits a redemption application to the Management Company, they should complete the "Cash Redemption Application Form" and related documents according to the regulations of the participating securities firm, enabling the firm to handle the redemption process accordingly. The participating securities firm must then input the redemption application data into the ETF trading operation transmission platform and transmit the information from the "Cash Redemption Application Form" to the Management Company, following the procedures specified in the fund's "Operational Guidelines."

(iii.) Redemption base

1. The Fund's redemption base is 500,000 beneficiary units. The number of beneficiary unit for each redemption must be the redemption base or a multiple thereof.
2. The net asset value of each redemption base, representing a certain number of beneficiary units, on any business day should be equal to the total net asset value of the fund divided by the total number of issued beneficiary units,

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multiplied by the number of beneficiary units represented by each redemption base.

3. If the Management Company deems it necessary, it may, after reporting to the FSC, adjust the number of beneficiary units represented by each redemption base for the Fund.
- (iv.) When a beneficiary applies to redeem the Fund's beneficiary certificates, the redemption request can include the beneficiary certificates held by the beneficiary on the redemption application date, certificates in transit from ordinary trades conducted on the day before the redemption application date, and/or borrowed certificates. However, these certificates must be delivered to the Fund within the timeframe specified by the fund's "Operational Guidelines." Additionally, the delivery and related operations of the redeemed beneficiary certificates to the fund should comply with the regulations set by the central securities depository enterprise in the Fund's registration location.
- (v.) Submission deadline for applications
1. The redemption application for the Fund must be submitted from 9:00 AM to 12:00 PM on each business day.
  2. Any redemption applications received after this deadline, unless the beneficiaries can prove they submitted before the cut-off time, will be considered as transactions for the next business day.
  3. In the event of force majeure, such as natural disasters or significant events that prevent normal operations, the Management Company may adjust the deadline. However, redemption transactions completed before the adjusted deadline will still be considered valid.
- ii. Calculation of redemption amount
- (i.) The Management Company should calculate the total redemption amount based on the redemption base amount or its multiples provided by the beneficiary on the next business day after the redemption date. Also, it should then notify the participating securities firm designated by the beneficiary in accordance with relevant regulations.
  - (ii.) The formula for calculating the total redemption amount for each redemption base amount is as follows:

**Total redemption amount = Redemption amount - Redemption service charge - Redemption transaction fee**

1. Redemption amount = Beneficiary units represented per repurchase basis x (The Fund's net asset value on the redemption date / Number of outstanding beneficiary units of beneficiary certificates of the Fund on the redemption date)
2. Redemption service charge = the Management Company may charge a redemption service charge for each redemption application. Redemption service charge is not included in the sub-fund's assets. The applicable fee rate may be adjusted by the Management Company based on the Fund's sales strategy, while the redemption service charge per beneficiary unit must not exceed 2% of the net asset value per beneficiary unit. **Currently, the redemption service charge is TWD5,000 per subscription base unit**

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**(including the redemption processing fee charged by TDCC and excluding the service charge charged by participating securities firms).**

3. Redemption transaction fee = Redemption amount × Redemption transaction fee rate

Currently, the Fund's redemption transaction fee rate is 0.4%. The abovementioned redemption transaction fee rate may be adjusted according to the condition of the securities market. The rate is capped at 2%. The rules specified in the latest prospectus shall apply subsequently.

(Note) The Fund's redemption transaction fee rates are calculated based on the rates and tax rate announced by Taiwan's securities and futures markets, which include but are not limited to the brokerage fee of Taiwan securities dealers ranging from 0.1% to 0.1425% (based on market rates), brokerage fee of Taiwan futures dealers ranging from 0.005% to 0.015% (based on market rates), futures transaction tax of 0.002% and securities transaction tax of 0.1% to 0.3%. The redemption transaction fee rate of the Fund will be adjusted according to the stock or futures positions held or traded in the Fund's investment portfolio.

### iii. Redemption failure

The beneficiary must deliver the beneficiary certificates within the timeframe specified by the fund's "Operating Guidelines" or by the Management Company. If the certificates are not delivered within the stipulated period, the redemption will be considered failed, and the Management Company will not provide the total redemption amount. The beneficiary must also instruct the participating securities firm to transfer the administrative processing fee to the Fund's designated account within two (2) business days after the redemption date. The administrative processing fee is included in the Fund's assets and is calculated according to the provisions set out in the latest prospectus.

The calculation standards for the aforementioned administrative processing fee are as follows:

If the net asset value of the Fund on the next business day after the redemption date is less than the net asset value on the redemption date, the formula for calculating the administrative processing fee is as follows:

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T : redemption date

T+1 net value < T net value

Administrative processing fee = redemption amount  $\times$  2%

If the net asset value of the Fund on the next business day after the redemption date is more than (or equal to) the net asset value on the redemption date, the formula for calculating the administrative processing fee is as follows:

T : redemption date

T+1 net value  $\geq$  T net value

Administrative processing fee = redemption amount  $\times$  [2%+ (T+1 net value of the Fund - T net value of the Fund / T net value of the Fund)]

iv. Payment timing and methods for redemption amount

Unless otherwise specified in the Trust Deed, the Management Company shall, within three (3) business days from the business day following the redemption date, instruct the Fund Custodian to pay the total redemption amount (without interest) to the beneficiaries via a registered, crossed, non-endorsable, non-transferable instruments or remittances. The fees for processing the payment, registered mail, remittance charges, and other necessary expenses may be deducted from the total redemption amount.

v. Reissuance of beneficiary certificates

The Fund's beneficiary certificates are issued in non-physical form, and no physical beneficiary certificates are printed. Therefore, there is no reissuance of beneficiary certificates.

vi. Circumstances for redemption cancellation

When a beneficiary intends to cancel a redemption application, he/she/it must complete a "Cash Redemption Cancellation Application Form" and instruct the participating securities firm to cancel the application with the Management Company through the ETF trading operation transmission platform. The participating securities firm must notify the Management Company before the submission deadline on the redemption application date. After this deadline, the beneficiary cannot make changes or cancel the application, unless agreed upon by the Management Company.

vii. Redemption application results

The Management Company should verify the contents of the "Cash Redemption Application Form" submitted by the participating securities firm, to determine whether the redemption application is successful or not. The results should be communicated to the ETF trading operation transmission platform on the same day as the redemption application, providing the participating securities firm with the relevant information for inquiry.

viii. Rejection or suspension of subscription or redemption applications; suspension of calculation of actual total subscription amount, total subscription amount differences,

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and redemption amount, delayed delivery of beneficiary certificates to be delivered upon subscription and total redemption amount.

- (i.) The Management Company has the authority to decide whether to accept subscription or redemption applications for the Fund. The Management Company must reject or temporarily suspend the acceptance of applications for subscription or redemption of the Fund upon the order of the FSC or in any of the following circumstances:
  1. In the presence of any of the circumstances listed in item 3 below;
  2. If, after professional assessment, the Management Company believes there is a risk that it will be unable to buy or sell the securities or futures positions or quantities required to meet the needs of the subscriber or beneficiary for their subscriptions or redemptions;
  3. From the announcement of the income distribution amount per beneficiary unit until the ex-dividend date (excluding that day), the Management Company has the right to refuse to accept subscriptions;
  4. In the presence of any of other special circumstances.
- (ii.) After accepting subscription or redemption applications for the Fund, the Management Company, upon receiving an order from the FSC or in the presence of any of the circumstances listed in item 3 below, and with FSC approval, may undertake the following actions:
  1. Suspend the calculation of the actual total subscription amount and total subscription amount differences, and delay the delivery of all or part of the beneficiary certificates;
  2. Not to suspend the calculation of the actual total subscription amount, only to delay the payment of all or part of the beneficiary certificates;
  3. Suspend the calculation of the redemption amount and delay the payment of all or part of the redemption amount;
  4. Not to suspend the calculation of the total redemption amount, only to defer payment of all or part of the total redemption amount.
- (iii.) The acts of the Management Company as described in the aforementioned 2. shall be based on any of the following circumstances, unless they are due to the order of the FSC:
  1. The TWSE, Taiwan Futures Exchange (the "TAIFEX"), or the TPEx ceases trading due to reasons other than regular holidays;
  2. Interruption in communication typically used;
  3. The weight of any component stock of the benchmark index suspended from trading on any business day equals to or exceeds 20% of the total weight of the benchmark index;
  4. The centralized securities depository enterprise in the Fund's registration location is unable to perform the book entry transfer or cancellation of beneficiary certificates;
  5. The index provider suddenly fails to provide the benchmark index or terminates the index licensing agreement;
  6. Other special circumstances preventing the acceptance of subscription or redemption requests, the calculation of the actual total subscription and

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redemption amount, or the delivery of beneficiary certificates and redemption amount.

- (iv.) On the next business day after the cessation of the circumstances described in item 3 that lead to the suspension of subscription or redemption applications for the Fund, suspension of calculations, or delay in payments, the Management Company should promptly resume the acceptance of subscription or redemption applications, resume calculations or payment procedures, and report this to the FSC.
- (v.) For subscriptions where the calculation of the actual total subscription amount, subscription amount differences, and redemption amount was suspended according to the provisions of item 2 above, the calculation of actual subscription amount, subscription amount differences, redemption amount, and the beneficiary certificates to be delivered shall be based on the cash subscription/redemption list announced on the first business day after the resumption of calculations. . The Management Company, subscribers, and beneficiaries must also adhere to the subscription or redemption applications submitted on the resumption calculation date, and deliver the actual subscription amount, redemption amount, or beneficiary certificates within the stipulated period as per the operational guidelines.
- (vi.) For cases where the payment of all or part of the redemption amount is delayed in accordance with the provisions of item 2 above, and if the calculation of the actual total subscription amount and redemption amount has not been suspended, starting from resumption of delivery of total subscription amount, the total redemption amount shall be paid based on the amount calculated by the Management Company on the original calculation date, with payment postponed for the actual number of days of delay announced by the Management Company. If the Management Company delays the payment of the redemption amount as described, beneficiaries may also delay the delivery of the Fund's beneficiary certificates according to the actual number of days of delay announced by the Management Company, and must proceed in accordance with the relevant regulations of the securities exchange or centralized securities depository enterprise.
- (vii.) The suspension and resumption of the acceptance of subscription or redemption applications, the suspension and resumption of the calculation of the actual total subscription amount and redemption amount, and the delay and resumption of the delivery of beneficiary certificates and total redemption amount aforementioned shall be announced in accordance with the provisions specified in Article 33 of the Fund's Trust Deed.
- ix. To cover the payment of the total redemption amount or to handle the settlement of securities, the Fund may, as per the FSC's regulations, obtain short-term loans from financial institutions through the Management Company. The Fund Custodian shall enter into a loan agreement with the lending financial institution on behalf of the Fund's dedicated account. The following provisions must be observed, and any amendments to relevant laws or regulations will take precedence:
  - (i.) The loan counterparties are limited to domestic and foreign financial institutions authorized to engage in lending activities, and may also include the Fund's Custodian.
  - (ii.) The loan period for paying the redemption total amount is limited to thirty (30) business days; the loan period for handling securities settlement is limited to fourteen (14) business days.
  - (iii.) The interest and related expenses incurred from the loan shall be borne by the Fund's assets.



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- (iv.) The total amount of the loan must not exceed 10% of the Fund's net asset value.
- (v.) If the loan counterparty of the Fund is the Fund Custodian or a party in which the securities investment trust enterprise has an interest, the terms of the loan transaction must not be less favorable than those offered by other financial institutions.
- (vi.) The liability of the Fund and the Fund Custodian is limited to the Fund's assets, while the beneficiaries' liability is limited to the amount they have invested in the Fund's beneficiary certificates.
- (vii.) When the Management Company decides to use a short-term loan mechanism to pay the redemption proceeds to beneficiaries or for the settlement of securities, it may negotiate the relevant terms and amount with the loan financial institution. After obtaining the consent of the Fund Custodian, the Management Company will sign the loan agreement with the financial institution in the name of the Fund's dedicated account, in accordance with the Trust Deed and relevant laws and regulations of the competent authority.
- x. When the Fund arranges short-term loans from financial institutions, the financial institutions may, if necessary, establish rights over the Fund's assets.

**(X.) Rights and Fees Undertaken by Beneficiaries**

- i. The various rights to which the beneficiaries are entitled
  - (i.) Beneficiaries may exercise the following rights in accordance with the provisions of the Fund's Trust Deed and based on the beneficial rights represented by the beneficiary certificates held.
    - 1. Right to claim for distribution of the remaining assets.
    - 2. Right to income distribution.
    - 3. Voting rights at beneficiary meetings.
    - 4. Other rights as specified by relevant laws and regulations and the Trust Deed.
  - (ii.) Beneficiaries may request to view the most recent version of the Trust Deed during business hours of the Management Company or fund sales agent and may obtain the following documents:
    - 1. A copy of the most recent revision of the Trust Deed. The Management Company or fund distributor may charge a fee for this service.
    - 2. The latest prospectus of the Fund.
    - 3. The most recent financial report of the Fund and the Management Company, audited or reviewed by a certified public accountant.
  - (iii.) Beneficiaries may request the Management Company and the Fund Custodian to perform their obligations as stipulated by the Trust Deed.
  - (iv.) Unless otherwise provided by relevant laws and regulations or the Trust Deed, beneficiaries have no other obligations or duties.
- ii. The various fees and expenses payable by beneficiaries and how these fees and expenses are calculated and to be paid.
  - (i.) Items of the expenses payable by the beneficiaries, and methods of calculation thereof

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Item	Calculation method or amount
<b>Management fee</b>	<p>According to the Fund's net asset value and the following rate, the management fee is calculated daily and accumulatively and paid each calendar month starting from the Fund's establishment date.</p> <p><b>(1) 0.30% per annum when the Fund's net asset value is TWD5 billion (inclusive) or less;</b></p> <p><b>(2) 0.25% per annum when the Fund's net asset value is more than TWD5 billion.</b></p>
<b>Custodian fee</b>	<p>The fee is calculated daily and accumulatively based on an annual rate of 0.035% of the Fund's net asset value and is paid each calendar month starting from the fund's establishment date.</p>
<b>Index licensing fee</b>	<p><b>(1) One-off index creation fee of TWD250,000 payable upon the effective date of the index licensing agreement.</b></p> <p><b>(2) From the Fund's listing date, the total amount calculated according to the following items is payable as licensing fees at the end of each calendar quarter. For periods less than a full calendar quarter, the fee will be calculated pro rata based on the actual number of days:</b></p> <p><b>A. 0.00875% of the daily average net assets for that calendar quarter; and</b></p> <p><b>B. A service management fee of TWD25,000 per calendar quarter;</b></p> <p><b>C. Index licensing fee of TWD75,000 per calendar quarter.</b></p> <p><b>(3) The index provider reserves the right to increase the aforementioned service management fee and index licensing fee by written notice to Management Company. However, the annual increase is limited to 20% of the previous year's level. The Management Company may terminate the index licensing agreement within thirty (30) days of receiving such written notice.</b></p>

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Item		Calculation method or amount
Listing fee and annual fee		The listing review fee is TWD100,000. The annual listing fee is 0.03% of the asset scale, up to TWD300,000. The most updated rules from TWSE shall apply to relevant fees.
Expenses due to securities lending		The Fund may lend securities. The relevant expenses to be borne shall be based on the securities lending contract signed by both parties.
Short-term borrowing fee		Borrowing interest and other expenses (including but not limited to setup fees or service charges) under the signed loan contract.
Expenses for beneficiaries' meeting <sup>(Note 1)</sup>		Expected to be no more than TWD1 million per meeting.
Other expenses <sup>(Note 2)</sup>		Based on actual expenses.
Subscription and redemption fees in the primary market	Subscription service charge (Before establishment date)	No more than 2% of the issuance price.
	Subscription service charge (Starting from listing date)	No more than 2% of the Fund's net asset value per beneficiary unit. Currently, the subscription service charge is TWD5,000 per subscription base unit <sup>(Note 3)</sup> (including the subscription processing fee charged by the TDCC and excluding the service fee charged by participating securities firms).
	Subscription transaction fee	Actual subscription amount × subscription transaction fee rate: Currently, the Fund's subscription transaction fee rate is 0.1%. The abovementioned subscription transaction fee rate may be adjusted according to the condition of the securities market and the holdings of the investment portfolio. The rate is capped at 2%. The rules specified in the latest prospectus shall apply.
	Redemption service charge	No more than 2% of the Fund's net asset value per beneficiary unit. Currently, the redemption service charge is TWD5,000 per subscription base unit <sup>(Note 3)</sup> (including the redemption processing fee charged by the TDCC and excluding the service fee charged by participating securities firms).

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Item		Calculation method or amount
	<b>Redemption transaction fee</b>	<b>Redemption transaction fee = Redemption amount × redemption transaction fee rate: Currently, the Fund's redemption fee rate is 0.4%. The abovementioned redemption transaction fee rate may be adjusted according to the condition of the securities market. The rate is capped at 2%. The rules specified in the latest prospectus shall apply.</b>
	<b>Redemption fee</b>	<b>Nil</b>
	<b>Redemption request processing fee</b>	<b>Nil</b>
	<b>Redemption fee for short-term trading</b>	<b>Nil</b>
	<b>Administrative processing fees</b>	<b>Administrative processing fees shall be charged to subscribers if a subscription has failed or to a beneficiary if a redemption has failed.</b>

Note 1: Beneficiaries' meetings are not convened annually so the expense may not incur every year.

Note 2: Including direct costs such as commissions for acquisition or disposal of the Fund's assets, securities trading fees, auditing and review fees for financial reports and necessary expenses; all taxes payable by the Fund; liquidation expenses and litigation or non-litigation fees.

Note 3: The Fund's base unit for subscription/redemption is 500,000 beneficiary units.

(ii.) Payment of fees by beneficiaries

**Except for subscription service charge and subscription transaction fees, which are to be paid at the time of subscription, and redemption service charge and redemption transaction fees, which are to be paid at the time of redemption, all other fees will be covered by the Fund's assets.**

(iii.) The benchmark license fee is specified in the prospectus. If there are changes to the benchmark index licensing fees, such changes must be agreed upon by both the SITE and the index provider before implementation. If either party disagrees, the fees will not be changed, and this will not affect the Fund's operations or investor interests. If the index licensing fees are agreed by both parties to be changed, the SITE will handle the process according to regulations, and investors should refer to the prospectus for details.

iii. The various taxes to be borne by beneficiaries and how these taxes are calculated and to be paid.

Tax matters for the Fund are subject to Ruling Ref. Tai-Cai-Shui No. 811663751 dated April 23, 1992, from the Ministry of Finance, Ruling Ref. Tai-Cai-Shui-Zi No. 0910455815 dated November 27, 2002, from the Ministry of Finance, and other

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relevant laws and regulations. However, if these regulations are amended, the amended provisions will apply. ※The following description is based on the Taiwan tax regulations effective as of the date of the Fund's prospectus. It is a general overview and may not cover the tax responsibilities of all types of investors in the Fund. The content and interpretation of relevant regulations are subject to change, and investors should not rely solely on this description.

- (i.) Securities transactions income tax (For corporate beneficiaries, the following points (1) to (3) shall be subject to the alternative minimum tax):
  - 1. During the period when the securities transactions income tax is suspended, any securities transaction income generated by the Fund may remain exempt from income tax in the subsequent distribution year. (If the tax is reinstated in the distribution year, it must be asserted that the distributed securities transaction income was generated during the suspension period.)
  - 2. During the period when the securities transaction income tax is suspended, any income derived from the transfer or redemption of the Fund's beneficiary certificates by the certificate holders is exempt from income tax.
  - 3. During the liquidation of the Fund, any remaining assets distributed to the beneficiaries that include securities transaction income exempt from the securities transaction income tax will continue to be exempt from income tax under the suspension provisions.
- (ii.) Securities transaction tax:
  - 1. When a beneficiary transfers beneficiary certificates, the securities transaction tax should be collected by the transferee on behalf of the transferor.
  - 2. When a beneficiary applies for redemption or returns beneficiary certificates for cancellation during the liquidation of the Fund, it is not considered a securities transaction, and therefore, no securities transaction tax is required.
- (iii.) Stamp duty:
 

The subscription, redemption, and transfer documents related to beneficiary certificates are exempt from stamp duty.
- (iv.) The Fund must pay taxes on income generated from assets and transactions in each country or region of investment, in accordance with the relevant laws and regulations of each investment location.
- (v.) In accordance with Ministry of Finance Ruling Ref. Tai-Cai-Shui-Zi No. 09604514330 dated April 26, 2007, Ministry of Finance Ruling Ref. Tai-Cai-Shui-Zi No. 10104656530 dated December 13, 2012, Paragraph 6, Article 3-4 of the Income Tax Act, and other relevant laws and regulations, for the rights and interests of beneficiaries, the Management Company may handle tax matters related to Fund investments on behalf of its beneficiaries. The Fund may provide a list of beneficiaries (include name of beneficiaries, ID numbers or business registration numbers, addresses, and the number of beneficiary units held) to the National Taxation Bureau in the jurisdiction where the Management Company is registered. The Fund will apply for a certificate confirming the proportion of beneficiary units held by residents of the country in relation to the total number of units issued by the Fund, in order to comply with regulations under the " Agreement for the Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance " and to protect the rights and interests of the Fund's beneficiaries.
- (vi.) The distribution of dividends from the Fund includes income equalization funds from subscription amount. Beneficiaries may be required to pay income tax or

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calculate business income tax under the "Income Basic Tax Act." It is advisable to consult a tax expert for guidance on this matter and to calculate any taxes that may be due.

iv. Beneficiaries' meeting

(i.) Circumstances in which meetings are convened.

The Management Company or Fund Custodian must convene a beneficiary meeting under the following circumstances, unless otherwise provided by the Fund's Trust Deed and approved by the FSC:

1. Amendments to the Fund's Trust Deed, unless otherwise provided in the Fund's Trust Deed or if the Management Company determines that the amendment does not materially affect the rights and interests of the beneficiaries, and subject to the approval of the FSC;
2. Change of Management Company.
3. Change of Fund Custodian.
4. Termination of the Fund's Trust Deed.
5. Increase in Management Company or Fund Custodian fees.
6. Materially change the fundamental approach and scope of the Fund's investment in securities or trading in securities-related products.
7. An index provider ceases to provide the benchmark index and provides an alternative index instead.
8. In the event that the index provider ceases to compile the benchmark index or the index license agreement is terminated, the Management Company shall negotiate with other index providers to provide a replacement benchmark index.
9. In the event that the index provider ceases to provide the benchmark index due to unexpected credit events, terminates the index license agreement or any other circumstances which may appear to be detrimental to the rights and interests of the beneficiaries, the Management Company shall request other index providers to provide alternative benchmark indexes.
10. Other matters as may be ordered by laws and regulations, as provided in the Fund's Trust Deed or as directed by the FSC.

(ii.) Procedure for convening meetings

1. A beneficiary meeting shall be convened by the Management Company in the event of an event that should be resolved at a beneficiary meeting in accordance with a laws or regulations or the provisions of the Fund 's Trust Deed. If the Management Company cannot or does not convene such a meeting, the Fund Custodian shall convene such a meeting. If the Fund Custodian cannot or does not convene a meeting, the provisions of the Fund Trust Deed shall apply or the beneficiary may convene a meeting on its own initiative. In the event that neither is able to convene the meeting or does not convene the meeting, a person designated by the FSC may do so. Beneficiaries may also convene a meeting on their own after submitting a written proposal and reasons to the FSC for approval.
2. Beneficiaries convening a beneficiary meeting on their own shall be those beneficiaries who continue to hold the beneficiary certificates of the Fund for one (1) year or more and whose number of beneficiary units represented for



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three (3) percent or more of the total number of outstanding beneficiary units of the Fund at the time of the proposal.

- (iii.) Methods by which resolutions are passed.
  - 1. The beneficiary meeting may be convened either in writing or by in-person attendance. If the beneficiary meeting is convened in writing, beneficiaries may exercise their voting rights either in writing or electronically, according to the method specified in the meeting notice. When beneficiaries exercise their voting rights in writing, they should use the written documents (including ballots) issued by the convener of the beneficiary meeting. The documents should be signed or sealed using the original signature or stamp and delivered to the designated place by mail or in person. When beneficiaries exercise their voting rights in writing or electronically, their expressions of intent should be delivered to the designated place at least two (2) days before the beneficiary meeting. In the case of multiple submissions, the earliest received submission will be considered valid. However, this does not apply to expressions of intent for withdrawal of previous submission.
  - 2. Resolutions at the beneficiary meeting of the Fund, unless otherwise specified by the FSC, must be passed by the presence of beneficiaries holding half of the total issued beneficiary units or more and must receive approval from half of the total voting rights or more of the attending beneficiaries. The following matters may not be introduced as extempore motions at the beneficiary meeting:
    - (1.) Change of Management Company or Custodian.
    - (2.) Termination of the Fund's Trust Deed.
    - (3.) Change of type of the Fund.
- (iv.) If any of the situations described in items (7) through (9) of the aforementioned section occur, the Fund may continue to hold or maintain the investment portfolio as of the actual cessation date of the benchmark index until the alternative index license begins.
- (v.) In the situations described in items (7) through (9) of the aforementioned section, if the index provider or licensor ceases to provide the benchmark index due to bankruptcy, dissolution, suspension of operations, cessation of business, or merger, and if the FSC approves the exemption from convening a beneficiary meeting, the Fund may directly approach other index providers or licensors to provide an alternative benchmark index.
- (vi.) The beneficiary meeting shall be conducted in accordance with the "Regulations Governing Securities Investment Trust Fund Beneficiaries Meetings."

## **(XI.) Fund Information Disclosure.**

- i. The information required by laws and regulations or by the securities investment trust deed to be disclosed.
  - (i.) The matters that the Management Company or the Fund Custodian should notify the beneficiaries of are as follows:
    - 1. Amendments to the Fund's Trust Deed. However, if the amendments do not have a material impact on the beneficiaries' rights and interests, notification to the beneficiaries may be substituted with an announcement.
    - 2. Matters related to the Fund's income distribution.
    - 3. Changes in the Management Company or Fund Custodian.

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4. Beneficiary certificates of the Fund are listed or delisted.
5. Termination of the Fund's Trust Deed and matters related to the handling of the Fund following its termination.
6. Matters related to the distribution of remaining assets upon the liquidation of the Fund and the results of the liquidation process.
7. Matters related to convening the beneficiary meeting and resolutions.
8. Termination of the index licensing agreement, changes to the benchmark index, or changes to the index provider.
9. Material events related to the Fund's benchmark index that have a material impact on beneficiaries.

[Examples for scope of material matters]

- (1.) Material adjustments to the methodology of the benchmark index that involve changes to the Fund's product positioning.
  - (2.) The index provider intends to cease the calculation or publication of the benchmark index.
  - (3.) Other matters that are required to be notified according to relevant laws and regulations, orders from the FSC, or those deemed necessary for notification by the Management Company.
10. Matters of material impact on Fund beneficiaries (including, but not limited to, "Special Circumstances" as specified in Article 17 (Basic principles and scope for investing in securities and engaging in securities-related product transactions for this Fund), Subparagraph 4, Paragraph 1, of the Trust Deed, which allows the fund to operate outside of the originally specified investment proportion limits).
  11. Other matters that are required to be notified to the beneficiaries in accordance with relevant laws and regulations, instructions from the FSC, the Fund's Trust Deed, participation agreements, regulations from the TWSE, the TDCC, or matters deemed necessary for disclosure by the Management Company or the Fund Custodian.
- (ii.) The matters that the Management Company or the Fund Custodian should announce are as follows:
1. The matters mentioned in item 1.
  2. To announce the net asset value per beneficiary unit of the Fund as of the previous business day on each business day.
  3. Announcements of the Fund's cash subscription/redemption list for the next business day on each business day.
  4. Announcements of the Fund's investment holdings by sector, made on a weekly basis.
  5. Monthly announcements of the types, names, and proportions of the Fund's top ten holdings relative to the Fund's net asset value; quarterly disclosure of the

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types, names, and proportions of individual holdings that constitute at least 1% of the Fund's net asset value.

6. Suspension and resumption of subscription or redemption operations for the Fund; suspension and resumption of calculating the actual total subscription amount, differences in subscription amount, and redemption amount, as well as delays and resumption of the delivery of subscription units and total redemption amount.
7. Changes in the principal place of business of the Management Company or Fund Custodian.
8. The semi-annual and annual financial reports of the Fund.
9. Situations where "special circumstances" as defined in Subparagraph 4, Paragraph 1, Article 17 of the Trust Deed occur, allowing the Fund to operate outside of the investment proportion limits specified in Subparagraph 2 of the same paragraph, and matters following the end of these special circumstances.
10. Other matters that are required to be announced according to relevant laws and regulations, instructions from the FSC, the Trust Deed, or those deemed necessary for disclosure by the Management Company, the TWSE, or the Fund Custodian.
11. Other material matters that should be announced, such as long-term issues with the Fund's securities or securities related products that prevent delivery, transfer, offset, or retrieval of margin; material discrepancies between the number of component stocks or exposure ratios of the Fund's futures transactions and those of the component stocks or exposure ratios of the benchmark index it tracks; and adjustments to the Fund's component stocks and futures positions that result in a material difference in the tracking difference between the Fund's performance and the performance of the benchmark index.

The contents and proportions required to be published under items (4) and (5) aforementioned shall be adjusted according to any amendments to relevant laws or regulations or relevant rules.

**[The material discrepancies referred to in item (11) above are defined as follows]**

- (1.) **"Material discrepancies between the number of component stocks or exposure ratios of the Fund's futures transactions and those of the component stocks or exposure ratios of the benchmark index it tracks."** A material discrepancy is defined as the situation where, except for the five (5) business days before and after the effective date of periodic adjustments to the index components, the number of component stocks held by the Fund is less than 90% of the number of component stocks in the benchmark index. (Note: Since the benchmark index is composed of a fixed number of 30 component stocks, a significant discrepancy occurs when the Fund holds less than 27 of these component stocks.)
- (2.) **"Adjustments to the Fund's component stocks and futures positions that result in a material discrepancies in the tracking discrepancies between the Fund's performance and the performance of the benchmark index."** A material discrepancy is defined as a situation where the Fund's performance accumulated over the last five (5)

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**business days lags the benchmark index's performance by more than 3% (i.e., a tracking discrepancy of less than -3% over the last five (5) business days is considered material discrepancies).**

- ii. How the information is disclosed and published and how to obtain the information
  - (i.) Notification or announcement to beneficiaries, unless otherwise provided by laws and regulations from the FSC, the TPEx, or other relevant laws and regulations, shall be made in the following manner
    1. Notification: Should be sent by mail to the communication address listed in the beneficiary register of the Fund. If a representative is designated, the notification should be sent to the representative. However, if agreed upon by the beneficiary or as previously arranged, notification may be made via fax or electronic means. When there is a change in the beneficiary's communication details, the beneficiary should promptly update the records with the Management Company or the service agency. Notifications by the Management Company or liquidator, in accordance with the Fund's Trust Deed, will be considered legally delivered if sent by the communication method listed in the beneficiary register.
    2. Announcement: Except for cash subscription and redemption lists, which are to be posted on the Management Company's website, all other matters may be published in any major newspaper in the ROC, or transmitted via the MOPS, the industry association's website, the Management Company's website, or other methods designated or approved by the FSC.

**The Management Company hereby announces the following information related to the Fund:**

- (1.) The Fund announces the following relevant information on the TWSE's MOPS at the website <http://mops.twse.com.tw>:
  - a. Basic information of the Fund upon its initial listing, including the net asset value per beneficiary unit calculated as of the day before listing, the total number of beneficiary units, and the Fund's net asset value.
  - b. Announcements of the net asset value per beneficiary unit of the Fund as of the previous business day, made each business day.
  - c. The semi-annual and annual financial reports of the Fund.
  - d. Announcements of the Fund's investment holdings by sector, made on a weekly basis.
  - e. The prospectus of the Fund.
  - f. Announcements and resolutions related to beneficiary meetings of the Fund.
  - g. Material events related to the Fund's benchmark index that have a material impact on beneficiaries.
  - h. Other material matters that should be announced, such as long-term issues with the Fund's securities or securities related products that prevent delivery, transfer, offset, or retrieval of margin; material discrepancies between the number of component stocks or exposure ratios of the Fund's futures transactions and those of the component stocks or exposure ratios of the benchmark index it tracks; and adjustments to the Fund's component stocks and futures positions

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that result in a material difference in the tracking difference between the Fund's performance and the performance of the benchmark index.

- i. Other material information items that comply with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Trust Enterprises with TWSE Listed Beneficiary certificates and Offshore Fund Institutions" and the "Taiwan Stock Exchange Corporation Rules Governing the Information Reporting of Listed Securities Companies and Offshore Index Funds."
- (2.) The Fund announces the following relevant information on the "Securities Investment Trust and Consulting Association of the Republic of China" website (<https://www.sitca.org.tw>):
- a. The net asset value per beneficiary unit of the Fund as of the previous business day, published daily.
  - b. Amendments to the Fund's Trust Deed.
  - c. Matters related to the Fund's income distribution.
  - d. Changes in the Management Company or the Fund Custodian.
  - e. Changes in the principal place of business of the Management Company or the Fund Custodian.
  - f. Monthly announcements of the Fund's investment holdings by sector, made on a weekly basis.
  - g. Announcements of the types, names, and proportions of the Fund's top ten holdings relative to the Fund's net asset value; quarterly disclosure of the types, names, and proportions of individual holdings that constitute at least 1% of the Fund's net asset value.
  - h. Suspension and resumption of subscription or redemption operations for the Fund; suspension and resumption of calculating the actual total subscription amount, differences in subscription amount, and redemption amount, as well as delays and resumption of the delivery of beneficiary certificates to be delivered for subscription and total redemption amount.
  - i. Termination of the Fund's Trust Deed and matters related to the handling of the Fund following its termination.
  - j. Announcements related to convening beneficiary meetings of the Fund and the content of resolutions.
  - k. Matters related to the distribution of remaining assets upon the liquidation of the Fund and the results of the liquidation process.
  - l. Material events related to the Fund's benchmark index that have a material impact on beneficiaries.
  - m. Other material matters that should be announced, such as long-term issues with the Fund's securities or securities related products that prevent delivery, transfer, offset, or retrieval of margin; material discrepancies between the number of component stocks or exposure ratios of the Fund's futures transactions and those of the component stocks or exposure ratios of the benchmark index it tracks; and

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**adjustments to the Fund's component stocks and futures positions that result in a material difference in the tracking difference between the Fund's performance and the performance of the benchmark index.**

**n. Other matters that are required to be announced in accordance with relevant laws and regulations, instructions from the FSC, the Fund's Trust Deed, participation agreements, regulations from the TWSE, the TDCC, or matters deemed necessary for disclosure by the Management Company or the Fund Custodian.**

**3. Published in any major newspaper in the ROC: Matters not covered by 1. or 2. shall be published in a newspaper.**

(ii.) The date of delivery for notifications and announcements shall be as follows:

1. For notifications made according to the method described in (1) above, the delivery date shall be the day after the mailing date for postal notifications, and the date of transmission for other methods.
2. For announcements made according to the method described in (2) above, the delivery date shall be the date of the first publication or the date of data transmission.
3. When both methods described in 1. and 2. are used simultaneously, the delivery date shall be the later of the two occurrences.

(iii.) When beneficiaries notify the Management Company, Fund Custodian, or service agent, such notifications should be made in writing and sent via registered mail.

(iv.) Methods for investors to obtain the latest fund information, such as index composition adjustments, comparisons of the Fund and index performance, and other material information:

1. Index Composition Adjustment Information: Investors can query or obtain this information on the Taiwan Index Plus Corporation website (<https://www.taiwanindex.com.tw/>).
2. Latest Fund information such as Fund performance, estimated net asset values, subscription/redemption lists, and other material information will also be published on the Management Company's website (<https://www.kgifund.com.tw/Home/ETF>).
3. Real-time quotes and trend charts of index.

	Benchmark Index	Index Code
Name in Chinese and English	臺灣指數公司特選臺灣上市上櫃多因子優選高股息 30 指數 (TIP Customized Taiwan Multi-factor High Dividend 30 Index)	IX0171
Abbreviation in Chinese and English	臺灣多因子優選高股息 30 指數 (TIP Taiwan MFHD30 Index)	



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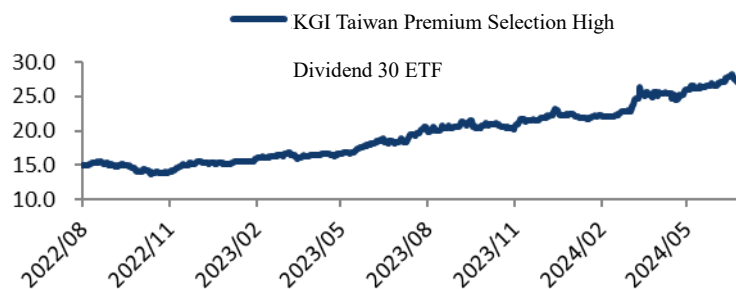
## (XII.) Use of assets by the Fund

### i. Status of investments

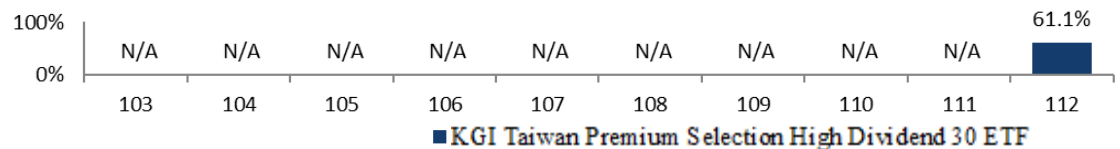
- (i.) The components of total net assets, amount and ratio: Please refer to [Appendix 5].
- (ii.) Investing in a single stock that accounts for one percent of the Fund's net assets value or more: Please refer to [Appendix 5].
- (iii.) Investing in a single bond the amount of which accounts for one percent of the Fund's net assets value more than: Please refer to [Appendix 5].
- (iv.) Investing in a single beneficiary certificate the amount of which accounts for one percent of the Fund's net assets value or more: Please refer to [Appendix 5].

### ii. Investment performance

- (i.) Net asset value during the most recent ten (10) years (Data as of June 30, 2024)



- (ii.) Fund distribution amounts during the most recent ten (10) years: Please refer to [Appendix 5.]
- (iii.) Annual rate of return of the Fund's net asset value during the most recent ten (10) years (Data as of June 30, 2024)



- (iv.) Cumulative return on Fund net asset value (Data as of June 30, 2024)

Fund's name	3 months	6 months	1 year	3 years	5 years	10 years	Since inception
KGI Taiwan Premium Selection High Dividend 30 ETF	9.71%	28.64%	65.90%	-	-	-	109.34%
Performance of Benchmark Index (TWD)	9.72%	28.70%	65.90%	-	-	-	-

Note 1: Cumulative returns: As of the date hereof, cumulative returns (including the distributed income) of the net assets on the basis of the most recent three months, most recent six months, most recent one year, most recent three years, most recent

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five years, most recent ten years and as of the data date since the establishment date of the Fund.

Note 2: Performance of the benchmark index: including dividends.

Note 3: Distributed incomes assumed to be reinvested in the Fund.

- iii. Expense ratio for each of the most recent five (5) fiscal years: Please refer to [Appendix 5].
- iv. CPA audit reports, statements of net asset value, statements of investments, and statements of changes in net asset value with footnotes, of the Fund for each of the most recent two (2) fiscal years: : Please refer to [Appendix 6.]
- v. Names of the top five securities firms for trading securities, and the amount and the service charge paid to the securities firms: Please refer to [Appendix 5.]

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## **II. Key Provisions of the Securities Investment Trust Deed**

### **(I.) Fund Name, Management Company Name, Fund Custodian Name, and Fund Duration**

- i. Fund name: KGI Taiwan Premium Selection High Dividend 30 ETF Fund
- ii. Management Company name: KGI Securities Investment Trust Co. Ltd.
- iii. Fund Custodian name: Chang Hwa Commercial Bank, Ltd.
- iv. The duration of the Fund is indefinite; upon the termination of the deed of the Fund ("Trust Deed"), the Fund's duration shall be deemed to have expired.

### **(II.) Total Face Value of Fund Issuance and Total Number of Beneficiary units**

For details, please refer to [I. Fund Overview] (I). ii and [I. Fund Overview] (I). iii.

### **(III.) Issuance and Certification of Beneficiary Certificates**

- i. Issuance of beneficiary certificates
  - (i.) The Management Company shall issue beneficiary certificates only after the report to the FSC for effective registration and shall make announcement in a daily newspaper or in a manner specified by the FSC before the commencement of offering. Beneficiary certificates of the Fund may not be issued before the Fund's establishment date. The issuance date of the Fund's beneficiary certificates must be issued no later than thirty (30) days from the Fund's establishment date, and prior to the commence date of listing/trading of the Fund.
  - (ii.) Beneficiary certificates represent beneficial rights. The number of beneficiary units represented by each certificate shall be rounded to the nearest whole number.
  - (iii.) The beneficiary certificates of the Fund are registered and issued in non-physical form; no physical certificates will be printed.
  - (iv.) Except for joint ownership due to inheritance, each beneficiary certificate may have only one beneficiary.
  - (v.) In cases of joint ownership of beneficial rights due to inheritance, a representative must be appointed to exercise the beneficial rights.
  - (vi.) Where the beneficiary is a government entity or juristic person, a natural person must be appointed to represent and exercise the beneficial rights.
  - (vii.) After the issuance date of the beneficiary certificates of the Fund, the Management Company shall deliver the certificates to the subscriber by book entry within seven (7) business days from the date when the Fund Custodian receives the full total subscription amount and any other payables under the Trust Deed. The delivery of the beneficiary certificates must comply with the regulations of the centralized securities depository enterprise in the Fund's place of registration. However, if there is any discrepancy or shortfall in the advance subscription amount, other payables under the Trust Deed, or other amount, which cannot be delivered or made up within the timeframe prescribed by operational guidelines, the subscription shall be deemed unsuccessful, and the Management Company will not issue the beneficiary certificates to the subscriber.
  - (viii.) The beneficiary certificates of the Fund are issued in non-physical form and shall be handled in accordance with the following provisions.
    1. Where the Management Company issues beneficiary certificates without printing physical securities but delivers them through book entry, it shall comply with the Regulations Governing Book-Entry Operations for Centrally

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Deposited Securities and the related provisions of the centralized securities depository enterprise.

2. The Fund does not print physical securities representing beneficial rights, so certification is not required.
3. All beneficiary certificates of the Fund are issued in non-physical form, so beneficiaries may not request to retrieve physical certificates.
4. The rights and obligations between the Management Company and the Taiwan Depository & Clearing Corporation ("TDCC") shall be governed by the account opening agreement and the open-end beneficiary certificate payment/collection agreement signed by both parties.
5. Before the Fund is listed, the Management Company shall submit the beneficiary information to the TDCC for registration.
6. Before the Fund's establishment, if a beneficiary subscribes through the Management Company or a fund sales agent, the beneficiary certificates will be registered in the Management Company's custody book-entry account at the TDCC, or may be designated to a book-entry account opened by the beneficiary with the Management Company or a securities firm. However, if the beneficiary subscribes through a non-discretionary monetary trust or wealth management account of the fund sales agent, the beneficiary certificates may be registered in a book-entry account opened under that specific account with the TDCC.
7. Subscriptions or redemptions of beneficiary certificates by beneficiaries through corresponding securities firms, as well as trading of such certificates after the Fund is listed, shall be conducted in accordance with the relevant regulations set by the TDCC or the TWSE.

(ix.) Other matters related to beneficiary certificates shall be handled in accordance with the 'Regulations Governing Matters Related to Beneficiary certificates.'

ii. Certification of beneficiary certificates

The Fund does not print physical certificates representing beneficial rights, so no certification is required.

**(IV.) Subscription Before the Fund's Establishment and Trading Restrictions After the Establishment but Before the Fund's Listing**

For details, please refer to [I. Fund Overview] (VIII). i and [I. Fund Overview] (VIII). ii.

**(V.) Subscription of beneficiary units from the Fund's Listing Date**

- i. Unless otherwise specified by the competent authority or the stock exchange, the Management Company shall, starting from one business day before the Fund's listing date, determine and announce the "Cash Subscription/Redemption List" for the following business day after the net asset value of the Fund is calculated and completed every business day.
- ii. The "Cash Subscription/Redemption List" mentioned in the previous paragraph shall be publicly announced on the Management Company's website.
- iii. From the listing date, subscribers may, on any business day, appoint participating securities firms to submit subscription applications to the Management Company in accordance with the procedures specified in the Trust Deed and operational guidelines. Participating securities firms may also make subscriptions on their own behalf. The Management Company has the authority to decide whether to accept the subscription.

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If the Management Company decides not to accept a subscription, it must handle the matter in accordance with the relevant provisions of the operational guidelines.

- iv. The actual total subscription amount for each subscription by a subscriber consists of the actual subscription amount on the Fund's subscription date plus the subscription transaction fees and subscription processing fees set by the Management Company. The Management Company will calculate the total amount that the subscriber is actually required to pay on the business day following the subscription date. The calculation standards for the subscription transaction fees and subscription processing fees shall be handled according to the latest prospectus.
- v. Subscribers must pay the advance total subscription amount, as disclosed in the Management Company's "Cash Subscription/Redemption List" for each business day, based on the subscription base or its multiples. The advance subscription amount must be deposited into the Fund's designated account on the subscription date. The Management Company will then calculate the difference between the actual total subscription amount and the advance subscription amount. If the difference is positive, the subscriber must pay the difference to the Fund within the deadline specified in the operational guidelines to complete the subscription process. If the difference is negative, the Management Company must refund the difference to the subscriber in accordance with the relevant provisions of the operational guidelines.
- vi. Subscribers may appoint participating securities firms to handle the subscription of the Fund's beneficiary certificates. The Management Company agree that participating securities firms may charge a handling fee for each subscription application to cover the costs of processing cash subscriptions. The handling fees charged by participating securities firms are not included in the Fund's assets.
- vii. The Management Company may charge a subscription processing fee for each subscription. The subscription processing fee of the Fund's beneficiary certificates is not included in the Fund's assets. The subscription processing fee per beneficial unit may not exceed 2% of the net asset value per beneficiary unit of the Fund.
- viii. After a subscriber submits a subscription request, they must pay the advance total subscription amount, total subscription amount differences, and any other payables under the Trust Deed as per the subscription base or its integral multiple within the deadline specified in the operational guidelines. Failure to do so will be considered a failed subscription. The Management Company shall, in accordance with the operational guidelines, deduct administrative processing fees from the advance subscription amount paid by the failed subscriber on the subscription date, and refund the remaining amount to the subscriber's designated remittance account within three (3) business days starting from the next business day after the failed subscription. The standard for the administrative processing fee payment shall be calculated according to the operational guidelines.
- ix. Subscribers submit their subscription requests to the Management Company, while the Management Company has the discretion on whether to accept the subscription for beneficiary units. Unless otherwise agreed upon by the Management Company, subscription requests may not be withdrawn after the deadline specified in the operational guidelines.
- x. The procedures, workflow, and related matters for subscriptions to the Fund, unless otherwise specified in the Trust Deed, shall be handled in accordance with the operational guidelines.

## **(VI.) Lending of Securities Held by the Fund**

For details, please refer to [I. Fund Overview] (IV). ix.

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**(VII.) Establishment, Non-Establishment, and Listing or Delisting of the Fund's Beneficiary certificates**

- i. The condition for the establishment of the Fund is that, according to Paragraph 2, Article 3 of the Trust Deed, the minimum required amount of TWD200 million must be raised within thirty (30) days from the offering commencement date.
- ii. When the Fund meets the conditions for establishment, the Management Company shall immediately report to the Financial Supervisory Commission ("FSC"). The Fund may only be established after receiving recordation approval from the FSC.
- iii. If the Fund is not established, the Management Company shall immediately instruct the Fund Custodian to refund the subscription amount and interest to the subscribers within ten (10) business days from the date the Fund fails to establish. The refund shall be made through a registered, crossed, non-endorsable, non-negotiable note or remittance in favor of the subscribers. The interest shall be calculated from the day after the Fund Custodian receives the subscription amount until the day before the refund is made, based on the Fund Custodian's savings deposit interest rate. The interest shall be rounded to the nearest New Taiwan Dollar (TWD), with amounts less than one TWD rounded up.
- iv. If the Fund is not established, the Management Company, fund sales agents, and Fund Custodian shall not be entitled to any compensation. All expenses paid for the Fund shall be borne severally by the Management Company, fund sales agents, and Fund Custodian. However, the registered mail post fees or remittance fees for refunding the subscription amount and its interest shall be borne by the Management Company.
- v. After the Management Company has raised the minimum required offering amount for the Fund and reported to the FSC for establishment approval, it shall, in accordance with laws and the regulations and requirements of the TWSE, apply with the TWSE for the fund's listing on the centralized trading market. The reference price for auction trading for the initial public offering of the Fund's beneficiary certificates shall be based on the latest net asset value per beneficiary unit calculated from the Fund's income as of the last business day before the listing as reference, and shall be handled according to the regulations of the TWSE. After the listing of the Fund's beneficiary certificates, the Management Company may appoint a service agent to handle beneficiary certificate related matters.
- vi. The listing and trading of the Fund's beneficiary certificates shall be conducted in accordance with the relevant regulations of the TWSE.
- vii. The listing of the Fund will be terminated under the following circumstances:
  - (i.) Upon termination of the Trust Deed in accordance with Article 26 of the Fund's Trust Deed; or
  - (ii.) The Fund has grounds for termination of listing as specified by the stock exchange, and the TWSE applies with the FSC for approval of termination of listing.

**(VIII.) Assets of the Fund**

- i. All assets of the Fund must be kept separate from the Management Company's and Fund Custodian's own assets. The Fund Custodian, in accordance with the trust relationship and under the Management Company's instructions, shall handle the safekeeping, disposal, and collection/payment of the Fund's assets. The Fund's assets should be registered under the name "Chang Hwa Commercial Bank, Ltd. Custody Account for KGI Taiwan Premium Selection High Dividend 30 ETF" after reporting to the FSC for



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effective registration, and may be abbreviated as "KGI Taiwan Premium Selection High Dividend 30 ETF Account."

- ii. Regarding liabilities incurred by the Management Company and the Fund Custodian related to their own assets, creditors may not make any claims against or exercise any rights over the assets of the Fund, in accordance with Article 21 of the Securities Investment Trust and Consulting Act.
- iii. The Management Company and the Fund Custodian shall prepare separate account documents for the Fund, such that the Fund is independent from the Management Company's and the Fund Custodian's own property.
- iv. The following properties are assets of the Fund:
  - (i.) Assets paid by beneficiaries for subscriptions (excluding subscription processing fees).
  - (ii.) All assets purchased by the Fund.
  - (iii.) Interest earned, securities rights derived, and capital gains from the assets mentioned in Subparagraphs 1 and 2.
  - (iv.) Interest accrued before the payment of the total amount of each income distribution, after the amount has been independently accounted for.
  - (v.) Any benefits obtained by the Fund due to the expiration of statutory limitation of claims of beneficiaries or other third parties against the Fund.
  - (vi.) Transaction fees for subscriptions and redemptions.
  - (vii.) Administrative processing fees for failed subscriptions or redemptions.
  - (viii.) Other assets of the Fund as specified by laws and regulations or the Trust Deed
- v. The assets of the Fund may not be disposed of unless in accordance with the provisions of the Trust Deed or other laws and regulations of the ROC.

#### **(IX.) Expenses to be Borne by the Fund**

- i. The following expenditures and costs shall be borne by the Fund and paid by the Fund Custodian as instructed by the Management Company:
  - (i.) Direct costs and necessary expenses incurred from the use of the Fund as stipulated in the Trust Deed, such as brokerage commissions, transaction settlement fees, and transaction processing fees. This includes, but is not limited to, costs associated with completing transactions or settlements for the Fund's investment objects, fees charged by shareholder services agents, the TWSE, government agencies, or other institutions or third parties. Additionally, it includes fees arising from the Fund Custodian's handling or safekeeping of fund-related matters through institutions or systems such as centralized notes depositories, the central government construction bonds, the TWSE, clearing institutions, interbank remittance and settlement systems, or general communication systems, as required to fulfill the obligations under the Trust Deed;
  - (ii.) All taxes payable by the Fund, as well as fees for the certification and review of the fund's financial reports;
  - (iii.) Remuneration payable to the Management Company and the Fund Custodian as stipulated in Article 19 of the Trust Deed;
  - (iv.) Interest, arrangement fees, processing fees, and other related expenses incurred by the Fund Custodian for handling matters related to short-term borrowings, as well as any processing fees paid to financial institutions by the Management Company

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for arranging short-term borrowings in accordance with relevant laws and regulations and the Trust Deed, in order to pay the total redemption amount to beneficiaries or settle securities transactions;

- (v.) Index licensing-related fees (including but not limited to index licensing fees and index data usage fees) and any resulting taxes;
  - (vi.) Service fees for outsourced handling of the computer system platform for cash subscription, redemption, and other transactions, provided by TWSE or other institutions approved or designated by the FSC;
  - (vii.) Related expenses incurred from listing on the TWSE (including but not limited to listing fees and annual fees payable to the TWSE);
  - (viii.) Processing fees and other related expenses (including but not limited to fees for managing collateral for securities lending by a professional institution, and management fees payable to the Management Company if the Management Company handles the collateral without engaging a professional institution) arising from the Fund's securities lending as per Article 8 of the Trust Deed;
  - (ix.) Except where the Management Company or Fund Custodian has acted with intent or failed to exercise the duty of care of a good administrator, any costs incurred related to litigation or non-litigation claims made against the Management Company or Fund Custodian in connection with the Fund or the Trust Deed, which are not borne by a third party;
  - (x.) Except where the Management Company or Fund Custodian has acted with intent or failed to exercise the duty of care of a good administrator, any costs incurred (including but not limited to legal fees) related to litigation or non-litigation claims made by or against the Management Company in relation to managing the fund, or by the Fund Custodian in relation to the custody, disposal, handling of short-term borrowings, and collection/payment of the fund's assets, which are not covered by a third party, or costs incurred by the Management Company under Paragraph 13, Article 14 of the Trust Deed, or by the Fund Custodian under Paragraphs 4, 10, and 11, Article 15, of the Trust Deed in the course of recovery efforts, which are not covered by the party being pursued;
  - (xi.) Expenses incurred from convening the beneficiaries' meeting, except those that, by law and regulations or by orders from the FSC, are to be borne by the Management Company;
  - (xii.) All expenses incurred during the liquidation of the Fund; however, in the event of liquidation due to the termination of the contract under Subparagraph (5), Paragraph 1, Article 26 of the Trust Deed, the liquidation costs shall be borne by the Management Company.
- ii. When the net asset value of the Fund on any given calendar day falls below TWD300 million, other than the expenditures and costs listed in Subparagraphs 1 to 8 of the preceding Paragraph, which shall still be borne by the Fund, all other expenditures and costs shall be borne by the Management Company.
  - iii. Except for the expenditures and costs listed in Subparagraphs (1) and (2) of this Article, which shall be borne by the Fund, any other expenditures and costs incurred by the Management Company or the Fund Custodian in relation to Fund matters shall be borne by the Management Company or the Fund Custodian themselves.

#### **(X.) Rights, Obligations, and Responsibilities of the Beneficiaries**

For details, please refer to [I. Fund Overview] (X).

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**(XI.) Rights, Obligations, and Responsibilities of the Management Company**

For details, please refer to [I. Fund Overview] (III). i.

**(XII.) Rights, Obligations, and Responsibilities of the Fund Custodian**

For details, please refer to [I. Fund Overview] (III). ii.

**(XIII.) Basic Policies and Scope for Investing Fund in Securities and Engaging in Securities-Related Products Transactions**

For details, please refer to [I. Fund Overview] (I). ix.

**(XIV.) Distribution of Incomes**

For details, please refer to [I. Fund Overview] (I). xxvi.

**(XV.) Redemption of Beneficiary Certificates**

- i. From the date of listing of the Fund (inclusive), beneficiaries may request the redemption in accordance with the latest prospectus by instructing participating securities firms to submit a redemption request to the Management Company in writing, electronically, or through other agreed-upon methods, following the procedures specified in the Trust Deed and the participation agreement. The total redemption amount, based on the number of the Fund's beneficiary units, will be paid to the beneficiaries, and participating securities firms may also submit redemption applications on their own. The participation agreement between the Management Company and the participating securities firms should specify the cut-off time for accepting redemption requests each business day, the recognition and handling of late requests, as well as the obligations, responsibilities, and attribution of rights and responsibilities of both parties. Beneficiaries may only request redemption of the full or partial amount of beneficiary certificates in units equal to or greater than the redemption base or its multiples; partial redemptions are not permitted if the remaining beneficiary certificates do not meet the redemption base. The Management Company should establish a deadline for accepting redemption applications. Late requests should be treated as transactions on the next business day unless the participating securities firms can prove that the investor made the request before the deadline. The Management Company must strictly enforce the deadline for accepting redemption applications and disclose this information in the prospectus, relevant sales documents, or the Management Company's website.
- ii. Unless otherwise specified in the Trust Deed, the total redemption amount for the Fund beneficiary certificates, whether redeemed by participating securities firms on their own or as requested by beneficiaries, shall be calculated by the Management Company on the first business day following the redemption date, in accordance with the operational guidelines.
- iii. The Management Company may either handle the redemption of Fund beneficiary certificates directly or delegate participating securities firms to do so. The Management Company may also approve participating securities firms and may charge a redemption fee for each redemption application to cover the costs associated with processing the redemption. The redemption fee of the Fund may not exceed 2% of the net asset value per beneficiary unit of the Fund, and the Management Company may adjust this fee within this limit after announcing it. The redemption fee is governed by the latest prospectus and is not included in the Fund's assets.
- iv. To cover the payment of the redemption total amount or to handle the settlement of securities, the Fund may, as per the FSC's regulations, obtain short-term loans from financial institutions through the Management Company. The Fund Custodian shall enter into a loan agreement with the lending financial institution on behalf of the Fund's

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dedicated account. The following provisions must be observed, and any amendments to relevant laws or regulations will take precedence:

- (i.) The loan counterparties are limited to domestic and foreign financial institutions authorized to engage in lending activities, and may also include the Fund's Custodian.
  - (ii.) The loan period for paying the redemption total amount is limited to thirty (30) business days; the loan period for handling securities settlement is limited to fourteen (14) business days.
  - (iii.) The interest and related expenses incurred from the loan shall be borne by the Fund's assets.
  - (iv.) The total amount of the loan must not exceed 10% of the Fund's net asset value.
  - (v.) If the loan counterparty of the Fund is the Fund Custodian or a party in which the securities investment trust enterprise has an interest, the terms of the loan transaction must not be less favorable than those offered by other financial institutions.
  - (vi.) The liability of the Fund and the Fund Custodian is limited to the Fund's assets, while the beneficiaries' liability is limited to the amount they have invested in the Fund's beneficiary certificates.
  - (vii.) When the Management Company decides to use a short-term loan mechanism to pay the redemption proceeds to beneficiaries or for the settlement of securities, it may negotiate the relevant terms and amount with the loan financial institution. After obtaining the consent of the Fund Custodian, the Management Company will sign the loan agreement with the financial institution in the name of the Fund's dedicated account, in accordance with the Trust Deed and relevant laws and regulations of the competent authority.
- v. When the Fund arranges short-term loans from financial institutions, the financial institutions may, if necessary, establish rights over the Fund's assets.
  - vi. When a beneficiary applies to redeem the Fund's beneficiary certificates, the redeemed certificates may include those already held by the beneficiary on the redemption application date, as well as the number of beneficiary certificate units in transit from ordinary transactions on the day before the redemption application date and (or) the number of beneficiary certificate units on loan. However, these certificates must be delivered to the Fund within the time frame specified in the operational guidelines, and the process for delivering the redeemed certificates should conform to the regulations of the centralized securities depository enterprise at the Fund's registration location.
  - vii. When a participating securities firm applies for the redemption of the Fund's beneficiary certificates from the Management Company either on its own or as an agent, it may not withdraw the redemption application after the deadline specified in the operational guidelines, unless agreed upon by the Management Company.
  - viii. When a participating securities firm redeems beneficiary certificates of the Fund either on its own or as an agent, it must ensure that the beneficiary delivers the redeemed certificates to the Fund within the time frame specified in the operational guidelines. The process for delivering the redeemed certificates should conform to the regulations of the centralized securities depository enterprise at the Fund's registration location. If the certificates are not delivered in full within the time frame specified in the operational guidelines, the redemption shall be deemed unsuccessful, and the Management Company shall not pay the total redemption amount. The participating securities firm must charge the beneficiary an administrative handling fee for each failed redemption to

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compensate the Fund for the additional operational costs incurred. The fee amount shall be calculated according to the standards specified in the operational guidelines.

- ix. Unless otherwise specified in the Trust Deed, the Management Company shall, within three (3) business days from the business day following the redemption date, instruct the Fund Custodian to pay the total redemption amount (without interest) to the beneficiaries via a registered, crossed, non-endorsable, non-transferable instruments or remittances. The fees for processing the payment, registered mail, remittance charges, and other necessary expenses may be deducted from the total redemption amount.
- x. Except for circumstances specified in Paragraph 3, Article 21 of the Trust Deed, the Management Company must not delay the payment for the redemption of beneficiary certificates. If there is a delay in payment attributable to the Management Company, it shall be liable for damages to the beneficiaries.
- xi. The procedures, operational processes, and related matters for redemption of the Fund shall be conducted in accordance with the operational guidelines, unless otherwise specified by laws and regulations or the Trust Deed.

**(XVI.) Calculation of the Fund's Net Asset Value and Net Asset Value per Beneficiary Unit**

- i. The Management Company shall calculate the net asset value of the Fund on each business day.
- ii. The net asset value of the Fund shall be calculated in accordance with relevant laws and regulations and generally accepted accounting principles.
- iii. The calculation of the Fund's net asset value and the handling of calculation errors shall be conducted in accordance with the "Calculation Standards for the Asset Value of Securities Investment Trust Funds" and the "Thresholds and Handling Procedures for Tolerable Deviations in the Calculation of Net Asset Value of Securities Investment Trust Funds" as established by the Securities Investment Trust and Consulting Association ("SITCA") and approved by the FSC. These standards and procedures must also be disclosed in the prospectus.
- iv. Calculation and Announcement of the Net Asset Value per Beneficiary Unit
  - (i.) The net asset value per beneficiary unit is calculated by dividing the net asset value of the Fund on the calculation date by the total number of outstanding beneficiary units, rounded to the nearest TWD to the second decimal place. However, this does not apply to cases of liquidation distribution in accordance with Paragraph 7, Article 27 of the Trust Deed, or settlement of balances of the dedicated account due to termination of the Trust Deed.
  - (ii.) The Management Company shall announce the net asset value per beneficiary unit of the Fund for the previous business day on each business day.



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## **(XVII.) Replacement of the Management Company**

- i. If any of the following circumstances occur, the Management Company shall be replaced after obtaining approval from the FSC
  - (i.) If the beneficiaries' meeting resolves to replace the Management Company;
  - (ii.) If the FSC issues an order to replace the Management Company for the protection of public interest or beneficiaries' rights and interests;
  - (iii.) If the Management Company demonstrates clear incompetence in managing the Fund, and the FSC orders it to transfer the Fund to another securities investment trust enterprise designated by the FSC;
  - (iv.) If the Management Company is unable to continue serving as the Fund's Management Company due to dissolution, suspension of business, closure, revocation, or abolishment of its license.
- ii. The duties of the Management Company shall be assumed by another securities investment trust enterprise approved by the FSC or by another securities investment trust enterprise ordered by the FSC from the date the handover is completed. The duties of the previous Management Company are discharged from the date of the handover. The responsibilities of the Management Company under the Trust Deed will be automatically discharged two (2) years after the completion of the handover. However, this does not apply if issues for which the Management Company is responsible were discovered and the Management Company has been informed, or such issues have been claimed or litigated within the two-year period.
- iii. The new Management Company after the replacement shall be the party to the Trust Deed and the rights and obligations of the Management Company under the Trust Deed shall be assumed and borne by the new Management Company generally.
- iv. The replacement of the Management Company shall be announced by the assumed Management Company.

## **(XVIII.) Replacement of the Fund Custodian**

- i. If any of the following circumstances occur, the Fund Custodian shall be replaced after obtaining approval from the FSC:
  - (i.) The beneficiaries' meeting resolves to replace the Fund Custodian.
  - (ii.) The Fund Custodian resigns from its custodial duties with the consent of the Management Company.
  - (iii.) The Fund Custodian resigns from its custodial duties, and if an agreement with the Management Company is not reached within sixty (60) days, the Fund Custodian may apply with the FSC for an ad hoc approval.
  - (iv.) The Fund Custodian demonstrates clear incompetence in keeping the Fund, and the FSC orders the transfer of the Fund to another fund custodian designated by the FSC.
  - (v.) The Fund Custodian is unable to continue in its role due to dissolution, suspension of business, closure, revocation, or abolishment of its license.
  - (vi.) The Fund Custodian's credit rating is downgraded to a level that does not meet the requirements set by the FSC.
- ii. The duties of the Fund Custodian are assumed by another fund custodian approved by the FSC or by another fund custodian ordered by the FSC from the date the handover is completed. The duties of the previous fund custodian are discharged from the date of the handover. The responsibilities of the Fund Custodian under the Trust Deed will be



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automatically discharged two (2) years after the completion of the handover. However, this does not apply if issues for which the Fund Custodian is responsible were discovered and the Fund Custodian has been informed, or such issues have been claimed or litigated within the two(2)-year period.

- iii. The new fund custodian after the replacement shall be the party to the Trust Deed and the rights and obligations of the Fund Custodian under the Trust Deed shall be assumed and borne by the new fund custodian generally.
- iv. The replacement of the Fund Custodian must be announced by the Management Company.

**(XIX.) Termination of the Securities Investment Trust Deed and Delisting of the Fund's Beneficiary Certificates**

- i. If any of the following circumstances occur, the Trust Deed shall be terminated after obtaining approval from the FSC and consent from the TWSE for the delisting of the Fund's beneficiary certificates:
  - (i.) If the FSC considers it appropriate to terminate the Trust Deed for the protection of public interest or beneficiaries' rights, and issues an order to terminate the Trust Deed.
  - (ii.) If the Management Company is unable to continue serving in its role due to dissolution, suspension of business, closure, revocation or abolishment of its license, or if it has demonstrated clear incompetence in managing the Fund and is replaced by order of the FSC, and there is no other suitable management company to assume its original rights and obligations.
  - (iii.) If the Fund Custodian is unable to continue serving in its role due to dissolution, suspension of business, closure, revocation or abolishment of its license, or if it has demonstrated clear incompetence in managing the Fund and is replaced by order of the FSC, and there is no other suitable fund custodian to assume its original rights and obligations.
  - (iv.) If the beneficiaries' meeting resolves to replace the Management Company or Fund Custodian, and there is no other suitable management company or fund custodian to assume the rights and obligations of the original Management Company or Fund Custodian.
  - (v.) If, after the Fund has been established for one (1) year, the average net asset value of the Fund over the most recent thirty (30) business days falls below TWD100 million, the Management Company must promptly notify all beneficiaries, the Fund Custodian, and the FSC of the termination of the Trust Deed.
  - (vi.) The Management Company determines that, due to market conditions, the characteristics, scale of the Fund, or other legal or factual reasons, the Fund cannot continue to operate, and therefore it would be more appropriate to terminate the Trust Deed, and notify all beneficiaries, the Fund Custodian, and the FSC of the termination of the Trust Deed.
  - (vii.) The beneficiaries' meeting resolves to terminate the Trust Deed.
  - (viii.) The resolution of the beneficiaries' meeting is unacceptable to the Management Company or the Fund Custodian, and there is no other suitable management company or fund custodian to assume the existing rights and obligations.
  - (ix.) The index license agreement is terminated or materially changed such that the Fund's investment objectives can no longer be achieved, or the index provider ceases to provide the benchmark index without offering an alternative index. However,

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this does not apply if the Management Company, before the termination of the index license agreement, holds a beneficiaries' meeting that approves the use of another index provider to offer an alternative benchmark index and signs a new index license agreement with them.

- (x.) The beneficiaries' meeting does not agree to use another alternative benchmark index.
- (xi.) The Fund has a termination cause specified in the listing agreement, and the Management Company applies for termination of the listing in accordance with the listing agreement, or the TWSE terminates the listing agreement according to laws, TWSE regulations, or the listing agreement, with the approval of the FSC.
- ii. In the event of the circumstances listed in Subparagraphs 9 and 10 of the previous Paragraph, the Fund will hold or maintain the investment portfolio based on the index as of the actual date authorization is terminated, until the termination date of the Trust Deed. However, this does not apply to cases that meet the special circumstances outlined in Subparagraph (4), Paragraph 1, Article 17 of the Trust Deed.
- iii. Upon termination of the Trust Deed, the Management Company must announce the termination within two (2) days of the approval.
- iv. Upon termination of the Trust Deed, the Trust Deed shall be deemed void from the termination date, except as necessary for the scope of liquidation.
- v. The Fund will no longer exist after the completion of liquidation.

**(XX.) Liquidation of the Fund**

- i. After the termination of the Trust Deed, the liquidator shall apply to the FSC for liquidation. Within the necessary scope of liquidating the Fund, the Trust Deed shall be considered effective even after its termination.
- ii. The liquidator of the Fund is acted by the Management Company. If the Management Company is subject to circumstances specified in Subparagraph (2) or (4), Paragraph 1, Article 26, of the Trust Deed, the Fund Custodian shall serve as the liquidator. If the Fund Custodian is also subject to circumstances specified in Subparagraph (3) or (4), Paragraph 1, Article 26, of the Trust Deed, the beneficiaries' meeting shall resolve to appoint another securities investment trust enterprise or fund custodian that meets the FSC regulations as the liquidator.
- iii. If the Fund Custodian terminates the Trust Deed due to reasons specified in Subparagraph (3) or (4), Paragraph 1, Article 26 of the Trust Deed, the liquidator may appoint another appropriate fund custodian, subject to approval by the FSC, to assume the duties of the original fund custodian during the liquidation period.
- iv. Unless otherwise specified by law or the Trust Deed, the rights and obligations of the liquidator and the Fund Custodian shall be the same as those of the original management company and fund custodian within the scope of the Trust Deed.
- v. The duties of the liquidator are as follows:
  - (i.) Settle current affairs.
  - (ii.) Dispose of assets.
  - (iii.) Collect receivables and settle debts.
  - (iv.) Distribute remaining assets.
  - (v.) Handle other liquidation matters.
- vi. The liquidator shall complete the liquidation of the Fund within three (3) months after

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the FSC approves the liquidation. However, if there are legitimate reasons preventing the completion of liquidation within the three (3)-month period, the liquidator may apply to the FSC for a one (1)-time extension, with the extension limited to three (3) additional months

- vii. Unless the beneficiaries' meeting makes a different resolution on the distribution method and obtains approval from the FSC, the liquidator shall promptly dispose of the Fund's assets at an appropriate price, settle the Fund's debts, and instruct the Fund Custodian to distribute the remaining assets after liquidation to each beneficiary in proportion to their beneficiary units. Before distributing the remaining assets after liquidation, the liquidator must report and announce the liquidation and distribution methods to the FSC and notify the beneficiaries. This notification should include the total amount of the remaining assets after liquidation, the total number of beneficiary units in the Fund, the distribution ratio per beneficial unit, the method of payment for the remaining assets after liquidation, and the scheduled distribution date. Within two (2) months of the completion of the liquidation process, the liquidator must report the results to the FSC and notify the beneficiaries.
- viii. The notification of the Fund's liquidation and distribution of remaining assets shall be made to the beneficiaries respectively in accordance with Article 33 of the Trust Deed.
- ix. In the liquidation of the Fund, any remaining assets to be distributed to the beneficiaries that are not claimed within six (6) months of distribution may be deposited with the court by the Management Company. The expenses related to the deposit shall be borne by the beneficiaries who have not claimed their share.
- x. The notification mentioned in the previous Paragraph should be delivered to the address listed in the register of beneficiaries or, with the written consent of the beneficiaries, by fax, email, or other electronic transmission methods.
- xi. The liquidator shall retain all books and documents for at least ten (10) years from the date of the declaration of the conclusion of the liquidation to the FSC

#### **(XXI.) Register of Beneficiaries**

- i. The Management Company and the service agents designated by the Management Company must keep a register of beneficiaries in accordance with the "Regulations Governing Matters Related to Beneficiary Certificates."
- ii. Beneficiaries may, by providing documents proving their interest, request to review or copy the register of beneficiaries mentioned in the previous Paragraph within the designated scope at any time.

#### **(XXII.) Beneficiaries' Meeting**

For details, please refer to [I. Fund Overview] (X). iv.

#### **(XXIII.) Notifications and Announcements**

For details, please refer to [I. Fund Overview] (XI). i and [I. Fund Overview] (XI). ii.

#### **(XXIV.) Amendments to the Trust Deed**

Any amendments to the Trust Deed of the Fund and its appendices must be approved by both the Management Company and the Fund Custodian, with consent from the beneficiaries' meeting, and be subject to the approval of the FSC. However, if the amendments do not have a material impact on the beneficiaries' interests, the consent of the beneficiaries' meeting may be waived, but the approval of the Management Company, Fund Custodian, and the FSC will still be required.

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**According to Article 20 of the Securities Investment Trust and Consulting Act and Paragraph 1, Article 21 of the Regulations Governing Securities Investment Trust Enterprises, a securities investment trust enterprise shall keep copies of the securities investment trust deeds at its business premises and the business premises of its fund sales agents, or in other methods designated by the competent authority, for investors to review. The securities investment trust enterprise must provide a copy of the securities investment trust deed upon the investor's request and may charge a fee of TWD100 for the cost of reproduction.**

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### III. Overview of the Management Company

#### (I.) Brief Introduction of the Management Company

i. Date of establishment

The Company was established on April 19, 2001 with the approval of the Ministry of Economic Affairs.

ii. Process of capital formation over the most recent three (3) years

Process of Capital Formation Over the Most Recent Three (3) Years of KGI Securities Investment Trust Co. Ltd.

Data as of July 31, 2024

Year/Month	Par value per share (TWD)	Authorized Share Capital		Paid-in Capital		Source of Capital
		Number of Shares (Shares)	Amount (TWD)	Number of Shares (Shares)	Amount (TWD)	
2018/07	10	30,000,000	300,000,000	30,000,000	300,000,000	Simultaneous capital reduction and capital increase

iii. Lines of business

- (i.) Securities investment trust business.
- (ii.) Discretionary investment mandate business.
- (iii.) Securities investment consulting business.
- (iv.) Other business approved by the FSC.

iv. History

- (i.) Launch of new fund products in the latest five (5) years:

Name of Fund	Date of Establishment
KGI 15+ Year US Investment Grade Corporate Select Bond ETF	May 31, 2019
KGI 15+ Year US Healthcare and Pharmaceutical Bond ETF	May 31, 2019 (Liquidated on August 11, 2021)
KGI 20+ Year AAA-AA US Large Cap Corporate Bond ETF	May 31, 2019
KGI 2025 Ladder Maturity Emerging Market Bond Fund USD (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds)	June 10, 2019
KGI Taiwan Multi-Asset Income Fund	August 5, 2019
KGI Global Multi-Asset Income Fund (A considerable portion of the Fund is invested in	September 25, 2019

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Name of Fund	Date of Establishment
non-investment grade, high-risk bonds and dividends may be distributed from the principal)	
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds and dividends may be distributed from the principal)	October 15, 2019
KGI 1-3 Year US Public Bond ETF	December 30, 2019 (Liquidated on October 15, 2021)
KGI 1-5 Year Emerging Market (ex-China) USD Bond ETF	December 30, 2019 (Liquidated on March 3, 2021)
KGI 15+ Year BBB Grade Corporate USD Bond ETF	December 30, 2019 (Liquidated on March 3, 2021)
KGI 2026 Maturity Emerging Market Bond Fund (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds)	March 12, 2020
KGI Global ESG Sustainable High Yield Bond Fund (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds)	August 4, 2020
KGI Emerging Asia Sustainable Preferred Bond Securities Investment Trust (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds and a considerable portion of the Fund is invested in non-investment grade, high-risk bonds)	September 29, 2020 (Terminated on December 27, 2023)
KGI Next Generation Multi-Asset Fund (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds)	March 2, 2021
KGI Next Generation Multi-Asset Fund	May 3, 2021
KGI 15+ Year USD Investment Grade Emerging Markets ESG Sustainability Bond ETF Fund	May 3, 2021 (Liquidated on June 30, 2022)
KGI 15+ Year US BBB ESG Sustainable Corporate Bond ETF	May 3, 2021
KGI ESG Sustainable Emerging Market Bond Fund (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds and dividends may be distributed from the principal)	September 15, 2021



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Name of Fund	Date of Establishment
KGI Future Mobility Fund	March 10, 2022
KGI Taiwan Premium Selection High Dividend 30 ETF (Dividends may be distributed from the reserve for income equalization. No guaranteed incomes or dividends.)	August 1, 2022
KGI LOHAS Multi-Asset Fund (A considerable portion of the Fund is invested in non-investment grade, high-risk bonds and dividends may be distributed from the principal)	October 6, 2022
KGI Global Industry Elite 55 ETF	May 26, 2023
KGI Real Assets Multi-asset Fund (Dividends may be distributed from the principal)	July 24, 2023
KGI US Premium Selection High Yield Bond ETF (Dividends may be distributed from the reserve for income equalization.)	April 22, 2024
KGI Global 10+ Year USD Single A Corporate Bond ETF (Dividends may be distributed from the reserve for income equalization.)	July 1, 2024

- (ii.) Branch established: Nil.
- (iii.) Share transfer or change of directors, supervisors or major shareholders:

Date	Event
2018.02.01	Resignation of Li Jing-Jing and by-election of a director (Ding Shao-Zeng)
2018.02.23	Re-election of director and supervisor
2020.08.21	Resignation of Wu Mei-Ling and reappointment of Jiang Bi-Jia as director
2021.02.22	Re-election of director and supervisor upon expiration of the term of office
2023.07.01	Re-election of director and supervisor
2023.09.05	Add two new directors

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## (II.) Enterprise Organization

### i. Diversification of equity ownership

#### (i.) Shareholder structure

##### Shareholder Structure of KGI Securities Investment Trust Co. Ltd.

Data as of July 31, 2024

	Domestic institution		Domestic individual	Foreign institution	Foreign individual	Total
	TWSE listed company	Other institution				
Number of Persons	1	0	0	0	0	1
Number of Shares Held (Shares)	30,000,000	0	0	0	0	30,000,000
Shareholding Ratio (%)	100.00	0	0	0	0	100.00

#### (ii.) Register of major shareholders

##### Register of Major Shareholders of Securities Investment Trust Co. Ltd.

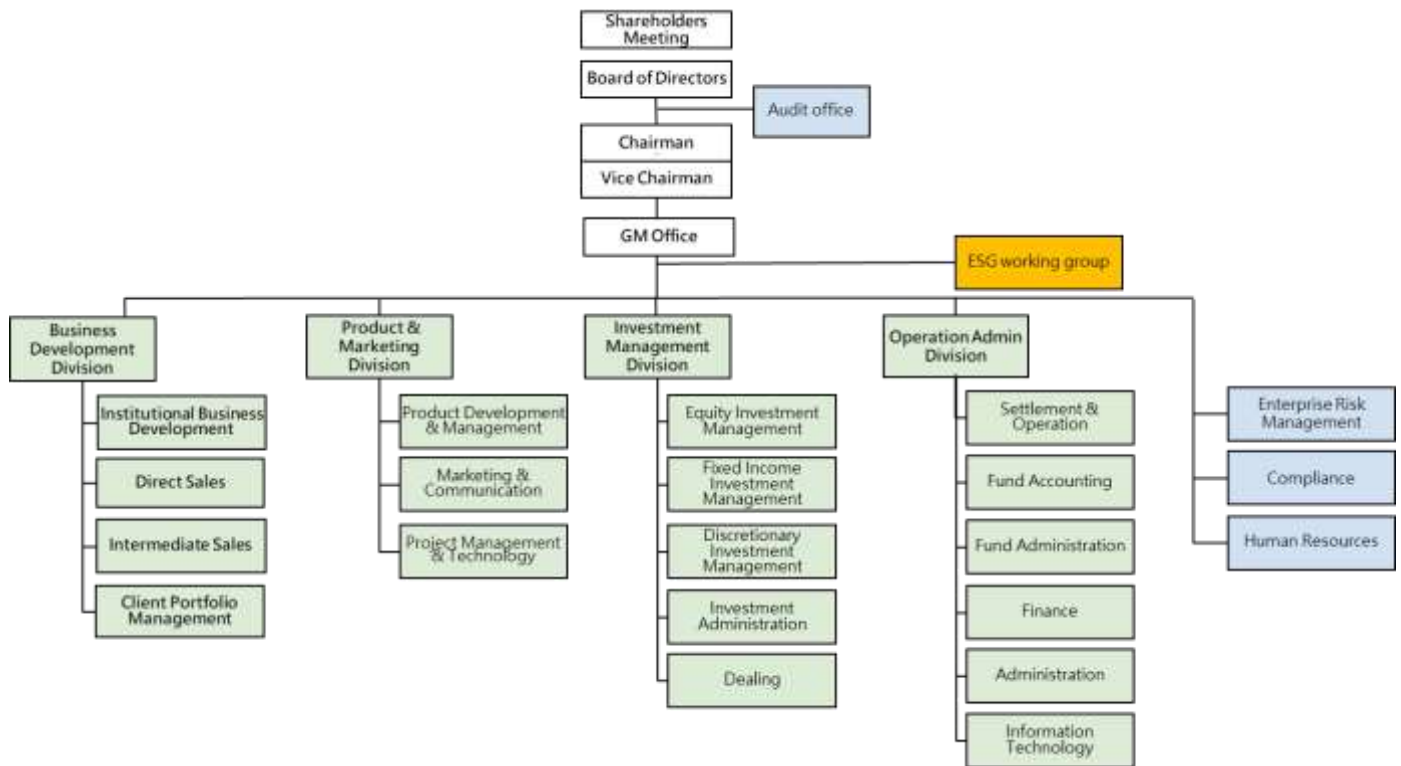
Data as of July 31, 2024

	Number of Shares Held (1,000 shares)	Shareholding Ratio (%)
China Development Financial Holding Corporation	30,000	100.00
Total	30,000	100.00

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning and full text of the original language.)

ii. Organizational system

(i.) Organizational structure of the Management Company



(ii.) Number of employees, the allocation of work and functions

Data as of July 31, 2024

Number of employees: 116

Department	Functions
Audit Office	The Audit Office is directly under the Board of Directors and is responsible for the comprehensive verification of the completeness and correctness of the internal control system and related operational guidelines, conducting routine audits and ad hoc audits on a regular and non-regular basis to verify compliance with relevant internal and external regulations, conducting tracking and reviewing of the improvement of deficiencies or suggestions raised in the audits, and investigating and reporting on business disputes, etc.
Compliance Department	The Compliance Department is responsible for the planning, management, and execution of the compliance system, as well as the company's legal transmission, consultation, coordination, and communication systems, to ensure that all operations and management rules are updated in accordance with the relevant laws and regulations, and to ensure that the company's various operational activities comply with the laws and regulations.
Enterprise Risk	The Risk Management Department is responsible for

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Department	Functions
Management Department	formulating and implementing risk management policies and procedures, reviewing the appropriateness of risk management mechanisms, processes, and risk countermeasures on a regular basis, and establishing and implementing a notification mechanism for significant risks.
Human Resources Department	The Human Resources Department is responsible for personnel management, development of employees and the preparation of human resources related policies, as well as providing advice and assistance to supervisors in the area of personnel management.
Business Development Division	<p>The Business Development Division develops innovative businesses and business models in line with the company's development strategy to assist the Company in achieving its development goals. Its departments and responsibilities are as follows:</p> <p>(a) Institutional Business Development Department: To develop various businesses such as discretionary investment, fund sales, investment consulting, etc. for institutional entities and providing them with high-quality customer services.</p> <p>(b) Client Portfolio Management Department: To coordinate the Company's fund priorities, assist in focusing marketing resources on key funds, and provide education and training for the business team on funds and investment professions, as well as supporting marketing documents.</p> <p>(c) Direct Sales Department: Development and maintenance of direct sales customers and general corporations.</p> <p>(d) Intermediate Sales Department: To comprehensively manage the development and maintenance of channel customers (including sales agencies, etc.).</p>
Investment Management Division	<p>The Investment Management Division supervises fund management, industrial research and analysis. Its departments and responsibilities are as follows:</p> <p>(a) Equity Investment Management Department: Overall management of public-offered mutual funds, domestic and international industry and stock research and analysis.</p> <p>(b) Fixed Income Investment Management Department: Overall management of mutual funds, research and analysis of credit trends of overseas bond issuers, and research and analysis of domestic macroeconomics and central bank's</p>

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Department	Functions
	<p>monetary policy.</p> <p>(b) Discretionary Investment Management Department: Overall management of investment decision, research and analysis and execution of discretionary investment mandate, and management of privately placed funds.</p> <p>(d) Dealing Department: Overall management of stock, bond, and foreign exchange trading execution, as well as fund allocation for dedicated accounts.</p> <p>(e) Investment Administration Department: Overall management of investment administration and related operations, and construction of business processes.</p>
Product & Marketing Division	<p>The Product &amp; Marketing Division oversees brand management and promotion, project management, strategic communication planning and execution, new product development and maintenance, fund promotion and sales. The departments and their responsibilities are as follows:</p> <p>(a) Project Management &amp; Technology Department: To provide project documents at all stages, hold regular project meetings, control the progress of all company projects, recommend the effectiveness of project execution, and include the project experience in the closing report after the completion of the project. Responsible for brand management and promotion, company spokesperson list and media relations maintenance.</p> <p>(b) Product Development &amp; Management Department: To manage product market research, competitor comparison, product conceptualization, delivery and fund product administration, etc.</p> <p>(c) Marketing &amp; Communication Department: To manage the planning and execution of marketing strategies, the operation of the Company's website and digital marketing, and the provision of relevant marketing documents to the business team and sales organizations.</p>
Operation Admin Division	<p>The Operation Admin Division oversees financial management, fund net asset value settlement, fund redemption operations and information systems management. The departments and their responsibilities are as follows:</p> <p>(a) Finance Department: To manage financial management, analyze operating performance, and prepare and revise the annual budget. To manage the establishment and maintenance of credit lines, capital deployment and liquidity risk management.</p>

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Department	Functions
	<p>(b) Settlement &amp; Operation Department: To manage the settlement of various product transactions and to plan and integrate related operations.</p> <p>(c) Fund Accounting Department: To manage fund accounting.</p> <p>(d) Fund Administration Department: To manage the process of operation of the issuance, cancellation, transfer, loss, division, pledge, and inheritance of beneficiary certificates related operation, fund redemption, and income distribution, and operation management of change of beneficiary information, and related operation of seal change, seal loss, and other operations.</p> <p>(e) Administration Department: To manage information related administrative operations, and fixed asset management of information equipment, and to establish the Company's administrative process operation.</p> <p>(f) Information Technology Department: To manage the planning and execution of information strategy and annual plan, information equipment, network, database management, information security planning, execution and performance enhancement, information operation business system development and introduction, daily maintenance of information system, and enhancement of the Company's information digital development and application capabilities.</p>

- (iii.) Names of general manger, vice general manager, and division heads, the dates they assumed their duties, the number and percentage of shares they hold in the Management Company, their major work experience and/or educational background, and, if applicable, any concurrent positions they hold at another company currently.

Data as of July 31, 2024



(Note: This English translation is provided for reference only and might not exactly reflect the true meaning and full text of the original language.)

Title	Name	Date of assumption of duties	Shareholding in the Company		Major work experience and/or educational background	Concurrent positions held at another company currently
			Number of shares (1,000 shares)	Percentage of shareholding (%)		
General Manager	Zhang Ci-En	2010.06.04	0	0	Experience: Chief Strategy Officer and Head of Marketing, Nomura Asset Management Taiwan Education: MSF, Baruch College, City University of New York, U.S.A.	Nil
EVP	Wu Li-Zhen	2018.03.06	0	0	Experience: Chief Strategy Officer, FundRich Securities Education : M.A. in, National Taiwan University	Nil
EVP	Peng Xuan-Tong	2024.03.01	0	0	Experience: Chief Investment Officer and Director, Aberdeen Standard Investments Taiwan Education: M.A. in Economics, Washington University, U.S.A.	Nil
EVP	Mu Zheng-Yong	2020.01.03	0	0	Experience: Chief Investment Officer, UBS Global Asset Management Education: M.B.A. in Finance, University of Illinois, U.S.A.	Nil
EVP	Chen Yuan-Cheng	2020.04.15	0	0	Experience: Business Director, Chi Fu Mason Securities Investment Consulting Inc. Education: EMBA, National Chengchi University	Nil
EVP	Li Ya-Ting	2023.02.01	0	0	Experience : Business Manager, Nomura Asset Management Taiwan Education: B.S. in Business Administration, Providence University	Nil
EVP	Zhang Zhi-Chuan	2023.10.25	0	0	Experience : Vice President, Legal & Compliance Division, Cathay SITE Education: M.A., Graduate School of European Studies, Tamkang University B.A. in Law, National Taiwan University	Nil
SVP	Wu Jun-Han	2018.07.18	0	0	Experience: Equity Investment Manager, China Life Insurance Asset Management Education : Master of Finance/Accounting, University of Illinois at Urbana-Champaign, U.S.A.	Nil
SVP	Wu Jia-Juan	2024.05.20	0	0	Experience: Vice President, Employee Relations, Standard Chartered Bank Education : Master of Business Administration, Shih Chien University	Nil
SVP	Ye Duan-Ru	2021.06.01	0	0	Experience: Acting Head of Investments/Fund Manager, UBS Global Asset Management Education : Master of BA-Finance, Houston University, USA	Nil

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SVP	Wang Zhai-Jun	2009.01.05	0	0	Experience: Head of Trading, AIA Investment Management Education: B.A. in Finance, Tamkang University	Nil
SVP	Sun Si-Qi	2017.11.27	0	0	Experience: Manager, Finance and Administration Department, Hua Nan Investment Trust Education: B.A. in Cooperative Economics, National Chung Hsing University	Nil
SVP	Weng Yu-Jie	2020.03.16	0	0	Experience: Product Manager, AllianceBernstein Investments Taiwan Education: B.S. in Economics, National Taiwan University	Nil
SVP	Huang Yu-Rou	2022.03.01	0	0	Experience : Assistant Vice President, Digital Finance Department, Capital Investment Trust Corporation Education: B.A. in Finance, Feng Chia University	Nil
SVP	Zhan Wen-Ping	2023.05.17	0	0	Experience: Associate, Risk Management Department, SinoPac SITE Education : Master of International Business Administration, Chinese Culture University	Nil
SVP	Deng Xian-Hu	2024.04.01	0	0	Experience: Senior Manager, Information Department, KGI Securities Education: B.S. in Earth Science, Chinese Culture University	Nil
SVP	Liu Shu-Ming	2024.02.01	0	0	Experience: Fund Manager, Bond Investment, KGI Securities Investment Trust Education: M.S. in Economics, Sun Yat-sen University	Nil
SVP	Wei Yu-Xian	2022.03.01	0	0	Experience: Senior Manager, Franklin Templeton SinoAm Securities Investment Management Education: B.S. in Statistics, Tunghai University	Nil
SVP	Yang Ling-Sheng	2024.04.01	0	0	Experience: Manager, Marketing Strategy Department, Nomura Asset Management Taiwan Education: MA Business and Economics, Vrije Universiteit Amsterdam	Nil
SVP	Zeng Jia-Yu	2024.05.06	0	0	Experience: Vice President, Product Development, J.P. Morgan Asset Management Education: M.S. in Finance, National Taiwan University	Nil
VP	Xu Shi-Jie	2020.06.17	0	0	Experience : Manager of Investment and Finance Department, KGI Securities Investment Trust Education: MBA, National Yang Ming Chiao Tung University	Nil
VP	Lin Jia-Wen	2020.06.17	0	0	Experience : Manager, Financial Accounting Department, Capital Investment Trust Corporation Education: B.S. in Cooperative Economics/Accounting, National Taipei University	Nil
VP	Huang Wen-Xian	2018.06.25	0	0	Experience : Fund Manager, FundRich Securities Education: B.A. in Financial Management, Ming Chuan University	Nil

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- (iv.) Names of directors and supervisors and their appointment dates, terms of office, number and percentage of shares held in the Management Company at time of appointment and currently, and major work experience and/or educational background

Data as of July 31, 2024

Title	Name	Appointment date	Term of Office (Years)	Shares held in the company at time of appointment		Shares held in the company at the present time		Major work experience and/or educational	Remark
				Number of shares (Shares)	Percentage of shareholding (%)	Number of shares (Shares)	Percentage of shareholding (%)		
Chairman	Ding Shao-Zeng	2023.07.03	3	0	0	0	0	Current position: Chairman, KGI Securities Investment Trust Education: M.S.F., University of Illinois, U.S.A.	-
Director	Zhang Ci-En	2023.07.01	3	0	0	0	0	Current position: General Manager, KGI Securities Investment Trust Education: MSF, Baruch College, City University of New York, U.S.A.	-
Director	Sheng Jia-Jen	2023.07.01	3	0	0	0	0	Current position: Senior Vice President, Planning Division and Corporate Financial Product Development Division, KGI Bank Co., Ltd. Education: MSF, Florida International University, U.S.A.	-
Director	Wang Li-Qun	2023.09.05	3	0	0	0	0	Current position: Senior Vice President, China Development Financial Holding Corporation Education : MSF, Graduate School of Management, State University of New York, U.S.A.	-
Director	Li Hong-Yi	2023.09.05	3	0	0	0	0	Current position: Vice President, China Development Financial Holding Corporation Education: M. S. in Economics, Michigan State University, U.S.A.	-

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Title	Name	Appointment date	Term of Office (Years)	Shares held in the company at time of appointment		Shares held in the company at the present time		Major work experience and/or educational	Remark
				Number of shares (Shares)	Percentage of shareholding (%)	Number of shares (Shares)	Percentage of shareholding (%)		
Supervisor	Shi Hui-Qi	2023.07.01	3	0	0	0	0	Current position: Vice President, China Development Financial Holding Corporation  Education : Master of Accounting, National Taiwan University	-

Note: The directors and supervisors are appointed by the single juristic person shareholder, China Development Financial Holding Corporation.

### (III.) Interested company disclosure

#### Information on Interested Companies of the Management Company as of July 2024

Data as of July 31, 2024

Name (Note 1)	Ticker Symbol (Note 2)	Description of Relationship
China Development Financial Holding Corporation	2883	Relationship as set out in Chapter VI-I of the Company Act The Supervisor of the Company is the manager of the given company The Director of the Company is the manager of the given company
CDIB Capital Group	5839	Relationship as set out in Chapter VI-I of the Company Act
KGI Securities Co. Ltd.	6008	Relationship as set out in Chapter VI-I of the Company Act
KGI Bank Co., Ltd.	2837	Relationship as set out in Chapter VI-I of the Company Act The Director of the Company is the manager of the given company.
China Development Asset Management Corporation	80033067	Relationship as set out in Chapter VI-I of the Company Act The Supervisor of the Company is the director of the given company
KGI Life Insurance Co., Ltd.	2823	Relationship as set out in Chapter VI-I of the Company Act

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		The Supervisor of the Company is the director of the given company
CDIB Management Consulting Corporation	53015072	Relationship as set out in Chapter VI-I of the Company Act
KGI Fraser Securities Pte. Ltd.	96977082	Relationship as set out in Chapter VI-I of the Company Act The Director of the Company is the director of the given company
CDIB International Leasing Corp.		Relationship as set out in Chapter VI-I of the Company Act The Supervisor of the Company is the supervisor of the given company
CDIB Capital Management Corporation	12678097	Relationship as set out in Chapter VI-I of the Company Act The Director of the Company is the director of the given company
Development Innovation Management Consultant Co., Ltd.	42831371	Relationship as set out in Chapter VI-I of the Company Act
CDIB Private Equity (Hong Kong) Corporation Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Fraser Securities Pte. Ltd.		Relationship as set out in Chapter VI-I of the Company Act
CDIB Private Equity(Fujian) Co.,LTD.		Relationship as set out in Chapter VI-I of the Company Act
CDIB Yida Private Equity (Kunshan) Co. Ltd.		Relationship as set out in Chapter VI-I of the Company Act
Kunshan Huachuang Private Equity Fund Management Co., Ltd.		Relationship as set out in Chapter VI-I of the Company Act
Kunshan Huakai Private Equity Fund Management Co., Ltd.		Relationship as set out in Chapter VI-I of the Company Act
CDIB Venture Capital Corporation	80328870	Relationship as set out in Chapter VI-I of the Company Act
CDIB Venture Capital (Hong Kong) Corporation Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Capital International Corporation		Relationship as set out in Chapter VI-I of the Company Act
CDIB Capital International (Hong Kong) Corporation Limited		Relationship as set out in Chapter VI-I of the Company Act

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CDIB Capital International (USA) Corporation		Relationship as set out in Chapter VI-I of the Company Act
CDIB Capital Asia Partners Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Intelligence Partners Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Buyout Partners Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Asia Secured Credit Opportunities GP Ltd.		Relationship as set out in Chapter VI-I of the Company Act
CDIB Global Markets Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Pearl Holding Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Capital Investment I Limited		Relationship as set out in Chapter VI-I of the Company Act
SCBS 1 Holding Corporation		Relationship as set out in Chapter VI-I of the Company Act
CDIB X Finance I Holding Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB NY 5 LLC		Relationship as set out in Chapter VI-I of the Company Act
CDIB Capital Investment II Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB TMK Finance Holding Limited		Relationship as set out in Chapter VI-I of the Company Act
CDIB Real Estate Credit Ltd.		Relationship as set out in Chapter VI-I of the Company Act
KGI FUTURES CO.,LTD.	84704496	Relationship as set out in Chapter VI-I of the Company Act
KGI Information Co., Ltd.	42822149	Relationship as set out in Chapter VI-I of the Company Act
KGI Venture Capital Co., Ltd.	53953673	Relationship as set out in Chapter VI-I of the Company Act
KGI Securities Investment Advisory Co. Ltd.	97305703	Relationship as set out in Chapter VI-I of the Company Act
KGI Fraser Securities Pte. Ltd.	80169232	Relationship as set out in Chapter VI-I of the Company Act
Richpoint Company Limited		Relationship as set out in Chapter VI-I of the Company Act



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		The Director of the Company is the director of the given company
KG Investments Holdings Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI International Holdings Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI International Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Asia (Holdings) Pte. Ltd.		Relationship as set out in Chapter VI-I of the Company Act
KGI Securities (Singapore) Pte. Ltd.		Relationship as set out in Chapter VI-I of the Company Act
KGI Limited		Relationship as set out in Chapter VI-I of the Company Act
Global Treasure Investments Limited <sup>1</sup>		Relationship as set out in Chapter VI-I of the Company Act
KGI Asia Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Investments Management Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Futures (Hong Kong) Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Capital Asia Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Finance Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI International (Hong Kong) Limited		Relationship as set out in Chapter VI-I of the Company Act
PT KGI Sekuritas Indonesia		Relationship as set out in Chapter VI-I of the Company Act The Director of the Company is the supervisor of the given company
KGI Hong Kong Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI International Finance Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Asset Management Limited		Relationship as set out in Chapter VI-I of the Company Act
KGI Nominees (Hong Kong) Limited		Relationship as set out in Chapter VI-I of the Company Act

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning and full text of the original language.)

Suyin KGI Consumer Finance Co., Ltd.		The Director of the Company is the director of the given company
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Note 1: The term "interested companies of the SITE" refers to the companies that meet the requirements of Article 11 of the Regulations Governing Securities Investment Trust Funds.

Note 2: If the interested party of the SITE is a TWSE or TPEX-listed company, please fill in the ticker symbol of the that company; if the interested party is a public company whose stock is not listed on the TWSE or TPEX, please fill in the public company code given by the Securities and Futures Bureau.

#### (IV.) Operating status

- i. Name, establishment date, number of beneficiary units, amount of net assets, and net asset value per unit of other funds managed by the Management Company

Data as of July 31, 2024

Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI Pioneer Fund	2001.10.08	5,704,498.01	400,235,052	70.16	TWD
KGI Victory Money Market Fund	2002.06.25	447,371,807.15	5,363,770,905	11.9895	TWD
KGI Pan-Asia Taiwan Enterprises Fund	2007.05.08	12,637,305.49	286,595,019	22.68	TWD
KGI Bigfive Taiwan Fund	2009.09.03	11,649,864.68	631,583,598	54.21	TWD
KGI EM Trend ETF Fund of Funds	2010.08.09	13,554,048.66	113,943,714	8.41	TWD
KGI Emerging Markets Equity Small & Mid Cap Fund TWD	2011.08.05	8,393,045.81	179,545,191	21.39	TWD
KGI Emerging Markets Equity Small & Mid Cap Fund USD	2018.01.02	40,175.19	770,400.23	19.1760	USD
KGI Cloud Force Fund TWD	2012.09.13	8,852,606.66	453,431,988	51.22	TWD
KGI Cloud Force Fund USD	2018.01.02	12,960.93	603,414.82	46.5564	USD
KGI Hospital & Dependency Related Industries Fund A TWD	2017.05.02	18,666,004.15	288,681,199	15.47	TWD
KGI Hospital & Dependency Related Industries Fund A USD	2017.05.02	144,046.94	2,040,122.46	14.1629	USD
KGI Hospital & Dependency Related Industries Fund N TWD	2020.02.03	483,173.75	5,891,160	12.19	TWD
KGI Hospital & Dependency Related Industries Fund N USD	2020.02.03	18,574.75	203,983.59	10.9818	USD

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI Hospital & Dependency Related Industries Fund A CNY	2020.05.05	12,299.14	128,933.37	10.48	CNY
KGI Hospital & Dependency Related Industries Fund N CNY	2020.05.05	3,245.90	34,387.24	10.59	CNY
KGI Hospital & Dependency Related Industries Fund I TWD	2021.01.04	0.00	0	15.02	TWD
KGI 2024 Maturity Emerging Market Bond Fund USD	2018.09.03	2,449,121.00	25,856,846.11	10.5576	USD
KGI 2024 Maturity Emerging Market Bond Fund CNY	2018.09.03	59,405,843.07	692,675,707.32	11.6601	CNY
KGI 10+Year Em Mkt USD Invmt Grd Bd ETF	2018.09.05	952,000,000.00	31,462,103,769	33.0484	TWD
KGI 10+ Year USD Technology Bond ETF	2018.09.05	140,000,000.00	5,122,480,392	36.5891	TWD
KGI 2025 Maturity Emerging Market Bond Fund USD	2019.01.22	2,573,468.70	26,771,097.53	10.4027	USD
KGI 2025 Maturity Emerging Market Bond Fund CNY	2019.01.22	17,694,254.63	202,753,760.64	11.4587	CNY
KGI 15+ Years AAA -A US Corporate Bond ETF	2019.01.29	1,766,650,000.00	64,252,128,395	36.3695	TWD
KGI 20+Years US Banking Bond ETF	2019.01.29	1,453,150,000.00	55,158,238,100	37.9577	TWD
KGI 25+ Years US Treasury Bond ETF	2019.01.29	958,650,000.00	31,081,119,086	32.4218	TWD
KGI 15+ Year US Investment Grade Corporate Select Bond ETF	2019.05.31	59,431,000.00	1,972,839,103	33.1955	TWD
KGI 20+ Year AAA-AA US Large Cap Corporate Bond ETF	2019.05.31	80,940,000.00	2,670,663,776	32.9956	TWD
KGI 2025 Ladder Maturity Emerging Market Bond Fund TWD	2019.06.10	2,893,312.63	31,113,262	10.7535	TWD
KGI 2025 Ladder Maturity Emerging Market Bond Fund USD	2019.06.10	3,688,250.44	37,805,889.60	10.2504	USD

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI 2025 Ladder Maturity Emerging Market Bond Fund CNY	2019.06.10	12,358,930.67	135,773,926.32	10.9859	CNY
KGI Taiwan Multi-Asset Income Fund A TWD	2019.08.05	21,954,766.03	273,716,916	12.47	TWD
KGI Taiwan Multi-Asset Income Fund N TWD	2019.12.30	12,363,628.02	151,932,279	12.29	TWD
KGI Global Multi-Asset Income Fund A TWD	2019.09.25	16,643,515.25	217,163,648	13.0479	TWD
KGI Global Multi-Asset Income Fund B TWD	2019.09.25	61,334,552.22	562,756,262	9.1752	TWD
KGI Global Multi-Asset Income Fund NA TWD	2019.09.25	6,625,738.99	85,709,276	12.9358	TWD
KGI Global Multi-Asset Income Fund NB TWD	2019.09.25	144,826,515.87	1,322,936,191	9.1346	TWD
KGI Global Multi-Asset Income Fund A USD	2019.09.25	717,552.36	9,847,805.52	13.7242	USD
KGI Global Multi-Asset Income Fund B USD	2019.09.25	921,689.18	8,641,617.40	9.3758	USD
KGI Global Multi-Asset Income Fund NA USD	2019.09.25	175,930.36	2,414,987.85	13.7270	USD
KGI Global Multi-Asset Income Fund NB USD	2019.09.25	1,822,357.74	17,087,055.85	9.3763	USD
KGI Global Multi-Asset Income Fund A CNY	2019.09.25	756,888.50	10,607,442.02	14.0145	CNY
KGI Global Multi-Asset Income Fund B CNY	2019.09.25	2,752,356.73	25,110,675.46	9.1233	CNY
KGI Global Multi-Asset Income Fund NA CNY	2019.09.25	661,426.86	9,111,921.15	13.7762	CNY
KGI Global Multi-Asset Income Fund NB CNY	2019.09.25	9,109,353.20	81,198,304.38	8.9137	CNY
KGI Global Multi-Asset Income Fund B ZAR	2019.09.25	6,270,494.06	53,638,733.17	8.5541	ZAR
KGI Global Multi-Asset Income Fund NB ZAR	2019.09.25	8,775,627.37	76,745,912.74	8.7453	ZAR
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund A TWD	2019.10.15	866,139.74	9,569,833	11.0488	TWD
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund B TWD	2019.10.15	19,198.40	261,674	13.6300	TWD

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund A USD	2019.10.15	8,139,813.46	80,471,431.96	9.8862	USD
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund B USD	2019.10.15	2,169,239.95	18,329,449.02	8.4497	USD
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund A CNY	2019.10.15	34,844,841.15	360,217,086.76	10.3377	CNY
KGI 2025 Maturity Senior Secured Emerging Market Bond Fund B CNY	2019.10.15	7,784,206.88	68,844,918.34	8.8442	CNY
KGI 2026 Maturity Emerging Market Bond Fund TWD	2020.03.12	45,862,034.94	521,256,465	11.3658	TWD
KGI 2026 Maturity Emerging Market Bond Fund USD	2020.03.12	667,216.46	6,982,854.15	10.4657	USD
KGI 2026 Maturity Emerging Market Bond Fund CNY	2020.03.12	930,680.48	10,206,415.27	10.9666	CNY
KGI Global ESG Sustainable High Yield Bond Fund TWD A	2020.08.04	12,227,084.76	123,939,038	10.1364	TWD
KGI Global ESG Sustainable High Yield Bond Fund TWD B	2020.08.04	17,621,553.76	133,136,320	7.5553	TWD
KGI Global ESG Sustainable High Yield Bond Fund TWD NA	2020.08.04	6,127,776.95	62,121,407	10.1377	TWD
KGI Global ESG Sustainable High Yield Bond Fund TWD NB	2020.08.04	11,228,224.26	84,837,210	7.5557	TWD
KGI Global ESG Sustainable High Yield Bond Fund USD A	2020.08.04	1,017,480.72	10,153,217.54	9.9788	USD
KGI Global ESG Sustainable High Yield Bond Fund USD B	2020.08.04	482,554.50	3,449,085.52	7.1476	USD
KGI Global ESG Sustainable High Yield Bond Fund USD NA	2020.08.04	158,851.72	1,585,066.39	9.9783	USD
KGI Global ESG Sustainable High Yield Bond Fund USD NB	2020.08.04	841,441.47	5,991,947.07	7.1211	USD
KGI Global ESG Sustainable High Yield Bond Fund CNY A	2020.08.04	454,651.90	4,854,124.73	10.6766	CNY

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI Global ESG Sustainable High Yield Bond Fund CNY B	2020.08.04	1,008,751.50	7,458,727.52	7.3940	CNY
KGI Global ESG Sustainable High Yield Bond Fund CNY NA	2020.08.04	196,983.04	2,102,758.55	10.6748	CNY
KGI Global ESG Sustainable High Yield Bond Fund CNY NB	2020.08.04	2,538,708.55	18,791,230.48	7.4019	CNY
KGI Global ESG Sustainable High Yield Bond Fund ZAR B	2020.08.04	3,324,165.71	24,942,910.87	7.5035	ZAR
KGI Global ESG Sustainable High Yield Bond Fund ZAR NB	2020.08.04	4,350,079.27	32,520,666.92	7.4759	ZAR
KGI Global ESG Sustainable High Yield Bond Fund TWD IA	2021.01.04	0.00	0	8.3464	TWD
KGI Next Generation Multi-Asset Fund -TWD A	2021.03.02	26,706,857.26	335,162,971	12.55	TWD
KGI Next Generation Multi-Asset Fund -TWD B	2021.03.02	17,171,548.86	176,525,570	10.28	TWD
KGI Next Generation Multi-Asset Fund -TWD NA	2021.03.02	2,922,545.14	36,705,716	12.56	TWD
KGI Next Generation Multi-Asset Fund -TWD NB	2021.03.02	10,285,248.51	105,779,086	10.28	TWD
KGI Next Generation Multi-Asset Fund -USD A	2021.03.02	851,269.96	10,630,346.57	12.49	USD
KGI Next Generation Multi-Asset Fund -USD B	2021.03.02	489,563.16	4,983,528.26	10.18	USD
KGI Next Generation Multi-Asset Fund -USD NA	2021.03.02	273,791.94	3,418,443.48	12.49	USD
KGI Next Generation Multi-Asset Fund -USD NB	2021.03.02	382,838.27	3,889,126.72	10.16	USD
KGI Next Generation Multi-Asset Fund -CNY A	2021.03.02	923,371.56	11,883,247.42	12.87	CNY
KGI Next Generation Multi-Asset Fund -CNY B	2021.03.02	1,784,025.52	18,052,109.06	10.12	CNY
KGI Next Generation Multi-Asset Fund -CNY NA	2021.03.02	840,389.40	10,829,191.14	12.89	CNY
KGI Next Generation Multi-Asset Fund -CNY NB	2021.03.02	2,503,691.82	25,315,266.29	10.11	CNY
KGI Next Generation Multi-Asset Fund -ZAR A	2021.03.02	377,569.44	5,605,138.95	14.85	ZAR



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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI Next Generation Multi-Asset Fund –ZAR B	2021.03.02	988,337.44	10,542,745.91	10.67	ZAR
KGI Next Generation Multi-Asset Fund –ZAR NA	2021.03.02	567,562.70	8,429,042.03	14.85	ZAR
KGI Next Generation Multi-Asset Fund –ZAR NB	2021.03.02	1,948,429.95	20,794,310.95	10.67	ZAR
KGI Global Trend Fund - TWD A	2021.05.03	33,259,092.92	393,732,823	11.84	TWD
KGI Global Trend Fund - TWD NA	2021.05.03	1,800,242.00	21,308,027	11.84	TWD
KGI Global Trend Fund - TWD I	2021.05.03	10,851,745.43	142,617,882	13.14	TWD
KGI Global Trend Fund -USD A	2021.05.03	985,110.15	9,934,659.73	10.08	USD
KGI Global Trend Fund -USD NA	2021.05.03	198,452.52	2,001,569.16	10.09	USD
KGI Global Trend Fund – USD I	2021.05.03	218,895.46	2,216,999.79	10.13	USD
KGI Global Trend Fund -CNY A	2021.05.03	574,748.71	6,473,433.83	11.26	CNY
KGI Global Trend Fund -CNY NA	2021.05.03	77,671.73	874,674.11	11.26	CNY
KGI 15+ Year US BBB ESG Sustainable Corporate Bond ETF	2021.05.03	22,764,000.00	810,741,592	35.6151	TWD
KGI ESG Sustainable Emerging Market Bond Fund -TWD A	2021.09.15	38,369,930.72	341,630,963	8.9036	TWD
KGI ESG Sustainable Emerging Market Bond Fund –TWD B	2021.09.15	11,900,782.06	91,781,082	7.7122	TWD
KGI ESG Sustainable Emerging Market Bond Fund –TWD NA	2021.09.15	4,640,954.20	41,322,285	8.9038	TWD
KGI ESG Sustainable Emerging Market Bond Fund –TWD NB	2021.09.15	4,777,084.06	36,841,689	7.7122	TWD
KGI ESG Sustainable Emerging Market Bond Fund –TWD I	2021.09.15	0.00	0	10.0000	TWD

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI ESG Sustainable Emerging Market Bond Fund –USD A	2021.09.15	1,969,191.54	17,737,689.07	9.0076	USD
KGI ESG Sustainable Emerging Market Bond Fund –USD B	2021.09.15	845,613.36	6,598,567.94	7.8033	USD
KGI ESG Sustainable Emerging Market Bond Fund –USD NA	2021.09.15	344,626.08	3,104,344.56	9.0079	USD
KGI ESG Sustainable Emerging Market Bond Fund –USD NB	2021.09.15	430,081.41	3,356,085.71	7.8034	USD
KGI ESG Sustainable Emerging Market Bond Fund –CNY A	2021.09.15	2,293,864.43	21,149,420.18	9.2200	CNY
KGI ESG Sustainable Emerging Market Bond Fund –CNY B	2021.09.15	1,231,486.97	9,386,452.46	7.6220	CNY
KGI ESG Sustainable Emerging Market Bond Fund –CNY NA	2021.09.15	745,383.31	6,872,279.04	9.2198	CNY
KGI ESG Sustainable Emerging Market Bond Fund –CNY NB	2021.09.15	985,802.92	7,513,905.11	7.6221	CNY
KGI ESG Sustainable Emerging Market Bond Fund –ZAR B	2021.09.15	3,855,790.78	31,910,811.21	8.2761	ZAR
KGI ESG Sustainable Emerging Market Bond Fund –ZAR NB	2021.09.15	1,330,212.64	11,008,758.32	8.2759	ZAR
KGI Future Mobility Fund - TWD A	2022.03.10	10,904,434.47	111,044,705	10.18	TWD
KGI Future Mobility Fund – TWD NA	2022.03.10	1,169,277.09	11,906,189	10.18	TWD
KGI Future Mobility Fund – TWD I	2022.03.10	0.00	0	10.00	TWD
KGI Future Mobility Fund – USD A	2022.03.10	1,805,382.12	15,867,391.19	8.79	USD
KGI Future Mobility Fund – USD NA	2022.03.10	136,247.96	1,197,378.12	8.79	USD
KGI Future Mobility Fund – USD I	2022.03.10	0.00	0.00	10.00	USD

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI Future Mobility Fund – CNY A	2022.03.10	404,268.79	4,058,182.79	10.04	CNY
KGI Future Mobility Fund – CNY NA	2022.03.10	144,119.89	1,446,822.47	10.04	CNY
KGI Future Mobility Fund – ZAR A	2022.03.10	889,175.59	9,456,501.03	10.64	ZAR
KGI Future Mobility Fund – ZAR NA	2022.03.10	134,977.51	1,435,815.25	10.64	ZAR
KGI Taiwan Premium Selection High Dividend 30 ETF	2022.08.01	676,983,000.00	18,169,307,588	26.84	TWD
KGI LOHAS Multi-Asset Fund -TWD A	2022.10.06	4,349,366.13	50,546,206	11.6215	TWD
KGI LOHAS Multi-Asset Fund -TWD B	2022.10.06	2,162,992.55	22,602,499	10.4496	TWD
KGI LOHAS Multi-Asset Fund –TWD NA	2022.10.06	318,060.70	3,696,302	11.6214	TWD
KGI LOHAS Multi-Asset Fund –TWD NB	2022.10.06	4,386,790.13	45,840,249	10.4496	TWD
KGI LOHAS Multi-Asset Fund –USD A	2022.10.06	37,634.50	451,560.42	11.9986	USD
KGI LOHAS Multi-Asset Fund –USD B	2022.10.06	24,725.20	264,581.56	10.7009	USD
KGI LOHAS Multi-Asset Fund –USD NA	2022.10.06	2,359.14	28,284.99	11.9895	USD
KGI LOHAS Multi-Asset Fund –USD NB	2022.10.06	30,697.34	328,355.59	10.6965	USD
KGI LOHAS Multi-Asset Fund –CNY A	2022.10.06	126,357.82	1,496,354.36	11.8422	CNY
KGI LOHAS Multi-Asset Fund –CNY B	2022.10.06	415,735.39	4,554,434.89	10.9551	CNY
KGI LOHAS Multi-Asset Fund –CNY NA	2022.10.06	5,826.77	67,975.09	11.6660	CNY
KGI LOHAS Multi-Asset Fund –CNY NB	2022.10.06	100,686.32	1,102,968.38	10.9545	CNY
KGI LOHAS Multi-Asset Fund –ZAR A	2022.10.06	137,113.00	1,697,435.19	12.3798	ZAR
KGI LOHAS Multi-Asset Fund –ZAR B	2022.10.06	124,054.20	1,352,915.08	10.9058	ZAR
KGI LOHAS Multi-Asset Fund –ZAR NB	2022.10.06	268,466.03	2,927,946.13	10.9062	ZAR

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Title of the Fund	Establishment Date	Number Of Beneficiary units	Amount of Net Assets (Pricing currencies)	Net Asset Value per Unit (Pricing currencies)	Pricing currencies
KGI Global Industry Elite 55 ETF	2023.05.26	34,482,000.00	782,635,807	22.70	TWD
KGI Real Assets Multi-asset Fund -TWD A	2023.07.24	15,995,191.54	170,620,931	10.6670	TWD
KGI Real Assets Multi-asset Fund –TWD B	2023.07.24	10,280,515.24	104,799,867	10.1940	TWD
KGI Real Assets Multi-asset Fund –TWD NA	2023.07.24	1,286,924.04	13,727,673	10.6670	TWD
KGI Real Assets Multi-asset Fund –TWD NB	2023.07.24	4,172,777.23	42,537,575	10.1941	TWD
KGI Real Assets Multi-asset Fund –USD A	2023.07.24	114,495.44	1,221,084.63	10.6649	USD
KGI Real Assets Multi-asset Fund –USD B	2023.07.24	118,231.57	1,203,450.82	10.1788	USD
KGI Real Assets Multi-asset Fund –USD NA	2023.07.24	12,900.77	137,581.10	10.6646	USD
KGI Real Assets Multi-asset Fund –USD NB	2023.07.24	91,028.44	926,537.46	10.1785	USD
KGI Real Assets Multi-asset Fund –CNY A	2023.07.24	816,090.67	8,585,470.21	10.5202	CNY
KGI Real Assets Multi-asset Fund –CNY B	2023.07.24	542,313.64	5,494,365.93	10.1313	CNY
KGI Real Assets Multi-asset Fund –CNY NA	2023.07.24	145,370.04	1,529,329.03	10.5202	CNY
KGI Real Assets Multi-asset Fund –CNY NB	2023.07.24	651,950.19	6,605,162.17	10.1314	CNY
KGI Real Assets Multi-asset Fund –ZAR A	2023.07.24	2,468,717.49	26,904,814.33	10.8983	ZAR
KGI Real Assets Multi-asset Fund –ZAR B	2023.07.24	1,590,462.97	16,432,283.63	10.3318	ZAR
KGI Real Assets Multi-asset Fund –ZAR NB	2023.07.24	770,738.49	7,962,795.75	10.3314	ZAR
KGI US Premium Selection High Yield Bond ETF	2024.04.22	323,318,000.00	4,990,992,132	15.4368	TWD
KGI Global 10+ Year USD Single A Corporate Bond ETF	2024.07.01	399,309,000.00	6,117,781,353	15.3209	TWD

- ii. CPA audit reports, balance sheets, statements of comprehensive income, and statements of changes in equity of the Management Company for the most recent two (2) fiscal years:

See the financial statements in the Appendix to this prospectus.

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**(V.) Penalties Received**

The FSC conducted a general business examination of the Company from July 26, 2023 to August 8, 2023 and found the following deficiencies to be corrected:

- i. The Fund's investment objects were subject to political and economic risk events, which were not included in the evaluation of the investment analysis and decisions and were not listed in the monthly review report for assessment of the handling methods.
- ii. The investment areas and object listed in the ETF trust deed and prospectus did not include the tracked index and actual REITs object of the fund. The prospectus disclosed that there is no investment in foreign securitized products, and did not state the foreign market situation of the investment object or industry in the last two (2) years.
- iii. The fund was an ESG-themed fund, but its investment object still involved sensitive industries under the exclusion policy. It did not confirm whether the exclusion policy had been violated and had not established a follow-up review and tracking mechanism, and its investment portfolio was not in line with the liquidity strategy disclosed in the prospectus.
- iv. The cover of the prospectus of the fund of funds does not disclose the warning that the investment in sub-funds may be subject to duplication of management fees.

**(VI.) Litigious or non-litigious events**

Nil.

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**IV. Name, address, and telephone number of any agent handling sale and redemption of the beneficiary certificates.**

**Fund Sales Agents before Its Listing**

Sales Agent	Address	TEL.
KGI Securities Investment Trust Co. Ltd.	No. 698, Mingshui Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)	(02) 2181-5678
KGI Securities Co. LTD. and its branches	3F., No. 698 & 700, Mingshui Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)	(02) 2181-8888
CTBC Securities Co., Ltd. and its branches	3F., No. 168, Jingmao 2nd Rd., Nangang Dist., Taipei City, Taiwan (ROC)	(02) 6639-2000
President Securities Corporation	1F., No. 8, Dongxing Rd., Songshan Dist., Taipei City, Taiwan (ROC)	(02) 2747-8266
CAPITAL SECURITIES CORP. and its branches	14F.-3, No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan (ROC)	(02) 8789-8888

**Participating Securities Firm of the Fund after Its Listing**

Sales Agent	Address	TEL
KGI Securities Co. LTD. and its branches	3F., No. 698 & 700, Mingshui Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)	(02) 2181-8888
SinoPac Securities Corporation and its branches	7, 18, and 20 F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan (ROC)	(02) 2311-4345
Taishin Securities Co., Ltd. and its branches	2F., No. 44, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)	(02) 2181-5888
Yuanta Securities Co., Ltd. and its branches	11F., No. 156, Sec. 3, Minsheng E. Rd., Zhongshan Dist., Taipei City, Taiwan (ROC)	(02) 2718-1234
CAPITAL SECURITIES CORP. and its branches	14F.-3, No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan (ROC)	(02) 8789-8888
Concord Securities Co., Ltd. and its branches	B1(partial), 2F., No. 176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (ROC)	(02) 8787-1888



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Sales Agent	Address	TEL
IBF Securities Co., Ltd. and its affiliated branches	6F(partial), B1, No. 199, Sec. 3, Chongqing N. Rd., Datong Dist., Taipei City, Taiwan (ROC)	(02) 8502-1999
MasterLink Securities Corporation and its branches	18F., No. 99, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan (ROC)	(02) 2325-5818
Mega Securities Co., Ltd. and its branches	3F., No. 95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City Taiwan (ROC)	(02) 2327-8988

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## V. Special Disclosure

### (I.) Self-Regulatory Agreement for Members of the Securities Investment Trust and Consulting Association of the ROC (SITCA)

#### Self-Regulatory Agreement for Members of the Securities Investment Trust and Consulting Association of the ROC (SITCA)

We hereby declare that our company is willing to abide by the Self-Regulatory Agreement for Members of the SITCA.

Undersigned: KGI Securities Investment Trust Co. Ltd. (Seal)

Responsible Person: Chairman-Ding Shao-Zeng (Seal)

### (II.) Statement on Internal Control

KGI Securities Investment Trust Co. Ltd. ("Company")

Statement on Internal Control

Date: February 23, 2024

For the Company's internal control system for 2023, based on the results of self-assessment, the company is hereby declared as follows:

1. The Company is fully aware that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance to achieve the goals of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), reporting reliability, timeliness, transparency and compliance with relevant norms and relevant laws and regulations.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three goals; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-supervision mechanism. Once deficiencies are identified, the Company will take corrective actions.
3. The Company determines whether the design and implementation of the internal control system are effective based on the judgment items of the effectiveness of the internal control system stipulated in the "Regulations Governing the Establishment of Internal Control

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Systems by Service Enterprises in Securities and Futures Markets " (hereinafter referred to as "Regulations") . The internal control system assessment items used in the Regulations are based on the management control process, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision operations. Each component includes several items. Please refer to the provisions of the Regulations for the aforementioned items.

4. The Company has adopted the above-mentioned internal control system assessment items to evaluate the effectiveness of the design and implementation of the internal control system.

5. Based on the results of the preceding assessment, the Company believes that the Company's internal control system (including the overall implementation of information security) as of December 31, 2023, including understanding the effectiveness of operations and the extent to which efficiency goals are achieved, and reporting are reliable. The design and implementation of relevant internal control systems that are timely, transparent, and in compliance with relevant norms and laws and regulations, except for the matters listed in the attachment, are effective and can reasonably ensure the achievement of the above goals.

6. This statement will become the main content of the Company's fund offering prospectus and investment prospectus (privately placed funds, discretionary investment mandate), and will be made public. If the above-mentioned disclosed content is false, concealed, or otherwise illegal, it will involve Articles 8, 15, 105 and 106 of the Securities Investment Trust and Consulting Act. (If the Company is a public company, it should further add that: This statement will become the main content of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosed content is false, concealed, or otherwise illegal, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.)

7. This statement was approved by the Company's Board of Directors on February 23, 2024. Among the 5 directors present, 0 objected, and the rest agreed with the contents of this statement and hereby declare it.

KGI Securities Investment Trust Co., Ltd.

Chairman: Ding Shao-Zeng (signature/seal)

General Manager: Zhang En-Ci (signature/seal)

Audit Supervisor: Wei Yu-Xian (signature/seal)

Top Managerial Officer Responsible for Information Security: Wu Li-Zhen (signature/seal)

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Matters need to be enhanced and improvement plans for the internal control system of KGI Securities Investment Trust Co., Ltd.

(Record Date: December 31, 2023)

Matters Need to be Enhanced	Improvement Measures	Scheduled Improvement Completion Time
The network segment configuration for handling information security protection operations did not implement the independent division of each work area.	The firewall network segment segmentation operation has been requested from the vendor and is currently being implemented. The construction of the segmentation is expected to be completed by the end of June 2024.	Estimated to be completed by the end of June 2024.

Note: Please provide details of sanctions imposed by the competent authorities (including warnings or above) or fines exceeding TWD240,000. Please also list in detail the improvements of information security deficiencies found by the competent authorities and the SITCA.

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### (III.) Information Regarding Corporate Governance Practices

#### i. Structure and independence of the board of directors

- (i.) The Company shall have three to five directors. Currently, there are five directors, who are elected by the shareholders' meeting for those who have the ability to act, and the members of the board of directors are all talents with outstanding educational backgrounds and experiences. The term of office of the directors is three years and they may be re-elected. Although there are currently no independent directors and audit committee, this does not affect the independence of the directors in the exercise of their duties and responsibilities.
- (ii.) The Chairman and the General Manager of the Company are acted by different persons, who are both professional managerial officers.

#### ii. Duties of the board of directors and managerial officers

The Board of Directors of the Company consists of directors, whose duties are to prepare financial reports and other functions and duties conferred by laws and regulations and shareholders' meetings; the managerial officers of the Company are responsible for the operation of the Company and the formulation of relevant systems and regulations.

#### iii. Composition and duties of supervisors

- (i.) The Company has one supervisor, whose term of office is three (3) years and may be re-elected. Currently, there are no independent supervisors, but the supervisor exercises his/her duties independently in accordance with the provisions of the Company Act.
- (ii.) The duties of the supervisor are to examine the Company's financial status, review and audit the accounting books and documents, supervise the implementation of the Company's business and other duties and responsibilities as authorized by laws and regulations.

#### iv. Rights and relationship of interested parties

- (i.) The Company's managerial officers and the managerial officers of affiliated companies do not hold concurrent positions with each other.
- (ii.) The Company adheres to the principle of fairness and reasonableness in its business dealings with its affiliates, and has clearly defined the price and payment terms of its contracts, and there is no transfer of benefits.
- (iii.) For the relationship between the Company and its related parties, please refer to the disclosure of related parties in [III. Overview of the SITE].

#### v. Details regarding information statutorily required to be disclosed

The Company's financial statements and fund prospectuses are disclosed on a regular or occasional basis on Market Observation Post System (MOPS) in accordance with the rules and regulations of the competent authorities.

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- vi. Other information relevant to corporate governance
 

Fund manager's remuneration structure and policy and its relationship to operating performance and future risk:

  - (i.) Structure of remuneration for fund managers, including basic salary, performance bonus and other bonuses.
  - (ii.) Fund manager remuneration determination principles:
    1. The Company sets the achievement rate of fund performance targets and takes risk factors into account.
    2. Based on the long-term performance of the Fund after future risk adjustment, and taking into account the relevant provisions of the "Code of Practice on Risk Management for Members of the Securities Investment Trust and Consulting Association of the ROC" with respect to risk factors to formulate the performance appraisal and remuneration structure and system.
    3. It is not permitted to guide the fund manager to pursue remuneration and engage in investment or trading behavior that may harm investors' rights and interests. The Company shall periodically review the fund manager remuneration system and performance to ensure that it is in line with the company's risk tolerance.
    4. The payment time of the fund manager's remuneration should match the profit adjusted for future risks, so as to avoid the improper situation of the Company suffering losses after payment of remuneration. Remuneration reward granted based on performance shall be adopted along with a long-term incentive mechanism, such that the appropriate proportion of the content of the reward can be paid on a deferred basis.
    5. When assessing the contribution of a fund manager to the profits of the Company, it shall be conducted in light of the overall situation of the securities investment trust industry and the future efficiency level of the Company, so as to understand whether the performance is really attributable to his/her personal contribution.
    6. The severance payment agreement with the Company shall be based on realized and risk-adjusted performance.
- vii. KGI SITE stewardship website: <https://www.kgifund.com.tw/Home/Stewardship>



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#### (IV.) Investor Dispute Resolution and Complaint Channels

- i. **When a beneficiary has any dispute with the Management Company or the sales agent regarding the offering and sales of the Fund, they may seek assistance through the following means:**
  - (i.) **Submit a complaint directly to the Company or the sales agent(s).**
  - (ii.) **Apply for an ombudsman with the Financial Ombudsman Institution.**
  - (iii.) **File a complaint with the FSC or the SITCA.**
  - (iv.) **Apply for mediation with the Securities and Futures Investors Protection Center Foundation.**
  - (v.) **File a lawsuit with the competent court (Taiwan Taipei District Court).**
- ii. **Contact Information of Investor Protection Institutions:**

Institution Name	Contact Method
<b>KGI Securities Investment Trust Co. Ltd.</b>	Telephone: (02)2181-5678 Address: No. 698, Mingshui Rd., Zhongshan Dist., Taipei City Website: <a href="http://www.KGIfund.com.tw">www.KGIfund.com.tw</a>
<b>Financial Ombudsman Institution</b>	Telephone: (02)2316-1288 Address: 17F., No. 4, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City Website: <a href="http://www.foi.org.tw/">www.foi.org.tw/</a>
<b>Financial Supervisory Commission</b>	Telephone: (02)8773-5100 Address: 18F., No. 7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City Website: <a href="http://www.sfb.gov.tw/ch">www.sfb.gov.tw/ch</a>
<b>Securities Investment Trust &amp; Consulting Association</b>	Telephone: (02)2581-7288 Address: 3F., No.145, Changchun Rd., Jhongshan District, Taipei City 104, Taiwan, ROC Website: <a href="http://www.sitca.org.tw/Default.aspx">www.sitca.org.tw/Default.aspx</a>
<b>Securities and Futures Investors Protection Center</b>	Telephone: (02)2712-8899 Address: 12F., No. 178, Sec. 3, Minquan E. Rd., Zhongshan Dist., Taipei City Website: <a href="http://www.sfipc.org.tw/main.asp">www.sfipc.org.tw/main.asp</a>

#### (V.) Operation Mechanism of the Management Company's Valuation Committee

- i. **Activation timing**  
For the funds managed by the Company, if any of the following circumstances occur concerning foreign listed stocks, OTC stocks or bonds held by the fund (hereinafter

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referred to as "investment object",) the Valuation Committee shall be convened in accordance with the regulations of the Valuation Committee's procedures:

- (i.) The investment object is suspended from trading for fifteen (15) consecutive business days.
  - (ii.) A sudden event causes the closure of the trading market.
  - (iii.) The trading market is closed for reasons other than regular day-off.
  - (iv.) The investment objective has no price quotes or transaction information for fifteen (15) consecutive business days.
  - (v.) Any investment object of the fund, individually or in aggregation, accounts for 20% of the fund's net asset value experiencing a trading suspension.
  - (vi.) Other events cause the market price of the fund's investment object fails to reflect a fair price.
- ii. The valuation methods that may be adopted by the Valuation Committee are as follows:
- (i.) Market approach: Use market transaction prices and other relevant information of identical or similar assets or asset groups to estimate fair value.
  - (ii.) Index approach: Calculate the price of the investment object based on the fluctuations of the market index in which it was traded during the same period.
  - (iii.) Income approach: Discount reasonably expected future cash flow or income to present value to estimate fair value.
  - (iv.) Last closing price approach: When it is determined that the value and price of the object are not affected by the circumstances listed in Article 3, the last closing price may be used as the pricing principle.
  - (v.) Direct write-off approach: When there is clear evidence showing that the value and price of the investment object are irrecoverable, the object should be written off to zero directly.
  - (vi.) Other valuation methods that are objective, neutral, reasonable, and have verifiable results.
- iii. Periodic Review
- After the Valuation Committee determines the fair price of the investment object, the Committee shall reassess the investment object on a monthly basis until the circumstances listed in Item (1) "Activation Timing" ceases to exist, and a fair price is re-available in the market.

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**[Appendix 1] The Management Company's Financial Statements for the Last Two Years.**

**KGI Securities Investment Trust Co. Ltd.**

**FINANCIAL REPORT AND AUDIT REPORT OF  
CERTIFIED PUBLIC ACCOUNTANT**

**2023 and 2022**

**Company's Address: No.698, Mingshui Rd., Zhongshan Dist., Taipei City  
Telephone number: (02) 2181-5678**

## **Audit Report of Certified Public Accountant**

To: The board of KGI Securities Investment Trust Co. Ltd

### **Opinion**

We have audited the statement of financial position of KGI Securities Investment Trust Co. Ltd. as of December 31, 2023 and December 31, 2022, as well as the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period from January 1 to December 31, 2023 and January 1 to December 31, 2022 of KGI Securities Investment Trust Co. Ltd., and notes to the financial report, including a summary of significant accounting policies.

In our opinion, the above-mentioned financial report has been prepared, in all material respects, in accordance with the applicable provisions of the Business Entity Accounting Act and the Regulations on Business Entity Accounting Handling related to financial accounting, as well as the International Financial Reporting Standards (**IFRSs**), International Accounting Standards (**IASs**), interpretations, and explanatory announcements recognized and issued by the Financial Supervisory Commission (**FSC**). These statements adequately present KGI Securities Investment Trust Co., Ltd.'s financial position as of December 31, 2023 and December 31, 2022, and its financial performance and cash flows for the period from January 1 to December 31, 2023 and from January 1 to December 31, 2022.

### **Basis for opinion**

The audit was conducted by us in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and auditing standards. The responsibilities of the certified public accountant under these standards are further described in the "Certified Public Accountant's Responsibilities for the Audit of the Financial Report" section. The personnel of the accounting firm that the certified public accountant works for who are subject to independence requirements have maintained detachment and independence from KGI Securities Investment Trust Co., Ltd. in accordance with the Code of Professional Conduct for Accountants, and have fulfilled other responsibilities under such Code of Conduct. The certified public accountant believes that sufficient and appropriate audit evidence has been obtained to provide a basis for the audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of KGI Securities Investment Trust Co., Ltd.'s financial report for the fiscal year 2023. These matters were addressed in the context of the overall audit of the financial report and in forming our opinion thereon. We do not express a separate opinion on these matters. The key audit matters that we have determined shall be communicated in the audit report are as follows:

#### **Revenue recognition**

For details on the accounting policy for revenue recognition, please refer to Note 4 (12) Revenue Recognition of the financial report.

#### **Key audit matter description**

KGI Securities Investment Trust Co., Ltd.'s primary revenue comes from management fees for providing management services to securities investment trust funds and discretionary investment mandate accounts. Given the significant impact of revenue on the financial report, revenue recognition is one of the key evaluation matters in the audit of KGI Securities Investment Trust Co., Ltd.'s financial report.

## Audit procedures performed

The primary audit procedures performed by the certified public accountant for the above key audit matter included understanding the revenue recognition process and sampling relevant contracts to recalculate management fee revenue. These procedures were conducted to assess whether the revenue recognition of KGI Securities Investment Trust Co., Ltd. is reasonable.

## Management team's and the governance unit's responsibilities for the financial report

It is the responsibility of the management team to prepare the financial report that are properly expressed in accordance with the provisions of the Business Entity Accounting Act and the Regulations on Business Entity Accounting Handling related to financial accounting, as well as the IFRSs, IASs, interpretations, and explanatory announcements recognized and issued by the FSC, and to maintain the necessary internal controls related to the preparation of financial reports to ensure that the financial reports are free of material misrepresentations that may lead to fraud or error.

In preparing the financial report, management team is responsible for assessing KGI Securities Investment Trust Co. Ltd.'s ability to continue as a going concern, disclosure of related matters, and adopting the going concern basis of accounting unless the management team either intends to liquidate KGI Securities Investment Trust Co. Ltd. or to cease the operations, or has no realistic alternative but to do so.

The governance unit of KGI Securities Investment Trust Co., Ltd. (including the supervisor) is responsible for overseeing the financial reporting process.

## Certified public accountant's responsibilities for the audit of the financial report

Our objectives to audit the financial report are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, while is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement in the financial report when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, the amount could reasonably be expected to influence the economic decisions of users taken on the basis of these financial report.

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conduct the following works:

1. Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform procedures responsive to those risks assessed, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the breach of internal control.
2. Obtain necessary understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the KGI Securities Investment Trust Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimations and related disclosures made by the management team.
4. Based on the audit evidence obtained, we evaluate the appropriateness of management team's adoption of the going concern basis of accounting and assesses whether there are significant uncertainties related to events or conditions that may cast substantial doubt on KGI Securities

Investment Trust Co., Ltd.'s ability to continue its business as a going concern and make the conclusion. If we identify significant uncertainties in terms of such events or conditions, they must highlight in the audit report about the relevant disclosures in the financial report to users of the financial report or, if the disclosures are deemed inadequate, modify the audit opinion accordingly. Our conclusion is based on the audit evidence obtained as of the audit report date. However, future events or conditions may arise that could affect KGI Securities Investment Trust Co., Ltd.'s ability to continue its business as a going concern.

5. Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governance unit regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have determined the key audit matters for the audit of KGI Securities Investment Trust Co., Ltd.'s financial report for the fiscal year 2023 based on the matters communicated with the governance unit. In the audit report, we address these matters, unless disclosure of certain matters is prohibited by the laws or regulations, or, in extremely rare circumstances, we decide not to communicate specific matters in the audit report because the expected negative impact of such communication is reasonably anticipated to outweigh the public interest it would serve.

KPMG

Certified public accountant: Li Da-Hui

March 8, 2024



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**KGI Securities Investment Trust Co. Ltd.**

**Statement of Financial Position**

**December 31, 2023 and December 31, 2022**

**Unit: TWD**

<b>Asset</b>	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets</b>				
Cash and cash equivalents (notes 6 (1), (15), and 7)	\$471,086,974	68	471,258,553	70
Current financial assets at fair value through profit or loss (notes 6 (2), (15), and 7)	26,492,497	4	15,281,425	2
Accounts receivable (note 6 (15))	62,227,875	9	52,040,335	8
Accounts receivable due from related parties (notes 6 (15), and 7)	143,036	-	147,994	-
Prepayments	1,989,494	-	1,617,772	-
Other accounts receivable (note 6 (15))	2,753,312	-	940,907	-
Other current assets	500,000	-	550,000	-
<b>Total current assets</b>	<b>565,193,188</b>	<b>81</b>	<b>541,836,986</b>	<b>80</b>
<b>Non-current assets</b>				
Non-current financial assets at fair value through profit or loss (notes 6 (3), and (15))	3,246,744	-	3,020,748	1
Real estate and equipment (note 6 (4))	6,082,527	1	7,017,951	1
Right-of-use asset (note 6 (5))	787,036	-	93,558	-
Intangible assets (note 6 (6))	17,337,376	3	12,975,465	2
Operational deposits (note 6 (7))	53,900,000	8	53,900,000	8
Refundable deposit (note 6 (7))	11,010,400	2	11,010,400	2
Other non-current assets (notes 6 (7), (10), and (15))	32,928,247	5	43,181,588	6
<b>Non-current assets total</b>	<b>125,292,330</b>	<b>19</b>	<b>131,199,710</b>	<b>20</b>
<b>Total assets</b>	<b>\$690,485,518</b>	<b>100</b>	<b>673,036,696</b>	<b>100</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Other payables (notes 6 (8), (15), and (16))	\$109,790,436	16	104,058,513	15
Other payables to related parties (notes 6 (15), (16), and 7)	5,818,259	1	4,325,246	1
Current lease liabilities (notes 6 (9), (15), and (18))	380,840	-	93,941	-
Tax liabilities for the period	9,067,701	1	5,231,070	1
Other current liabilities (notes 6 (15), and (16))	3,637,339	1	2,665,127	-
<b>Total current liabilities</b>	<b>128,694,575</b>	<b>19</b>	<b>116,373,897</b>	<b>17</b>

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**KGI Securities Investment Trust Co. Ltd.**  
**Statement of Financial Position**  
**December 31, 2023 and December 31, 2022**

Unit: TWD

<b>Non-current liabilities:</b>				
Non-current lease liabilities (notes 6 (9), (15), (16), and (18))	<u>409,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>129,104,188</u>	<u>19</u>	<u>116,373,897</u>	<u>17</u>
<b>Equity</b>				
Capital (note 6 (12))	300,000,000	43	300,000,000	45
Capital reserve (note 6 (12))	131,380,967	19	125,346,756	19
Retained earnings (note 6 (12))				
Legal reserve	42,066,416	6	32,232,756	5
Undistributed earnings	86,961,263	13	98,336,599	14
Other equities (note 6 (12))	<u>972,684</u>	<u>-</u>	<u>746,688</u>	<u>-</u>
<b>Total equity</b>	<u>561,381,330</u>	<u>81</u>	<u>556,662,799</u>	<u>83</u>
<b>Total liabilities and equity</b>	<u><b>\$690,485,518</b></u>	<u><b>100</b></u>	<u><b>673,036,696</b></u>	<u><b>100</b></u>

(Please refer to the accompanying notes to the financial report for details.)

Chairman: (Stamped)

Manager: (Stamped)

Accounting Manager: (Stamped)

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**KGI Securities Investment Trust Co. Ltd.**  
**Statement of Comprehensive Income**  
**January 1 to December 31, 2023 and January 1 to December 31, 2022**  
**Unit: TWD**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Operating revenue:</b>				
Management fee revenue (note7)	\$ 660,477,867	98	656,885,914	98
Selling revenue (note7)	7,155,449	1	11,252,498	2
Service fee revenue	5,253,084	1	-	-
<b>Total operating revenue</b>	<u>672,886,400</u>	<u>100</u>	<u>668,138,412</u>	<u>100</u>
<b>Operating expenses</b>				
Employee benefits expense (notes 6 (10), (14), and 7)	217,414,742	32	203,128,235	30
Depreciation and amortization expense (notes 6 (4), (5), (6), and (14))	69,844,060	11	66,750,167	10
Other operating expenses (notes 6 (14), 7, and 9)	284,602,129	42	284,586,125	43
<b>Total operating expense</b>	<u>571,860,931</u>	<u>85</u>	<u>554,464,527</u>	<u>83</u>
<b>Gross profit from operations</b>	<u>101,025,469</u>	<u>15</u>	<u>113,673,885</u>	<u>17</u>
<b>Non-operating revenue and expense:</b>				
Interest revenue (note 7)	6,251,136	1	2,962,350	-
Other gains (losses)	1,180,267	-	4,976,604	1
Finance costs (note 6 (9))	(255,615)	-	(85,578)	-
<b>Total non-operating revenue and expense</b>	<u>7,175,788</u>	<u>1</u>	<u>7,853,376</u>	<u>1</u>
<b>Profit before tax</b>	<u>108,201,257</u>	<u>16</u>	<u>121,527,261</u>	<u>18</u>
Income tax expense (note 6 (11))	(21,260,178)	(3)	(23,576,749)	(3)
<b>Net income at the end of period</b>	<u>86,941,079</u>	<u>13</u>	<u>97,950,512</u>	<u>15</u>
<b>Other comprehensive income:</b>				
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
Gains (losses) on remeasurements of defined benefit plans (note 6 (10))	20,184	-	386,087	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	225,996	-	416,205	-
<b>Other comprehensive income for the period, net of tax</b>	<u>246,180</u>	<u>-</u>	<u>802,292</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>\$ 87,187,259</u>	<u>13</u>	<u>\$ 98,752,804</u>	<u>15</u>
<b>Basic earnings per share (note 6 (13))</b>	<u>\$ 2.90</u>		<u>3.27</u>	

(Please refer to the accompanying notes to the financial report for details.)

Chairman: (Stamped)

Manager: (Stamped)

Accounting Manager: (Stamped)

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**KGI Securities Investment Trust Co. Ltd.**  
**Statement of Changes in Equity**  
**January 1 to December 31, 2023 and January 1 to December 31, 2022**

**Unit: TWD**

	Share capital Ordinary share capital	Capital reserve	Retained earnings			Other equity items Unrealized gains (losses) on financial assets measured at fair value through other comprehensiv e income	Total equity
			Legal reserve	Special reserve	Undistributed earnings		
Equity on January 1, 2022	\$300,000,000	119,142,720	17,874,324	111,746	143,584,324	330,483	581,043,597
Profit (loss) for the period	-	-	-	-	97,950,512	-	97,950,512
Other comprehensive income for the period	-	-	-	-	386,087	416,205	802,292
Total comprehensive income for the period	-	-	-	-	98,336,599	416,205	98,752,804
Appropriation and distribution of earnings							
Legal reserve appropriated	-	-	14,358,432	-	(14,358,432)	-	-
Reversal of special reserve	-	-	-	(111,746)	111,746	-	-
Cash dividends of ordinary shares	-	-	-	-	(129,337,638)	-	(129,337,638)
Share-based payments	-	6,204,036	-	-	-	-	6,204,036
<b>Equity on December 31, 2022</b>	<b>300,000,000</b>	<b>125,346,756</b>	<b>32,232,756</b>	<b>-</b>	<b>98,336,599</b>	<b>746,688</b>	<b>556,662,799</b>
Profit (loss) for the period	-	-	-	-	86,941,079	-	86,941,079
Other comprehensive income for the period	-	-	-	-	20,184	225,996	246,180
Total comprehensive income for the period	-	-	-	-	86,961,263	225,996	87,187,259
Appropriation and distribution of							

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

earnings							
Legal reserve appropriated	-	-	9,833,660	-	(9,833,660)	-	-
Cash dividends of ordinary shares	-	-	-	-	(88,502,939)	-	(88,502,939)
Share-based payments	-	6,034,211	-	-	-	-	6,034,211
<b>Equity on December 31, 2023</b>	<b><u>\$ 300,000,000</u></b>	<b><u>131,380,967</u></b>	<b><u>42,066,416</u></b>	<b><u>=</u></b>	<b><u>86,961,263</u></b>	<b><u>972,684</u></b>	<b><u>561,381,330</u></b>

(Please refer to the accompanying notes to the financial report for details.)

Chairman: (Stamped)

Manager: (Stamped)

Accounting Manager: (Stamped)

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

**KGI Securities Investment Trust Co. Ltd.**  
**Statement of Cash Flows**  
**January 1 to December 31, 2023 and January 1 to December 31, 2022**

**Unit: TWD**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
<b>Profit (loss) before tax for the period</b>	\$ 108,201,257	121,527,261
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	41,750,018	40,542,884
Amortization expense	28,094,042	26,207,283
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(211,072)	(83,063)
Financial cost	255,615	85,578
Interest income	(6,251,136)	(2,962,350)
Share-based payments	6,034,211	6,204,036
Total adjustments to reconcile profit (loss)	<u>69,671,678</u>	<u>69,994,368</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in accounts receivable	(10,187,540)	12,600,741
Decrease (increase) in accounts receivable due from related parties	4,958	(34,931)
Decrease (increase) in other accounts receivable	(1,078,800)	381,400
Increase in other prepayments	(371,722)	(491,842)
Decrease (increase) in other current assets	50,000	(550,000)
Increase in other non-current assets	(16,907,962)	(10,288,034)
Increase (decrease) in other payable	5,707,223	(14,661,440)
Increase (decrease) in other payable due from related parties	1,493,013	(2,514,459)
Adjustments for increase (decrease) in other current liabilities	1,386,712	(416,305)
Total changes in operating assets and liabilities	<u>(19,904,118)</u>	<u>(15,974,870)</u>
Cash inflow generated from operations	157,968,817	175,546,759
Interest received	5,517,531	2,644,355
Interest paid	(255,615)	(85,578)
Income taxes paid	(17,423,547)	(36,934,120)
<b>Net cash flows from (used in) operating activities</b>	<u>145,807,186</u>	<u>141,171,416</u>
<b>Cash flows from investment activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(11,000,000)	-
Acquisition of real estate, plant and equipment	(2,186,455)	(2,698,335)
Acquisition of intangible assets	(487,200)	(909,374)
Increase in prepayments for business facilities	(4,787,266)	(6,454,241)
	<u>(18,460,921)</u>	<u>(10,061,950)</u>
<b>Net cash flows from (used in) investment activities</b>		
<b>Cash flows from (used in) financing activities:</b>		
Decrease in guarantee deposits received	(414,500)	(193,700)
Payments of lease liabilities	(38,600,405)	(37,717,770)
Cash dividends paid	(88,502,939)	(129,337,638)
<b>Net cash flows from (used in) financing activities</b>	<u>(127,517,844)</u>	<u>(167,249,108)</u>
Net decrease in cash and cash equivalents for the period	(171,579)	(36,139,642)
Cash and cash equivalents at beginning of period	471,258,553	507,398,195
Cash and cash equivalents at end of period	<u><b>\$ 471,086,974</b></u>	<u><b>471,258,553</b></u>

(Please refer to the accompanying notes to the financial report for details.)

**Chairman: (Stamped)**

**Manager: (Stamped)**

**Accounting manager: (Stamped)**



## **[Appendix 2] Calculation Standards for the Asset Value of Securities Investment Trust Funds**

Revised and Issued by the Securities Investment Trust and Consulting Association of the Republic of China on July 12, 2023 with reference no. Zhong-Xin-Gu-Zi-1120052431

- I. The calculation standards are established in accordance with Paragraph 2, Article 28 of the Securities Investment Trust and Consulting Act.
- II. Calculation method for the asset value of money market funds and similar funds: The asset value is calculated based on the purchase cost plus accrued interest up to the calculation date and amortization of any premium or discount. For bonds with call or put options, the amortization period for premium or discount is based on the bond's maturity date. For assets purchased by funds similar to money market funds before the transformation record date, the purchase cost shall be the carrying amount as of the transformation record date. In addition, for the settlement amount paid to the seller with respect to bonds purchased by funds similar to money market funds, the withholding tax for accrued interest calculated based on the bond's face value and interest rate during the holding period shall be amortized over the remaining maturity period of the bond.
- III. The calculation of the asset value of index funds and exchange traded funds shall be conducted in accordance with the securities investment trust deed.
- IV. Calculation method for the asset value of ETF-linked funds: For a master fund linked to single ETF, the asset value is based on the net asset value per unit of the ETF on the calculation date.
- V. The asset value of other securities investment trust funds shall be calculated according to the following provisions:
  - (I) Stocks
    - I. For listed stocks, shall use the closing price from the centralized trading market on the calculation date; for stocks listed on the Taipei Exchange (TPEX), use the closing price from the automated trade matching system of the TPEX on the calculation date; for stocks of companies with listing or TPEX-listing contracts approved by the Financial Supervisory Commission (FSC) but traded on the emerging stock market, use the weighted average trading price from the TPEX's electronic bidding system for emerging stocks on the calculation date. For unlisted and not TPEX-listed stocks (including emerging stocks where the listing or TPEX-listing contracts have not been approved by the FSC) and private placement stocks of listed, TPEX-listed, and emerging stock companies, use the purchase cost. If an emerging stock's where the listing or TPEX-listing contract has been approved by the FSC is subsequently canceled, use the weighted average trading price on the approved cancellation date for valuation. However, if there is objective evidence indicating a reduction in the investment value, impairment losses shall be recognized. If otherwise specified in the securities investment trust deed, follow such provisions. For subscribing to the same type of stocks in capital increases or underwritings of listed, TPEX-listed, and emerging stocks where the listing or TPEX-listing contracts have not been approved by the FSC, the above provisions shall apply. For subscribing to stocks in initial listings or TPEX-listing (including state-owned enterprises not required to be listed on the emerging stock market), use the purchase cost prior to the stock's official public trading.

- II. For stocks suspended from trading due to financial difficulties, starting from the stock's trading suspension date, the calculation shall be based on the closing price from the centralized trading market or TPEx's automated trade matching system on the last trading day before the suspension, comparing this closing price with the net worth per share provided in the most recent financial report published before the suspension. If the closing price is lower than the net worth per share, use the closing price as the valuation standard. If the closing price is higher than the net worth per share, use the stock price adjusted to the net worth based on the maximum price drop allowed under the current laws and regulations for each trading day. The price calculated based on the above requirement shall be adjusted at one time to the net worth per share provided in the most recent financial report published after the suspension began according to the laws and regulations, but not exceeding the closing price on the last trading day before trading suspension. If the latest financial report is issued with a non-standard review report by the accountant, use the lower net worth per share from the latest two financial reports published according to the laws and regulations.
- III. If the trading volume of a stock on the first trading day after a trading suspension exceeds the average daily trading volume of the month prior to the trading suspension, and the closing price on that first day is higher than the maximum price drop allowed under the current laws and regulations, then from that day onwards, the stock shall be valued based on the calculation standards applicable to listed and TPEx-listed stocks.
- IV. If the trading volume on the first trading day after the trading suspension does not meet the standard in the preceding provision, or if the closing price still reflects the maximum allowable drop price, then the stock will not revert to the calculation standards for listed and TPEx-listed stocks until the trading volume meets the standard in the preceding provision and the closing price exceeds the maximum price drop allowed under the current laws and regulations. Before these conditions are met, the stock's price will be calculated daily using the highest allowable price increase or price decrease based on the price from the last trading day before the stock starts trading, until the price approaches the closing price on the calculation date.
- V. For stocks suspended from trading due to financial difficulties that are eventually delisted and cease trading after the suspension period, the stock shall be valued at zero. The value will be adjusted to the sale price when the stock is sold.
- VI. For stocks of a company that ceases to be listed (or TPEx-listed) due to a merger, if the company is absorbed in the merger, the shares of the extinguished company held shall be converted into shares of the surviving company according to the share exchange ratio, starting from the date the extinguished company's stock ceases to be traded. During the trading suspension period, which is the eight (8) business days prior to (but not including) the merger record date, the value shall be calculated based on the closing price of the surviving company's stock on the centralized trading market or the automated trade matching system of the TPEx. From the merger record date onwards, the valuation shall follow the provisions in Item 1 of this paragraph.
- VII. For stocks of a company that ceases to be listed (or TPEx-listed) due to a merger where a new company is established, during the eight (8) business days prior to (but not including) the merger record date, the shares of the extinguished company held shall be valued based on the closing price of the extinguished company's stock on the centralized trading market or the automated trade matching system of the TPEx on the

last trading day. On the listing date of the shares of the new company, the shares of the extinguished company shall be converted into shares of the new company according to the share exchange ratio and the value of these shares shall then be calculated based on the closing price of the new company's stock on the centralized trading market or the automated trade matching system of the TPEX on the calculation date.

- VIII. For stocks of a company that ceases to be listed (or TPEX-listed) due to a reduction in capital and spin-off, during the trading suspension period before the new capital-reduced stocks begin trading, the value of the original capital-reduced stocks held shall be based on the closing price of those stocks on the centralized trading market or the automated trade matching system of the TPEX on the last trading day. The carrying amount of the original capital-reduced stocks shall be adjusted based on the capital reduction ratio or relative fair value and allocated to the carrying cost of the new capital-reduced stocks. The new capital-reduced stocks shall be valued according to the provisions in Item 1 of this paragraph from the day the new capital-reduced stocks start to be traded on the centralized market or OTC market.
- IX. For stocks bought on margin or sold short: For listed stocks, use the closing price from the centralized trading market on the calculation date. For TPEX-listed stocks, use the closing price from the automated trade matching system of the TPEX on the calculation date.
- X. The term "financial difficulties" refers to the following situations affecting the stock-issuing company:
- (i) The company fails to announce or file its financial reports or financial forecasts within the deadline required by the laws and regulations.
  - (ii) The company's stock is restricted from transfer due to court-ordered reorganization.
  - (iii) The company's financial statements are not prepared according to generally accepted accounting principles or receive a disclaimer of opinion or an adverse opinion from auditors.
  - (iv) The company violates regulations governing disclosure of material information of listed (or TPEX-listed) companies, and the situation is severe enough to necessitate suspension of trading.
  - (v) The company's construction projects experience significant delays or major breaches of contractual agreements.
  - (vi) The company has insufficient funds leading to bounced checks and fails to correct the situation within the specified deadline.
  - (vii) The company is unable to repay maturing debts and fails to reach an agreement with creditors within the specified deadline.
  - (viii) The company experiences other financial difficulties that lead to its stock being suspended from trading by the Taiwan Stock Exchange or the TPEX.

- (II) Beneficiary certificates: For listed (or TPEX-listed) beneficiary certificates, use the closing price from the centralized trading market or the TPEX on the calculation date. For non-listed (or non-TPEX-listed) beneficiary certificates, use the net asset value per unit as announced on the website specified in the securities investment trust deed on the calculation date.
- (III) Taiwan depositary receipts (**TDRs**): For listed TDRs, use the closing price from the centralized trading market on the calculation date. For TPEX-listed TDRs, use the closing price from the automated trade matching system of the TPEX on the calculation date.
- (IV) Convertible bonds:
  - I. For listed (or TPEX-listed) convertible bonds, use the closing price on the calculation date plus accrued interest up to the calculation date. After applying for conversion, the valuation shall be based on the stock or bond conversion rights certificate, with the valuation method following the provisions of Paragraph 1.
  - II. For convertible bonds that are suspended from trading or delisted (from being listed or TPEX-listed), use the closing price on the last trading day of the bond, amortizing any premium or discount based on the bond's remaining term according to relevant regulations, and plus accrued interest up to the calculation date. However, if there is evidence of impairment in the investment's value, impairment losses shall be recognized. Suspended convertible bonds shall be valued according to the method specified in Paragraph 1 upon resumption of trading.
  - III. If a suspended convertible bond is classified as a problematic bond under the "Rules for Handling Problematic Corporate Bonds," it shall be handled according to those rules.
- (V) Government bonds: For listed bonds, the closing price on the calculation date plus the interest receivable as of the calculation date; for TPEX-listed bonds, the price of the bonds converted from the price derived from the average yield-weighted trading price of the electronic bond trading system of the TPEX on the calculation date plus the interest receivable as of the calculation date; if there is no trading in the electronic bond trading system on the calculation date, the weighted average of the trading prices of the bonds negotiated with securities firms shall be used as the basis plus the interest receivable as of the calculation date. If there is no transaction record for both of the above methods and the maturity date of the bond is one year or more, the value is calculated by comparing the previous day's published yield rate of the bond with the yield rate of the Taiwan Government Bond Index published by the TPEX. If the yield rate is within 10 bps (inclusive) above or below the yield rate of the bonds disclosed by the Taiwan Government Bond Index published by the TPEX, then the price of the bond converted based on the previous day's published yield rate will be used for valuation, plus the interest receivable accrued up to the calculation date. If the yield rate falls outside the range of 10 bps above or below the yield rate of the bonds disclosed in the Taiwan Government Bond Index published by the TPEX, then the price of the bond converted by the yield rate of the bonds disclosed in the Taiwan Government Bond Index published by the TPEX shall be used for valuation, plus the interest receivable accrued up to the calculation date. If there is no transaction record for both of the above methods and the maturity date of the bond is less than one year, the fair price of each tranche of the bonds published by the TPEX shall be used for valuation, plus the interest receivable accrued up to the calculation date.

(VI) Financial bonds, ordinary corporate bonds, other bonds, financial asset securitization beneficiary securities, asset-backed securities, and real estate investment trust beneficiary securities:

- I. For bonds purchased on or before December 31, 2005 and no trench of bonds was sold on or after January 1, 2006:
  - (i) For listed bonds: Use the closing price on the calculation date plus any interest receivable accrued up to the calculation date.
  - (ii) For TPEX-listed bonds with a fixed coupon rate: Use the weighted average trading price negotiated with securities firms on the calculation date, plus any interest receivable accrued up to the calculation date.
  - (iii) For TPEX-listed bonds with a floating coupon rate: Use the weighted average trading price negotiated with securities firms on the calculation date, plus any interest receivable accrued up to the calculation date. If no such trading price is available on the calculation date, shall use the carrying amount from the previous day, adjust for the difference between the carrying amount and the face value by amortization, plus any interest receivable accrued up to the calculation date.
  - (iv) For non-listed and not TPEX-listed bonds: Use the face value plus any interest receivable accrued up to the calculation date, and amortize any premium or discount according to the relevant regulations.
  - (v) For bonds that are suspended from trading or that have been delisted (from being listed or TPEX-listed): Use the closing price on the last trading day before delisting in the centralized trading market or the weighted average trading price negotiated with securities firms on the last trading day before OTC delisting as the cost. Amortize any premium or discount based on the remaining term of the bond according to relevant regulations plus any interest receivable accrued up to the calculation date. For trading suspended bonds, the valuation shall follow the provisions in Item 1 of this sub-paragraph upon resumption of trading.
- II. For bonds purchased before December 31, 2005 and where trench of bonds was sold after January 1, 2006, as well as bonds purchased after January 1, 2006:
  - (i) For listed and TPEX-listed bonds with fixed coupon rates, the closing yield rate or the weighted average traded yield rate negotiated with the securities firms on the calculation date shall be compared with the reference yield rate of the corporate bonds published by the TPEX. If the yield rate is within 20 bps (inclusive) above or below the reference yield rate of the corporate bonds published by the TPEX, the closing yield rate or the weighted average traded yield rate negotiated with the securities firms shall be used for valuation plus the interest receivable accrued up to the calculation date. If the yield rate falls outside the range of 20 bps above or below the reference yield rate of the corporate bonds published by the TPEX, then the reference yield rate of the corporate bonds published by the TPEX plus or minus 20 bps, plus the interest receivable accrued up to the date of calculation. For non-listed and not TPEX-listed bonds, the reference yield rate of the corporate bonds published by TPEX, plus the interest receivable accrued up to the date of calculation, shall be used for valuation. The following principles shall be adhered to when comparing the

yield rate against the reference yield rate of the corporate bonds published by TPEx mentioned above:

1. If the maturity of a bond is different from the maturity of the reference yield rate of corporate bonds published by the TPEx, the reference yield rate of the corporate bonds is calculated by the linear interpolation method. However, if a bond is a serial bond, the weighted average maturity period is used to calculate the remaining maturity period of the bond; if the maturity period of a bond is less than one month, the maturity period of the bond will be one month; if the legal maturity date of the securities benefiting from securitization of financial assets is different from the scheduled maturity date, the scheduled maturity date shall prevail; the maturity period of bonds with call rights and put rights, the maturity date shall be the maturity date of the bond.
  2. The credit ratings of the bonds correspond to the credit ratings of the reference yield rates of corporate bonds published by the TPEx are as follows:
    - (1) Any + or - in the credit ratings of the bonds will be deleted (e.g., "A-" or "A+" will be treated as "A").
    - (2) For bonds with a single guarantor bank, the credit rating of the guarantor bank shall prevail; for bonds with joint guarantor banks, the credit rating of the sponsoring bank shall prevail; for bonds secured by assets, they are deemed to be unsecured, and for unsecured bonds, the credit rating of the issuing company shall prevail; for subordinated bonds, the credit rating of the bond itself shall prevail; however, if the subordinated bond does not have any credit rating, the credit rating of the issuing company lowered by two levels shall prevail; if the issuing company has different credit ratings, the lowest credit rating shall prevail.
    - (3) The credit ratings of beneficiary securities of financial asset securitization, asset-based securities and real estate investment trust beneficiary securities are based on the credit ratings of the beneficiary securities themselves.
- (ii) For TPEx-listed bonds with a floating coupon rate, it will be handled in accordance with the provisions of Item 2, Paragraph 15 of this Article.
- III. If the bond is classified as a problematic bond under the "Rules for Handling Problematic Corporate Bonds," it shall be handled according to those rules.
- (VII) Bonds sold under repurchase agreement and short-term bills (including beneficiary securities and asset-backed securities with a maturity of one year or less): The valuation is based on the purchase cost plus the interest receivable accrued at the purchase interest rate up to the calculation date. However, if there is objective evidence showing that the investment value has been impaired, an impairment loss shall be recognized.
- (VIII) Call (put) warrants: For listed warrants, the valuation is based on the closing price on the calculation date from the centralized trading market; for TPEx-listed warrants, the



valuation is based on the closing price from the automated trade matching system of the TPEx on the calculation date.

- (IX) Foreign-listed/TPEx-listed stocks: The valuation is based on the most recent closing price received within the business hours of the securities investment trust enterprise from the securities centralized trading market or securities firm's trading venue on the calculation date. For stocks that are suspended from trading, have not been quoted or traded for a long time, or where market prices do not reflect fair value, the fair price provided by other independent professional institutions consulted by the fund management company, the valuation committee of the parent company of the fund management company's group, or the valuation committee of the fund management company shall be used for valuation. The fund management company shall specify in its internal control system the criteria for the absence of quotations and trading information (e.g., one month, two months) and the reasonable frequency for re-evaluation (e.g., weekly, monthly).
- (X) Foreign bonds: The valuation is based on the most recent price, trading price, bid price, or mid-price on the calculation date obtained from the price information provider specified in the securities investment trust deed, plus accrued interest up to the calculation date. For bonds that are suspended from trading, have not been quoted or traded for a long time, or where market prices do not reflect fair value, the fair price provided by other independent professional institutions consulted by the fund management company, the valuation committee of the parent company of the fund management company's group, or the valuation committee of the fund management company shall be used for valuation. The fund management company shall specify in its internal control system the criteria for the absence of quotations and trading information (e.g., one month, two months) and the reasonable frequency for re-evaluation (e.g., weekly, monthly).
- (XI) Foreign mutual funds:
- I. For listed (or TPEx-listed) funds, the closing price of each centralized trading market or OTC market as of the calculation date obtained from the information company listed in the securities investment trust deed shall be used for valuation. For funds suspended from trading, shall use the fair price provided by the foreign sub-custodian banks, other independent professional institutions consulted by the fund management company, or the valuation committee of the parent company of the fund management company's group for valuation.
  - II. For unlisted (or not TPEx-listed) funds, the most recent net worth obtained from a foreign mutual fund company during the business hours of the securities investment trust enterprise on the calculation date shall be used for valuation. For funds suspended from trading, if the net worth notified or published is still available during the suspension period, the notified or published net worth shall be used for valuation. If no net worth is notified or published during the suspension period, the net worth on the business day prior to the suspension shall be used for valuation.
- (XII) Other foreign investment underlying: For listed foreign investment underlying, the closing price from the centralized trading market on the calculation date shall be used for valuation. For unlisted foreign investment underlying, shall calculate the price according to the provisions specified in the relevant securities investment trust deed, investment memorandum, prospectus, or other similar documents for valuation.
- (XIII) Real estate investment trusts (**REITs**) beneficiary securities: For listed REITs beneficiary securities, the closing price from the centralized trading market on the



calculation date shall be used for valuation. For TPEX-listed REITs beneficiary securities, the closing price from the automated trade matching system of the TPEX on the calculation date shall be used for valuation. For unlisted or not TPEX-listed REITs beneficiary securities, the latest net worth published by the trustee institution on the calculation date shall be used for valuation. However, if the securities investment trust deed specifies otherwise, the valuation shall follow those provisions.

(XIV) Structured bonds:

- I. For bonds purchased on or before December 31, 2005 and no trench of bonds was sold on or after January 1, 2006: The valuation shall be handled according to the provisions of Items 1 and 3, Paragraph 6 of this Article.
- II. For bonds purchased before December 31, 2005 and where trench of bonds was sold after January 1, 2006, as well as bonds purchased after January 1, 2006: The valuation shall be recalculated at least weekly. The valuation shall base on the average of fair prices provided by three securities firms (including the trading counterparty) or prices provided by an independent valuation institution.

(XV) Structured time deposits:

- I. For deposits purchased on or before December 31, 2005: The deposit amount plus interest accrued up to the calculation date shall be used for valuation.
- II. For deposits purchased on or after January 1, 2006: The fair price provided by the trading counterparty shall be used for valuation.

(XVI) For participation certificates, the most recent closing price of the single linked stock on the centralized trading market or at the securities firm's trading venue available during the securities investment trust enterprise's business hours on the calculation date shall be used for valuation. For the single linked stock of the participation certificates suspended from trading, shall use the fair price provided by the valuation committee of the parent company of the fund management company's group, the valuation committee of the fund management company or other independent valuation institution consulted by the fund management company for valuation.

VI. Domestic and foreign securities related products:

- (I) For those traded on the centralized trading market, the closing price from the centralized trading market on the calculation date shall be used for valuation. For those not traded on the centralized trading market, the price obtained from the price information provider specified in the securities investment trust deed or the price provided by the trading counterparty on the calculation date shall be used for valuation.
- (II) Futures: The settlement price from the futures exchange associated with the type of underlying asset specified in the futures contract on the calculation date shall be used to determine the contract's gains or losses.

For investment in domestic funds investing in one-day futures contracts approved by the FSC and authorized by the Taiwan Futures Exchange for trading Taiwan stock futures and Taiwan index options listed on the Eurex Exchange, the asset value of the fund shall be calculated based on the settlement price on the calculation date, with the valuation performed on the next business day.

Forward foreign exchange contracts: For all types of funds, the valuation shall use the settlement exchange rate from the foreign exchange market on the calculation date. However, if there is no forward exchange rate available on the foreign exchange market equivalent to the remaining contract period on the calculation date, a linear interpolation method may be used to determine the rate.

- VII. Except for stocks suspended from trading and stocks of companies that cease to be listed (or TPEX-listed) due to a merger during the trading suspension period due to share exchange specified in Article 5, when there is no closing price, weighted average trading price, price derived from the average yield-weighted trading price, average price, settlement price, most recent price, trading price, bid price, mid-price, reference rate, fair price, average of fair prices, or settlement exchange rate on the calculation date as mentioned in this regulation, then the most recent closing price, weighted average trading price, price derived from the average yield-weighted trading price, average price, settlement price, most recent price, trading price, bid price, mid-price, reference rate, fair price, average of fair prices, or settlement exchange rate shall be used for valuation instead.
- VIII. For the calculation of net asset value in foreign countries, the exchange rate for converting foreign currencies to New Taiwan Dollars shall be based on the rate at the time specified in the securities investment trust deed.
- IX. For assets under Paragraphs 9 to 16 of Article 5 that are subject to financial sanctions (such as those imposed by the G7 countries, including Canada, France, Germany, Italy, Japan, the United Kingdom, the United States, and the European Union) and face issues like lack of liquidity, difficulty in selling, or valuation challenges, the management company may decide, in the best interest of the fund, whether to apply the provisions of Articles 4 to 12 of the "Rules for Handling Problematic Corporate Bonds."

### **[Appendix 3] Thresholds and Handling Procedures for Tolerable Deviations in the Calculation of Net Asset Value of Securities Investment Trust Funds**

#### **Thresholds and Handling Procedures for Tolerable Deviations in the Calculation of Net Asset Value of Securities Investment Trust Funds of the Securities Investment Trust and Consulting Association of the Republic of China**

Approved by the Financial Supervisory Commission, Executive Yuan, Republic of China (Taiwan) on February 14, 2017 with reference no. Jin-Guan-Zheng-Tou-Zi-1060002879

#### **I. Legal Basis and Purpose**

This threshold and the handling procedures are established in accordance with Article 72 of the Regulations Governing Securities Investment Trust Funds.

The net worth of a fund is intended to represent the closest approximation to the fund's true market price. However, the accuracy of the net worth may be affected by various factors such as different trading systems, time differences, exchange rates, and taxation, which may necessitate adjustments to the net worth. In order to protect investors' interests while minimizing overly complex and economically ineffective operational procedures for fund managers, this threshold and handling procedures have been established.

#### **II. Application**

When the deviation in the fund's net worth reaches the tolerable deviation threshold specified in Article 3, the securities investment trust enterprise must follow the relevant provisions of this threshold and handling procedures to protect investors. If the deviation does not reach the tolerable deviation threshold specified in Article 3, except in cases where the securities investment trust enterprise has acted with intent or gross negligence and must compensate investors, since the impact is not significant and is within the tolerable range, such deviation may be treated similarly to changes in estimates under generally accepted accounting principles, in order to reduce lengthy and costly announcement operation and

procedures. However, records of the fund's accounting adjustments must be kept for reference.

III. The tolerable deviation thresholds for various types of funds are as follows:

- (I). Money market funds: 0.125% (inclusive) of the net worth on the day the deviation occurs;
- (II). Bond funds: 0.25% (inclusive) of the net worth on the day the deviation occurs;
- (III). Equity funds: 0.5% (inclusive) of the net worth on the day the deviation occurs;
- (IV). Balanced funds and multi-asset funds: 0.25% (inclusive) of the net worth on the day the deviation occurs;
- (V). Capital-protected funds, index funds, exchange traded funds, fund of funds, and other types of funds: Each type of funds applies the appropriate rate from the categories listed above based on its classification.

IV. If the adjustment rate of the fund's net worth reaches the tolerable deviation threshold provided in the preceding article, in addition to following the control procedures in Article 6, the securities investment trust enterprise shall calculate the amount of the difference and adjust the fund's net asset value as soon as possible. Unless there are special circumstances, the securities investment trust enterprise shall announce the deviation within 7 business days from the date of discovery of the deviation and complete the payment of shortfall within 20 business days from the date of announcement.

V. If the adjustment rate of the fund's net worth reaches the tolerable deviation threshold provided in Article 3, the handling principles for the payment of shortfall are as follows:

(一) When the net worth is undervalued.

- i. For subscribers: The securities investment trust enterprise shall adjust the accounts accordingly, but this adjustment shall not affect the total subscription amount paid by the beneficiaries.
- ii. For redeemers: The securities investment trust enterprise must transfer the shortfall in redemption payments from the fund's dedicated account to the beneficiaries.
- iii. Example: Please see the table below for an illustration.

Net worth undervalued	In the event of deviation	After adjustment	Illustration
Subscriber	Subscription amount: TWD800 NAV: TWD8 Subscription: 100 units	Subscription amount: TWD800 NAV: TWD10 Subscription: 80 units	Adjustment on accounting will be made without affecting the beneficiary's total subscription amount of TWD800.

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Redeemer	Redemption: 100 units	Redemption: 100 units	The redemption amount shall be TWD1,000, so the loss of TWD200 suffered by the beneficiary will be covered by the fund's assets in order to maintain the correct asset value of the Fund.
	NAV: TWD8	NAV: TWD10	
	Redemption amount: TWD800	Redemption amount: TWD1,000	

(二) When the net worth is overvalued.

- i. For subscribers: The securities investment trust enterprise must compensate for the shortfall in the number of units by issuing the additional units to the beneficiaries and adjust the number of units outstanding for the fund.
- ii. For redeemers: The securities investment trust enterprise must make up the excess redemption amount paid to the fund's assets.
- iii. In principle, the securities investment trust enterprise must make up for the losses incurred by the fund due to the benefits received by certain beneficiaries. Once the net worth is recalculated and the amount that the securities investment trust enterprise shall compensate the fund is determined, the securities investment trust enterprise must make up the amount to the fund's assets. Please see the example in the table below:

Net worth overvalued	In the event of deviation	After adjustment	Illustration
Subscriber	Subscription amount: TWD800	Subscription amount: TWD800	Adjustment on accounting will be made without affecting the beneficiary's total subscription amount of TWD800.
	NAV: TWD10	NAV: TWD8	
	Subscription: 80 units	Subscription: 100 units	
Redeemer	Redemption: 100 units	Redemption: 100 units	The redemption amount shall be TWD800. The securities investment trust enterprise must make up for the portion of the fund's loss resulting from the amount already paid for redemption, and compensate the fund's assets accordingly.
	NAV: TWD10	NAV: TWD8	
	Redemption amount: TWD1,000	Redemption amount: TWD800	

- VI. When the adjustment ratio of the fund's net asset value reaches the aforementioned tolerable deviation threshold, the securities investment trust enterprise shall execute the following relevant control procedures:
- (I). Notify the FSC, business associations, the fund custodian institution, and the fund's certified public accountant.
  - (II). Calculate the financial impact of the deviation and determine the amount needed to make up for the beneficiaries.
  - (III). Obtain a report from the fund's certified public accountant regarding the handling of the net worth deviation. The report shall include an opinion on the correcting journal entries for the fund's net worth calculation deviation, confirmation of the fund's net worth recalculation, and the amount of loss incurred by the fund/investors.
  - (IV). Submit the accountant's report along with details of the adjustment or supplemental amounts or accounting adjustment content to the FSC for record-keeping.
  - (V). Announce and notify the affected sales agents and beneficiaries of the amount of net worth deviation and the method of compensating for the losses, ensuring proper handling.
  - (VI). Except in special circumstances, the securities investment trust enterprise shall announce the deviation within 7 business days from its discovery of such event and complete the adjustment and payment of difference within 20 business days from the announcement date.
  - (VII). The securities investment trust enterprise shall review the corrective action plan, processing steps, internal control responses, and the subsequent handling process to ensure they are reasonable.
  - (VIII). Disclose in the fund's annual financial report the reasonableness of the accountant's correction process for the net worth deviation, including the recalculated net worth, the amount of loss incurred by the fund/investors, and the amount of compensation paid.
- VII. This threshold and handling procedures shall be implemented after being approved by the board of directors of the association and filed with the FSC for record. The same procedure applies to any amendments.

**[Appendix 4] Securities Investment Trust Deed of KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund and Comparison Table of Template Deed**

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Preface	<p><u>KGI Securities Investment Trust Co., Ltd.</u> (hereinafter referred to as the "<b>Management Company</b>"), for the purpose of issuing beneficiary certificates and offering the <u>KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund</u> (hereinafter referred to as the "<b>Fund</b>") within the Republic of China, together with <u>Chang Hwa Commercial Bank, Ltd.</u> (hereinafter referred to as the "<b>Custodian</b>"), in accordance with the Securities Investment Trust and Consulting Act and other relevant laws and regulations of the Republic of China, hereby establish this Securities Investment Trust Deed (hereinafter referred to as the "<b>Deed</b>") based on a trust relationship with the Management Company as the trustor and the Custodian as the trustee. The Deed aims to regulate the rights and obligations among the Management Company, the Custodian, and the holders of the Fund's beneficiary certificates (hereinafter referred to as the "<b>Beneficiaries</b>"). The Management Company and the Custodian shall become parties to the Deed from</p>	Preface	<p>_____ Securities Investment Trust Co., Ltd. (hereinafter referred to as the "<b>Management Company</b>"), for the purpose of issuing beneficiary certificates and offering the _____ Securities Investment Trust Fund (hereinafter referred to as the "<b>Fund</b>") within the Republic of China, together with _____ (hereinafter referred to as the "<b>Custodian</b>"), in accordance with the Securities Investment Trust and Consulting Act and other relevant laws and regulations of the Republic of China, hereby establish this Securities Investment Trust Deed (hereinafter referred to as the "<b>Deed</b>") based on a trust relationship with the Management Company as the trustor and the Custodian as the trustee. The Deed aims to regulate the rights and</p>	Specify the name of the Fund, the name of the Management Company and the Fund Custodian, and add some content to coordinate with the practical operations.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	the date of its signing and effectiveness. Except for cases where the Management Company rejects a subscriber's subscription, the subscriber becomes a party to the Deed from the date <u>the subscription procedure is completed or from the date the beneficiary certificates of the Fund are purchased in the securities market.</u>		obligations among the Management Company, the Custodian, and the holders of the Fund's beneficiary certificates (hereinafter referred to as the <b>"Beneficiaries"</b> ). The Management Company and the Custodian shall become parties to the Deed from the date of its signing and effectiveness. Except for cases where the Management Company rejects a subscriber's subscription, the subscriber shall become a party to the Deed from the date of subscription and full amount of the Subscription Amount.	
Article 1	Definitions	Article 1	Definitions	
Paragraph 1	The definitions of the terms used in the Deed are as follows:	Paragraph 1	The definitions of the terms used in the Deed are as follows:	
Subparagraph 2	II. The Fund: Refers to <u>KGI Taiwan Premium Selection High Dividend 30 ETF</u> securities investment trust fund established under the Deed for the benefit of the beneficiaries of the Fund.	Subparagraph 2	II. The Fund: Refers to _____ securities investment trust fund established under the Deed for the benefit of the beneficiaries of the Fund.	Specify the name of the Fund.
Subparagraph 3	III. Management Company: Refers to <u>KGI Securities Investment Trust Co., Ltd.</u> , the	Subparagraph 3	III. Management Company: Refers to _____ Securities	Specify the name of the Management Company.

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Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	company responsible for managing the Fund in accordance with the Deed and relevant laws and regulations of the Republic of China.		Investment Trust Co., Ltd., the company responsible for managing the Fund in accordance with the Deed and relevant laws and regulations of the Republic of China.	
Subparagraph 4	IV. Fund Custodian: Refers to <u>Chang Hwa Commercial Bank Ltd.</u> , which is a bank concurrently engages in trust business, and based on the trust relationship, acts as the trustee under the Deed and is responsible for the custody, disposition, receipt of and payment for the Fund according to the utilization instructions of the Management Company, and performs related fund custody services in accordance with the Securities Investment Trust and Consulting Act and the Deed.	Subparagraph 4	IV. Fund Custodian: Refers to _____, which is a <u>trust company</u> or a bank concurrently engages in trust business, and based on the trust relationship, acts as the trustee under the Deed and is responsible for the custody, disposition, receipt of and payment for the Fund according to the utilization instructions of the Management Company, and performs related fund custody services in accordance with the Securities Investment Trust and Consulting Act and the Deed.	Specify the name of the Fund Custodian.
Subparagraph 7	VII. Fund's Establishment Date: Refers to the date on which the minimum <u>offering amount</u> specified in Paragraph 1, Article 3 of the Deed has been fully	Subparagraph 7	VII. Fund's Establishment Date: Refers to the date on which the minimum <u>Net Total Issuance</u>	Revisions are made to align with the article number of the Deed and

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	raised, the conditions for the establishment of the Fund as specified in Paragraph 1, Article 9 of the Deed have been met, and the Management Company has reported to and received approval for recordation from the FSC.		<u>Amount</u> specified in Paragraph 1, Article 3 of the Deed has been fully raised, the conditions for the establishment of the Fund as specified in Paragraph 1, Article 7 of the Deed have been met, and the Management Company has reported to and received approval for recordation from the FSC.	practical operation.
Subparagraph 8	VIII. Date of Issuance of the Fund's Beneficiary Certificates: Refers to the date on which the Management Company <u>first registers</u> the Fund's beneficiary certificates <u>and the number of beneficiary units with the centralized securities depository enterprise, in accordance with the regulations of the centralized securities depository enterprise, by submitting the relevant documents.</u>	Subparagraph 8	VIII. Date of Issuance of the Fund's Beneficiary Certificates: Refers to the date on which the Management Company <u>issues and first delivers</u> the Fund's beneficiary certificates.	Revised to align with the practical operation of the Fund.
Subparagraph 9	IX. Fund's Sales Agent: Refers to the Management Company and institutions engaged by the Management Company to sell the <u>beneficiary certificates prior to (but not including) the Fund's Establishment Date.</u>	Subparagraph 9	IX. Fund's Sales Agent: Refers to the Management Company and institutions engaged by the Management Company to <u>handle fund sales and redemption activities.</u>	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 10	<u>X. Participating Securities Firm: Refers to a securities firm established and operating under the laws of the Republic of China, holding a securities proprietary trading (or) brokerage license, meeting the qualifications and conditions for a Participating Securities Firm as stipulated by the securities exchange, and having entered into a participation agreement of the Fund with the Management Company and thus is authorized to handle the subscription and redemption of the Fund either on its own or through consignment.</u>			Add the definition of Participating Securities Firm for the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 11	<u>XI. Participation Agreement: Refers to the agreement jointly signed by the Management Company and the Participating Securities Firms to regulate the rights, obligations, and related matters concerning the Participating Securities Firms' participation in the subscription and redemption of the Fund.</u>			Add the definition of Participation Agreement. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 15	<u>XV. Subscription Application Date: Refers to the business day on which the Participating Securities Firms, in accordance with the Participation Agreement and the Deed apply with the Management Company for subscribing</u>			Add according to the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>to the Fund's beneficiary certificates, whether directly or due to consignment and the subscription application form and related documents, either in written or electronic form reach the Management Company.</u>			
Subparagraph 16	<u>XVI. Subscription Date: Before (but not including) the Fund's Establishment Date, it refers to the business day on which the Management Company and the Fund's Sales Agents sell units of the beneficial rights of the Fund. After (and including) the Fund's listing date, it refers to the business day on which the Participating Securities Firms, whether directly or due to consignment, in accordance with the Participation Agreement and the Deed, submits a subscription application for the Fund's beneficiary certificates to the Management Company, and the Management Company purchases a basket of component trades based on the Cash Subscription/Redemption List.</u>	Subparagraph 13	<u>XIII. Subscription Date: Refers to the business day on which the Management Company and the Fund's Sales Agents sell units of the beneficial rights of the Fund.</u>	Revised to align with the practical operation of the Fund.
Subparagraph 18	<u>XVIII. Income Equalization: Refers to the income accumulated for the net asset value of each beneficiary unit (including but not limited to interest income) from the Fund's Establishment</u>	Subparagraph 15	<u>XV. Income Equalization: Refers to the amount of income that can be distributed to the existing beneficiaries</u>	Revised to align with the practical operation of the Fund.

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Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>Date, which is part of the subscription or redemption amount on the calculation date, minus the portion attributable to expenses.</u>		based on the net asset value of each beneficiary unit on the calculation date since the Fund's Establishment Date.	
Subparagraph 19	<u>XIX. Redemption Application Date: Refers to the business day on which the Participating Securities Firms, in accordance with the Participation Agreement and the Deed, submits a redemption application for the Fund's beneficiary certificates to the Management Company, whether directly or due to consignment, with the written or electronic documents related to the redemption application delivered to the Management Company.</u>			Added according to the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 20	<u>XX. Redemption Date: Refers to the business day on which the Management Company sells a basket of component trades in accordance with the Cash Subscription/Redemption List, following the Participating Securities Firms' redemption application for the Fund's beneficiary certificates, submitted to the Management Company either directly or due to consignment, as specified in the Participation Agreement and the Deed.</u>	Subparagraph 16	<u>XVI. Redemption Date: Refers to the next business day after the Management Company or the Fund's Sales Agent specified in the prospectus receives the written or electronic documents of the redemption application form for beneficiary certificates and related materials.</u>	Revised to align with the practical operation of the Fund.

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Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 24	<u>XXIV.</u> TWSE: Refers to the Taiwan Stock Exchange Corporation.	Subparagraph 21	<u>XXI.</u> TWSE: Refers to the Taiwan Stock Exchange Corporation.	Minor revision on the wording.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Subparagraph 25	<u>XXV. Net Total Issuance Amount:</u> <u>Refers to the total face value of the beneficiary certificates issued for raising the Fund.</u>	According to Article 38 of the Regulations Governing the Management of Securities Investment Trust Funds, the trust deed for an ETF is not required to include this information, so this provision is deleted.
Subparagraph 28	<u>XXVIII. Operational Guidelines: Refers to the "KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund Beneficiary Certificate Cash Subscription and Redemption Application Operational Guidelines", which is Appendix 1 to the Deed.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 29	<u>XXIX. Subscription Amount: Before the Fund's Establishment Date (excluding that date), it refers to the amount to be paid for subscribing to units of beneficial rights in the Fund, including the issuance price per beneficiary unit multiplied by the number of units subscribed and the subscription handling fee set by the Management Company.</u>	Subparagraph 26	<u>XXVI. Subscription Amount:</u> Refers to the amount to be paid for subscribing to units of beneficial right in the Fund, including the issuance price per beneficiary unit multiplied by the number of units subscribed and the subscription handling fee set by	Revised to align with the practical operation of the Fund.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			the Management Company.	
Subparagraph 31	<u>XXXI. Cash Subscription/Redemption List: Refers to the content of the reference data or information related to the Fund's subscription/redemption for the next business day, which is transmitted and announced by the Management Company after the net asset value of the Fund is settled on each business day. The first announcement is made on the business day before the Fund's listing day. In the event of force majeure or special circumstances, the abovementioned announcement time will be postponed to complete the transmission and announcement before the opening of the TWSE on the next business day.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 32	<u>XXXII. Subscription Base: Refers to the minimum number of beneficiary units specified in Paragraph 1, Article 6 of the Deed for processing subscriptions to the Fund. The number of beneficiary units for which the Participating Securities Firm applies for subscription, either directly or due to consignment, shall be in the Subscription Base or its multiples.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 33	<u>XXXIII. Redemption Base: Refers to the minimum</u>			Added in accordance with

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>number of beneficiary units specified in Paragraph 1, Article 6 of the Deed for processing redemptions from the Fund. The number of beneficiary units for which the Participating Securities Firm applies for redemption, either directly or due to consignment, shall be the Redemption Base or its multiples.</u>			the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 34	<u>XXXIV. Approximate Net Worth Per Subscription Base: Refers to the value calculated by dividing the net asset value of the Fund on each business day after the Fund's listing date (inclusive) by the number of beneficiary units of the Fund's outstanding beneficiary certificates, and then multiplying by the number of beneficiary units represented by each Subscription Base.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 35	<u>XXXV. Advance Subscription Amount: Refers to the amount calculated by multiplying the Approximate Net Worth Per Subscription Base, as indicated in the Cash Subscription/Redemption List announcement for each Subscription Application Date after the Fund's listing date (inclusive), by a certain percentage. The specific percentage is provided in the latest prospectus.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 36	<u>XXXVI. Advance Total Subscription Amount:</u> <u>Refers to the total amount that a subscriber needs to pay in advance on the Subscription Application Date after the Fund's listing date (inclusive).</u> <u>This total amount is calculated by adding the Advance Subscription Amount on the Subscription Application Date, the advance subscription transaction fees, and the subscription service charges, and then multiplying by the number of Subscription Bases or their multiples requested by the subscriber. The calculation standards for the subscription transaction fees and subscription service charges mentioned above are provided in the latest prospectus.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 37	<u>XXXVII. Actual Subscription Amount:</u> <u>Refers to the amount that a subscriber is actually required to pay on the Subscription Date after the Fund's listing date (inclusive), as calculated by the Management Company on each business day. The calculation method is provided in the latest prospectus.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 38	<u>XXXVIII. Actual Total Subscription Amount:</u> <u>Refers to the total amount payable for subscription</u>			Added in accordance with the practical operation of the

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>after the Fund's listing date (inclusive), which includes the Actual Subscription Amount for the Subscription Date of the Fund plus the subscription transaction fees and subscription service charges set by the Management Company. The calculation standards for the subscription transaction fees and subscription service charges mentioned above are provided in the latest prospectus.</u>			Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 39	<u>XXXIX. Total Subscription Amount Differences: Refers to the amount resulting from deducting the Advance Total Subscription Amount from the Actual Total Subscription Amount. If the result is a positive amount, the subscriber must pay the Total Subscription Amount Differences to the Management Company within the specified time frame according to the method provided in the Operational Guidelines. If the result is a negative amount, the Management Company must refund the Total Subscription Amount Differences to the subscriber within the specified time frame according to the method provided in the Operational Guidelines.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 40	<u>XL. Redemption Amount: Refers to the actual</u>			Added in accordance with

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Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>Redemption Amount payable by the beneficiary on the Redemption Date which is calculated by the Management Company on each business day after the Fund's listing date (inclusive). The calculation method is provided in the latest prospectus.</u>			the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 41	<u>XLI. Total Redemption Amount: Refers to the Redemption Amount minus the redemption transaction fees and redemption service charges as determined by the Management Company. The calculation standards for the aforementioned redemption transaction fees and redemption service charges are provided in the latest prospectus.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 42	<u>XLII. Benchmark Index: Refers to the index tracked by the Fund, which is the "TIP Customized Taiwan Multi-Factor High Dividend 30 Index".</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 43	<u>XLIII. Index Provider: Refers to the entity responsible for compiling and providing the Underlying Index, and authorizing the Management Company to use the index for the Fund. The provider of the Underlying Index used by the Fund is</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.

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Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>Taiwan Index Plus Corporation.</u>			
Subparagraph 44	<u>XLIV. Index License Agreement: Refers to the agreement signed between the Index Provider and the Management Company, authorizing the Fund to use the Benchmark Index.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 45	<u>XLV. Listing Agreement: Refers to the agreement signed between the Management Company and the TWSE for the listing of the Fund's beneficiary certificates.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 46	<u>XLVI. Ex-Dividend Trading Day: Refers to the second business day before the black out date for distribution of income by the Management Company. Beneficiary units purchased or subscribed on or after the Ex-Dividend Trading Day are not entitled to the current period's income distribution.</u>			Add the definition of Ex-Dividend Trading Date. Subsequent provisions number shall be adjusted accordingly.
Article 2	Name and Duration of the Fund	Article 2	Name and Duration of the Fund	
Paragraph 1	I. The Fund is an open-end exchange traded fund, named as <u>KGI Taiwan Premium Selection High Dividend 30 ETF</u> Securities Investment Trust Fund.	Paragraph 1	I. The Fund is an open-end <u>equity</u> fund, named as <u>(Abbreviation of the Management Company) (Fund Name)</u> Securities Investment Trust Fund.	Specify the name and type of the Fund.
Article 3	<u>Offering Amount</u> of the Fund	Article 3	<u>Total Face Value</u> of the Fund	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Paragraph 1	I. The Fund's minimum <u>offering amount</u> is TWD200 million and <u>there is no maximum offering amount limit</u> . The face value per beneficiary unit is TWD <u>15</u> .	Paragraph 1	I. The Fund's minimum <u>net issuance amount</u> is TWD____ (not less than TWD300 million) . The face value per beneficiary unit is TWD <u>10</u> .	Specify the minimum amount to be raised for the Fund and the issuance face value per beneficiary unit, and note that there is no maximum limit on the amount that the Fund can raise.
Paragraph 2	II. After the Fund has been reported for effective with the FSC, unless otherwise provided by the laws and regulations, it must commence the offering within six months from the date of the receipt of the report for effectiveness notice. Within thirty days from the start of the offering, the Fund must raise the minimum <u>offering amount</u> . If the <u>offering amount</u> of the beneficiary certificates offered in the above-mentioned period reaches the minimum <u>offering amount</u> , the Fund may continue to issue and sell beneficiary certificates after the above-mentioned period expires. Once the initial minimum <u>offering amount</u> is met, the Management Company shall submit a detailed list (including names of the beneficiary unit subscribers, number of units, and amounts) and	Paragraph 2	II. After the Fund <u>receives approval</u> from the FSC or has been reported for effective with the FSC, unless otherwise provided by the laws and regulations, it must commence the offering within six months from the date of the <u>approval</u> or receipt of the report for effectiveness notice. Within thirty days from the start of the offering, the Fund must raise the minimum Net Total Issuance Amount provided in the preceding Paragraph. If the <u>Net Total Issuance Amount</u> of the beneficiary certificates offered in the above-mentioned period reaches the	Revised to align with the practical operation.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	related documents to the FSC for reporting.		minimum Net Total Issuance Amount, the Fund may continue to issue and sell beneficiary certificates after the above-mentioned period expires. Once the initial minimum Net Total Issuance Amount is met, the Management Company shall submit a detailed list (including names of the beneficiary unit subscribers, number of units, and amounts) and related documents to the FSC for reporting.	
Article 4	Issuance of Beneficiary Certificates	Article 4	Issuance of Beneficiary Certificates	
Paragraph 1	I. The Management Company shall issue beneficiary certificates only after the report to the FSC for effective registration and shall make announcement in a daily newspaper or in a manner specified by the FSC before the commencement of offering. Beneficiary certificates of the Fund may not be issued before the Fund's Establishment Date. The issuance date of the Fund's beneficiary certificates must be issued	Paragraph 1	I. The Management Company shall issue beneficiary certificates only after the <u>application for approval or declaration</u> to the FSC becomes effective. Before the commencement of fundraising, the issuance must be announced in a daily newspaper or in a manner specified by the	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	no later than thirty days from the Fund's Establishment Date, and <u>prior to the commence date of listing/trading of the Fund.</u>		FSC. Beneficiary certificates for the Fund may not be issued before the Fund's establishment and must be issued no later than thirty days from the Fund's Establishment Date.	
Paragraph 2	II. Beneficiary certificates represent beneficial rights. The number of beneficiary units represented by each certificate shall be rounded to the <u>nearest whole number.</u>	Paragraph 2	II. Beneficiary certificates represent beneficial rights, with the number of beneficiary units represented by each beneficiary certificate calculated to <u>the _____ decimal place using rounding.</u> <u>Beneficiaries may request the splitting of beneficiary certificates, provided that each beneficiary certificate issued after splitting must represent no fewer than _____ units of beneficial right.</u>	Specify the number of beneficiary units represented by each beneficiary certificate and, in alignment with the fact that beneficiary certificates are not issued in physical form, delete the provisions regarding the splitting of beneficiary certificates.
Paragraph 3	III. The beneficiary certificates of the Fund are registered and issued <u>in non-physical form; no physical certificates will be printed.</u>	Paragraph 3	III. The beneficiary certificates of the Fund are registered.	1. In alignment with the fact that beneficiary certificates are not issued in

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	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Paragraph 7	<u>VII. Except for adopting issuance in non-physical form, which shall be handled in accordance with the provisions of Article 10, the Management Company must, within thirty days from the Fund's Establishment Date, prepare physical beneficiary certificates in the format and with the information required by the FSC, and issue the certificates after they are signed by the Fund Custodian.</u>	physical form, Paragraph 3 of this Article is revised accordingly.  2. The Fund adopts issuance in non-physical form and will not print physical beneficiary certificates. In addition, the provisions in Paragraphs 7 and 8 of the original deed are deleted.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Paragraph 8	<u>VIII. Beneficiary certificates shall be numbered and must include the information required by the Regulations Governing the Management of Securities Investment Trust Funds.</u>	
Paragraph 7	<u>VII. After the issuance date of the beneficiary certificates of the Fund, the Management Company shall deliver the certificates to the subscriber by book entry within seven business days from the date when the Fund Custodian</u>	Paragraph 9	<u>IX. After the issuance date of the Fund's beneficiary certificates, the Management Company must, within seven business days from the date the</u>	Revised to align with the practical operation of the Fund.

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	<p><u>receives the full total Subscription Amount and any other payables under the Deed. The delivery of the beneficiary certificates must comply with the regulations of the centralized securities depository enterprise in the Fund's place of registration. However, if there is any discrepancy or shortfall in the Advance Subscription Amount, other payables under the Deed, or other amount, which cannot be delivered or made up within the timeframe prescribed by Operational Guidelines, the subscription shall be deemed unsuccessful, and the Management Company will not issue the beneficiary certificates to the subscriber.</u></p>		<p>Fund Custodian has received the <u>full Subscription Amount</u>, prepare and deliver the beneficiary certificates to the subscribers as required.</p>	
Paragraph 8	<p>VIII. The beneficiary certificates of the Fund are issued in non-physical form and shall be handled in accordance with the following provisions.</p>	Paragraph 10	<p><u>X. The beneficiary certificates of the Fund are issued in non-physical form and shall be handled in accordance with the following provisions.</u></p>	Added in accordance with the practical operation of the Fund.
Subparagraph 5	<p>(V) <u>Before the Fund is listed</u>, the Management Company shall submit the beneficiary information to the TDCC for registration.</p>	Subparagraph 5	<p>(V) The Management Company shall submit the beneficiary information to the TDCC for registration.</p>	

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Subparagraph 6	(VI) <u>Before the Fund's establishment</u> , if a beneficiary subscribes through the Management Company or a Fund's Sales Agent, the beneficiary certificates will be registered in the Management Company's custody book-entry account at the TDCC, or may be designated to a book-entry account opened by the beneficiary with the Management Company or a securities firm. <u>However, if the beneficiary subscribes through a non-discretionary monetary trust or wealth management account of the Fund's Sales Agent, the beneficiary certificates may be registered in a book-entry account opened under that specific account with the TDCC.</u>	Subparagraph 6	(VI) If a beneficiary subscribes through the Management Company or a Fund's Sales Agent, the beneficiary certificates will be registered in the Management Company's custody book-entry account at the centralized securities depository enterprise, or may be designated to a book-entry account opened by the beneficiary with the Management Company or a securities firm. <u>Requests for redemption of those registered under the dedicated account can only be made to the Management Company or its appointed Fund's Sales Agencies.</u>	
Subparagraph 7	(VII) Subscriptions or redemptions of beneficiary certificates by beneficiaries through corresponding securities firms, <u>as</u>	Subparagraph 7	(VII) Subscriptions or redemptions of beneficiary certificates by beneficiaries through corresponding	

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	<u>well as trading of such certificates after the Fund is listed,</u> shall be conducted in accordance with the relevant regulations set by the TDCC or <u>the TWSE.</u>		securities firms, shall be conducted in accordance with the relevant regulations set by the TDCC.	
Article 5	Restrictions on Subscription <u>Before the Fund's Establishment and Trading Before the Fund's Listing</u>	Article 5	Subscription of <u>Beneficiary Units</u>	To be in line with practical operational requirements, the relevant contents have been revised accordingly.
Paragraph 1	<u>I. Subscriptions made before the Fund's Establishment Date (excluding that date) must comply with the following requirements:</u>			Added in accordance with the practical operation of the Fund. The numbering of subparagraphs was adjusted accordingly.
Subparagraph 1	<u>(I.)</u> The Subscription Amount for each beneficiary units in the Fund includes the issuance price and the subscription service charge, which is set by the Management Company.	Paragraph 1	I. The Subscription Amount for each beneficiary units in the Fund includes the issuance price and the subscription service charge, which is set by the Management Company.	
	(Deleted)	Paragraph 2	<u>II. The issuance price for each beneficiary units in the Fund is as follows:</u>	
Subparagraph 2	<u>(II)</u> Before the Fund's Establishment Date (excluding that date), the issuance price for each beneficiary units is <u>TWD15.</u>	Subparagraph 1	<u>(I) Before the Fund's Establishment Date (excluding that date), the issue price per</u>	Specify the issuance price per beneficiary unit, and revisions are made to align with the practical operation of the Fund.

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	(Deleted)	Subparagraph 2	beneficiary unit is <u>TWD10</u> .	
Subparagraph 3	(III) The amount obtained by multiplying the issuance price per beneficiary unit of the Fund by the number of subscribed units is the total issuance price, which shall be allocated to the Fund's assets.	Paragraph 3	(II) From the <u>Fund's Establishment Date, the issuance price for each beneficiary units is the net asset value per beneficiary unit on the Subscription Date.</u>	The numbering of subparagraphs was adjusted accordingly.
Subparagraph 4	(IV) The subscription service charge for the Fund's beneficiary certificates is not included in the Fund's assets, and shall not be more than <u>2%</u> of the Fund's net asset value per beneficiary unit. The subscription service charge for the Fund is provided in the latest prospectus.	Paragraph 4	III. The amount obtained by multiplying the issuance price per beneficiary unit of the Fund by the number of subscribed units is the issuance price, which shall be allocated to the Fund's assets.	Specify the maximum subscription service charge for the Fund.
		Paragraph 5	IV. The subscription service charge for the Fund's beneficiary certificates is not included in the Fund's assets, and shall not be more than <u>    </u> % of the Fund's net asset value per beneficiary unit. The subscription service charge for the Fund is provided in the latest prospectus.	Revised to align



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Subparagraph 5	(V) The Management Company may sell the Fund <u>by itself</u> or appoint the Fund's Sales Agents to handle the Fund's sales operations.	Paragraph 6	V. The Management Company may appoint the Fund's Sales Agents to handle the Fund's sales operations.	with the practical operation.
Subparagraph 6	(VI) The Management Company shall set a cut-off time for accepting subscription applications for the Fund, based on the Fund's characteristics. <u>Unless the subscriber</u> can prove that the subscription application was submitted before the cut-off time, any late applications will be considered as transactions for the next business day. The cut-off time for accepting subscription applications must be strictly enforced by the Management Company and must be stated in the prospectus, relevant sales documents, or on the Management Company's website.		VI. The Management Company shall set a cut-off time for accepting subscription applications for the Fund, based on the Fund's characteristics. <u>Unless the investor</u> can prove that the subscription application was submitted before the cut-off time, any late applications will be considered as transactions for the next business day. The cut-off time for accepting subscription applications must be strictly enforced by the Management Company and must be stated in the prospectus, relevant sales documents, or on the Management Company's website. Subscribers must	Revised in accordance with practical operation and Article 18 of the "Regulations Governing the Offering, Issuance, Sale, and Subscription or Redemption Operational Procedures of Securities Investment Trust Funds".
Subparagraph 7	(VII) Subscribers must deliver the Fund's subscription documents to the Management Company <u>or the Fund's Sales Agents</u> on the Subscription Date and transfer the Subscription Amount			

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Subparagraph 8	<p>directly to the Fund's dedicated account. If <u>the subscriber uses a Fund's Sales Agent to make the subscription in the name of the fund sales agent</u>, the subscription documents and Subscription Amount shall be submitted to the <u>Fund's Sales Agent</u> on the Subscription Date.</p> <p>(VIII) If the subscriber applies for subscription through the Fund's Sales Agents in the name of the Fund's Sales Agent, or if the Subscription Amount is deducted from a financial institution account on the subscription day, and if the financial institution has issued instructions to transfer the Subscription Amount to the fund's dedicated account before 10:00 a.m. on the next business day after processing the subscription or deduction, or if the <u>financial institution's cross-bank network system, established under Article 47-3 of the Banking Law, experiences force majeure resulting in the Subscription Amount not being credited to the fund's</u></p>		<p>deliver the Fund's subscription documents <u>along with the Subscription Amount</u> to the Management Company on the Subscription Date, or the subscriber may remit the Subscription Amount directly to the Fund's account. For investors subscribing to the Fund through a <u>non-discretionary money trust method</u>, they must submit the application form and Subscription Amount to the bank or securities firm on the Subscription Date. The Management Company <u>shall use the net worth on the date the subscriber's Subscription Amount is deposited into the Fund's account as the basis for calculating the number of subscribed units.</u> However, if the investor subscribes to the Fund through a <u>non-discretionary money trust</u></p>	

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Subparagraph 9	<p><u>dedicated account by 10:00 a.m. on the next business day after processing, then the date of acceptance of the subscription or deduction by the financial institution shall be considered as the Subscription Date, then the date of acceptance of the subscription or deduction by the financial institution shall be considered as the Subscription Date.</u></p> <p>(IX) When a beneficiary applies for a transfer subscription between different funds managed by the same management company, the management company shall treat the actual date on which the redemption proceeds are transferred into the subscribed fund's dedicated account as <u>the Subscription Date.</u> However, this applies <u>only if the funds have been transferred into the fund's dedicated account before the Fund's Establishment Date (excluding that date).</u></p>		<p><u>method or if the Subscription Amount is deducted from the investor's account by a financial institution on the Subscription Date, and the financial institution remits the Subscription Amount to the fund's dedicated account by 10 a.m. on the next business day following the acceptance of the subscription or deduction, the subscription units will also be calculated based on the net worth of the Subscription Date.</u> When a beneficiary applies for a subscription transfer between different funds managed by the Management Company, the Management Company shall use the net worth on the date the Redemption Payment is actually transferred into the fund's dedicated account of the fund subscribed as <u>the basis for calculating the</u></p>	

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Subparagraph 10	(X) The subscription of beneficiary units should be made to the Management Company or its appointed Fund's Sales Agents. The subscription process shall be conducted in accordance with the provisions of the latest prospectus, and the Management Company has the discretion to decide whether to accept subscriptions for beneficiary units. However, if the Management Company does not accept a subscription, it must instruct the Fund Custodian to refund the Subscription Amount without interest to the subscriber within three business days after the Fund Custodian has received the subscriber's cash or notes.	Paragraph 7	<u>number of units acquired.</u>  VII. Subscriptions for beneficiary units must be made to the Management Company or the Fund's Sales Agents it engaged. The subscription process shall be conducted in accordance with the provisions of the latest prospectus, and the Management Company has the discretion to decide whether to accept subscriptions for beneficiary units. However, if the Management Company does not accept a subscription, it must instruct the Fund Custodian to refund the Subscription Amount without interest to the subscriber within three business days after the Fund Custodian has received the subscriber's cash or notes.	The numbering of paragraphs was adjusted accordingly.
Subparagraph 11	(XI) <u>The minimum issuance amount for each subscription by a subscriber shall be the</u>	Paragraph 8	<u>VIII. Within days from the start of the offering, the</u>	Specify the minimum issuance amount for subscriptions made before the Fund's

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	<u>issuance price multiplied by 1,000 beneficiary units or its whole multiples, equivalent to TWD15,000 or its whole multiples.</u>		minimum issuance amount for each subscription by a subscriber is TWD_____ per subscription. <u>After this period, the procedures will be conducted in accordance with the latest prospectus.</u>	Establishment Date.
Paragraph 2	<u>II. For the subscription of beneficiary units, the eligibility requirements and risk warnings for subscribers shall be handled by the Management Company or the Fund's Sales Agents in accordance with the "Procedures for the Offering, Issuance, Sale, and Subscription or Redemption of Securities Investment Trust Funds of the Securities Investment Trust and Consulting Association of the Republic of China".</u>			Revised to include provisions in accordance with the "Procedures for the Offering, Issuance, Sale, and Subscription or Redemption of Securities Investment Trust Funds".
Paragraph 3	<u>III. From the Fund's Establishment Date until the day before the listing date (excluding that date), the Management Company will not accept subscriptions or redemptions of the Fund's beneficiary units.</u>			Added in accordance with the practical operation of the Fund.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	<u>Article 6</u>	<u>Certification of the Fund's beneficiary Certificates</u>	Since the Fund's beneficiary certificates are issued in non-physical form, this provision is deleted.

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	(Deleted)	<u>Paragraph 1</u>	<u>Physical issuance of beneficiary certificates must be certified.</u>	Since the Fund's beneficiary certificates are issued in non-physical form, this provision is deleted.
	(Deleted)	<u>Paragraph 2</u>	<u>Physical issuance of beneficiary certificates must be certified. The certification of the Fund's beneficiary certificates shall be governed by the provisions of the "Regulations Governing Certification of Corporate Stock and Bond Issues by Public Companies".</u>	Since the Fund's beneficiary certificates are issued in non-physical form, this provision is deleted.
<u>Article 6</u>	<u>Subscription Base and Redemption Base</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added in accordance with the practical operation of the Fund.
Paragraph 1	<u>I. The Subscription Base or Redemption Base for the Fund shall follow the provisions specified in the latest prospectus.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 2	<u>II. The net asset value of each Subscription Base, representing a certain number of beneficiary units, on any business day should be equal to the total net asset value of the fund divided by the total number of issued beneficiary units, multiplied by the number of beneficiary units represented by each Subscription Base.</u>			Added in accordance with the practical operation of the Fund.

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Paragraph 3	<u>III. The net asset value of each Redemption Base, representing a certain number of beneficiary units, on any business day should be equal to the total net asset value of the fund divided by the total number of issued beneficiary units, multiplied by the number of beneficiary units represented by each Redemption Base.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 4	<u>IV. If the Management Company deems it necessary, it may, after applying with the FSC for approval, adjust the number of beneficiary units represented by each Redemption Base for the Fund.</u>			Added in accordance with the practical operation of the Fund.
<u>Article 7</u>	<u>Subscriptions for Beneficiary Units from the Fund's Listing Date</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added in accordance with the practical operation of the Fund.
Paragraph 1	<u>I. Unless otherwise specified by the competent authority or the stock exchange, the Management Company shall, starting from one business day before the Fund's listing date, determine and announce the "Cash Subscription/Redemption List" for the following business day after the net asset value of the Fund is calculated and completed every business day.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 2	<u>II. The "Cash Subscription/Redemption List" mentioned in the</u>			Added in accordance with the practical



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	<u>previous paragraph shall be publicly announced on the Management Company's website.</u>			operation of the Fund.
Paragraph 3	<u>III. From the listing date, subscribers may, on any business day, appoint Participating Securities Firms to submit subscription applications to the Management Company in accordance with the procedures specified in the Deed and operating guidelines. Participating Securities Firms may also make subscriptions on their own behalf. The Management Company has the authority to decide whether to accept the subscription. If the Management Company decides not to accept a subscription, it must handle the matter in accordance with the relevant provisions of the Operational Guidelines.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 4	<u>IV. The Actual Total Subscription Amount for each subscription by a subscriber consists of the Actual Subscription Amount on the Fund's Subscription Date plus the subscription transaction fees and subscription service charge set by the Management Company. The Management Company will calculate the total amount that the subscriber is actually required to pay on the business day following</u>			Added in accordance with the practical operation of the Fund.

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	<u>the Subscription Date.</u> <u>The calculation standards for the subscription transaction fees and subscription service charge shall be handled according to the latest prospectus.</u>			
Paragraph 5	<u>V. Subscribers must pay the Advance Total Subscription Amount, as disclosed in the Management Company's "Cash Subscription/Redemption List" for each business day, based on the Subscription Base or its multiples. The Advance Subscription Amount must be deposited into the Fund's designated account on the Subscription Date. The Management Company will then calculate the difference between the Actual Total Subscription Amount and the Advance Subscription Amount. If the difference is positive, the subscriber must pay the difference to the Fund within the deadline specified in the Operational Guidelines to complete the subscription process. If the difference is negative, the Management Company must refund the difference to the subscriber in accordance with the relevant provisions of the Operational Guidelines.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 6	<u>VI. Subscribers may appoint Participating</u>			Added in accordance with

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	<u>Securities Firms to handle the subscription of the Fund's beneficiary certificates. The Management Company agree that Participating Securities Firms may charge a handling fee for each subscription application to cover the costs of processing cash subscriptions. The handling fees charged by Participating Securities Firms are not included in the Fund's assets.</u>			the practical operation of the Fund.
Paragraph 7	<u>VII. The Management Company may charge a subscription service charge for each subscription. The subscription service charge of the Fund's beneficiary certificates is not included in the Fund's assets. The subscription service charge per beneficiary unit may not exceed 2% of the net asset value per beneficiary unit of the Fund.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 8	<u>VIII. After a subscriber submits a subscription request, they must pay the Advance Total Subscription Amount, Total Subscription Amount Differences, and any other payables under the Deed within the deadline specified in the Operational Guidelines. Failure to do so will be considered a failed subscription. The Management Company shall, in accordance with</u>			Added in accordance with the practical operation of the Fund.

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	<u>the Operational Guidelines, deduct administrative processing fees from the Advance Subscription Amount paid by the failed subscriber on the Subscription Date, and refund the remaining amount to the subscriber's designated remittance account within three business days starting from the next business day after the failed subscription. The standard for the administrative processing fee payment shall be calculated according to the Operational Guidelines.</u>			
Paragraph 9	<u>IX. Subscribers submit their subscription requests to the Management Company, while the Management Company has the discretion on whether to accept the subscription for beneficiary units. Unless otherwise agreed upon by the Management Company, subscription requests may not be withdrawn after the deadline specified in the Operational Guidelines.</u>			Added in accordance with the practical operation of the Fund.
Paragraph 10	<u>X. The procedures, workflow, and related matters for subscriptions to the Fund, unless otherwise specified in the Deed, shall be handled in accordance with the Operational Guidelines.</u>			Added in accordance with the practical operation of the Fund.
<u>Article 8</u>	<u>Lending of Securities Held by the Fund</u>			Add this Article to include the

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				provisions for lending of securities held by the Fund.
Paragraph 1	<u>I. Unless otherwise provided by the Regulations Governing Securities Investment Trust Funds, the Operating Rules of the Taiwan Stock Exchange Corporation (hereinafter referred to as the "Operating Rules of the TWSE"), the Taiwan Stock Exchange Corporation Regulations on Securities Borrowing and Lending (hereinafter referred to as the "Regulations on Securities Borrowing and Lending"), and other relevant rules of the FSC or the TWSE, conditions and related rights and obligations of the securities held by the Fund shall be handled in accordance with the provisions of this Article and the relevant regulations of the Management Company.</u>			Add this provision for the lending of securities held by the Fund.
Paragraph 2	<u>II. In accordance with the Regulations on Securities Borrowing and Lending, the Management Company may lend securities held by the Fund through fixed-price trading, auction trading or negotiated lending transactions on the TWSE.</u>			Add this provision for lending securities held by the Fund.
Paragraph 3	<u>III. Borrowers who borrow securities held by the</u>			Add this provision for the

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	<u>Fund through fixed-price trading, auction trading, or negotiated lending transactions on the TWSE shall provide collateral in accordance with the Regulations on Securities Borrowing and Lending.</u>			lending of securities held by the Fund.
Paragraph 4	<u>IV. The Fund shall not loan any single security in an amount exceeding 50% of the total of that security held by it.</u>			Add this provision for the lending of securities held by the Fund.
Paragraph 5	<u>V. The duration of the loan period for the loaned securities held by the Fund shall not exceed six months from the date on which the loan transaction takes place. However, the Management Company may request the return of the borrowed securities in advance in accordance with the Regulations on Securities Borrowing and Lending, , and the borrower shall return the borrowed securities within the period set by the Management Company.</u>			Add this provision for the lending of securities held by the Fund.
Paragraph 6	<u>VI. The Management Company may approve or reject a request for a securities loan, taking into account the Fund's current securities holdings and other relevant circumstances.</u>			Add this provision for the lending of securities held by the Fund.
Paragraph 7	<u>VII. The proportionality limit set forth in the preceding Paragraph 4 or the limit on the duration of the loan set out in the preceding Paragraph 5, if amended by relevant laws</u>			Add this provision for the lending of securities held by the Fund.

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	<u>and regulations or relevant regulations, the revised provisions shall prevail</u>			
Article 9	The Establishment, Non-Establishment, Listing, and Delisting of the Fund's Beneficiary Certificates	Article 7	The Establishment and Non-establishment of the Fund	Added in accordance with the practical operations of the Fund.
Paragraph 1	I. The condition for the establishment of the Fund is that, according to Paragraph 2, Article 3 of the Deed, the minimum required amount of <u>TWD200 million</u> must be raised within thirty days from the offering commencement date.	Paragraph 1	I. The condition for the establishment of the Fund is that, according to Paragraph 2, Article 3 of the Deed, the minimum required <u>Net Total Issuance amount of TWD</u> must be raised within thirty days from the offering commencement date.	Specify the conditions for the establishment of the Fund.
Paragraph 3	III. If the Fund is not established, the Management Company shall immediately instruct the Fund Custodian to refund the Subscription Amount and interest to the subscribers within ten business days from the date the Fund fails to establish. The refund shall be made through a registered, crossed, non-endorsable, non-transferable note in favor of the subscribers. The interest shall be calculated from the day <u>after</u> the Fund Custodian receives the Subscription Amount until the day before the refund is made, based on the Fund Custodian's	Paragraph 3	III. If the Fund is not established, the Management Company shall immediately instruct the Fund Custodian to refund the Subscription Amount and interest to the subscribers within ten business days from the date the Fund fails to establish. The refund shall be made through a registered, crossed, non-endorsable, non-transferable note in favor of the subscribers. The interest shall be	Revised to align with the practical operation of the Fund.



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	savings deposit interest rate. The interest shall be rounded to the nearest New Taiwan Dollar (TWD), with amounts less than one TWD rounded up.		calculated from the day the Fund Custodian receives the Subscription Amount until the day before the refund is made, based on the Fund Custodian's savings deposit interest rate. The interest shall be rounded to the nearest New Taiwan Dollar (TWD), with amounts less than one TWD rounded up.	
Paragraph 4	IV. If the Fund is not established, the Management Company, <u>Fund's Sales Agents</u> , and Fund Custodian shall not be entitled to any compensation. All expenses paid for the Fund shall be borne severally by the Management Company, <u>Fund's Sales Agents</u> , and Fund Custodian. However, the registered mail post fees or remittance fees for refunding the Subscription Amount and its interest shall be borne by the Management Company.	Paragraph 4	IV. If the Fund is not established, the Management Company, and Fund Custodian shall not be entitled to any compensation. All expenses paid for the Fund shall be borne severally by the Management Company, and Fund Custodian. However, the registered mail post fees or remittance fees for refunding the Subscription Amount and its interest shall be borne by the Management Company.	Revised to align with the practical operation of the Fund.
Paragraph 5	<u>V. After the Management Company has raised the minimum required offering amount for the Fund and reported to the FSC for establishment</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions

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	<u>approval, it shall, in accordance with laws and the regulations and requirements of the TWSE, apply with the TWSE for the fund's listing on the centralized trading market. The reference price for auction trading for the initial public offering of the Fund's beneficiary certificates shall be based on the latest net asset value per beneficiary unit calculated from the Fund's income as of the last business day before the listing as reference, and shall be handled according to the regulations of the TWSE. After the listing of the Fund's beneficiary certificates, the Management Company may appoint a service agent to handle beneficiary certificate related matters.</u>			number shall be adjusted accordingly.
Paragraph 6	<u>VI. The listing and trading of the Fund's beneficiary certificates shall be handled in accordance with the relevant regulations of the TWSE.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Paragraph 7	<u>VII. The listing of the Fund will be terminated under the following circumstances:</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be
Subparagraph 1	<u>(I) Upon termination of the Deed in accordance</u>			

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 2	<p><u>with Article 26 of the Deed; or</u></p> <p><u>(II) The Fund has grounds for termination of listing as specified by the TWSE, and the TWSE applies with the FSC for approval of termination of listing.</u></p>			adjusted accordingly.
Article 10	Transfer of Beneficiary Certificates	Article 8	Transfer of Beneficiary Certificates	
Paragraph 1	<p>I. Before the beneficiary certificates of the Fund <u>are listed</u>, they may not be transferred, except in cases of inheritance or other legal reasons. <u>From listing date of the Fund, except for termination of the Deed as per Article 26 of the Deed, liquidation as per Article 27, or any other regulations by the FSC or relevant laws and regulations, the beneficiary certificates may only be publicly traded on the stock exchange according to its regulations. However, if there are circumstances as specified in the proviso of Article 150 of the Securities and Exchange Act, the transfer shall be conducted in accordance with the relevant laws and regulations.</u></p>	Paragraph 1	<p>I. Before <u>the issuance date of the Fund's beneficiary certificates, the subscriber's subscription receipts for subscription or for the Subscription Amount</u> may not be transferred except for transfers due to inheritance or other statutory reasons.</p>	Revised to align with the practical operation of the Fund.
Paragraph 2	<p>II. The transfer of beneficiary certificates is not effective against the Management Company or the Fund Custodian unless</p>	Paragraph 2	<p>II. The transfer of beneficiary certificates is not effective against the Management</p>	The Fund's beneficiary certificates are issued and transferred

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	the transferee's name, address or residence <u>are recorded in the books of the centralized securities depository enterprise and the Management Company or its appointed agent for beneficial certificate matters</u> is notified.		Company or the Fund Custodian <u>unless the transferee's name is recorded on the certificate and the transferee's name, address or residence are recorded in the register of beneficiaries.</u>	without physical certificates and do not have transfer records on the certificates themselves; therefore, the wording is revised accordingly.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Paragraph 3	<u>III. Beneficiary certificates are securities and may be freely transferred by the beneficiary through endorsement and delivery. Beneficiary certificates may be transferred in parts; however, each beneficiary certificate issued after a split transfer must represent at least _____ units of beneficial rights.</u>	The beneficiary certificates of the Fund are issued without physical certificates and do not require endorsement for transfer; therefore, the provisions of Paragraph 3 are not applicable to non-physical beneficiary certificates.
Paragraph 3	<u>III. The transfer of beneficiary certificates shall be handled in accordance with the "Regulations Governing Matters Related to Beneficiary Certificates", the "Securities and Exchange Act", and other relevant laws and regulations.</u>	Paragraph 4	<u>IV. The transfer of beneficiary certificates shall be handled in accordance with the "Regulations Governing Matters Related to Beneficiary Certificates", and other relevant laws and regulations.</u>	Revised to align with the practical operation of the Fund.
Article <u>11</u>	The Assets of the Fund	Article <u>9</u>	The Assets of the Fund	
Paragraph 1	I. All assets of the Fund must be kept separate from the Management Company's and Fund	Paragraph 1	I. All assets of the Fund must be kept separate from the Management	Specify the name and abbreviation of the Fund's

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	Custodian's own assets. The Fund Custodian, in accordance with the trust relationship and under the Management Company's instructions, shall handle the safekeeping, disposal, and collection/payment of the Fund's assets. The Fund's assets should be registered under the name " <u>Chang Hwa Commercial Bank, Ltd. Custody Dedicated Account for KGI Taiwan Premium Selection High Dividend 30 ETF</u> " after reporting to the FSC for effective registration, and may be abbreviated as " <u>KGI Taiwan Premium Selection High Dividend 30 ETF Dedicated Account</u> ."		Company's and Fund Custodian's own assets. The Fund Custodian, in accordance with the trust relationship and under the Management Company's instructions, shall handle the safekeeping, disposal, and collection/payment of the Fund's assets. The Fund's assets should be registered under the name " <u>                    Custody Dedicated Account for                    </u> " after reporting to the FSC for effective registration, and may be abbreviated as " <u>                    Dedicated Account</u> ."	dedicated account.
Paragraph4	IV. The following assets constitute the Fund's assets:	Paragraph4	IV. The following assets constitute the Fund's assets:	Revised to align with the practical operation of the Fund.
Subparagraph 1	(I) <u>Assets paid by subscribers for subscriptions (excluding subscription service charge).</u>	Subparagraph 1	(I) <u>The issuance price of the beneficiary units subscribed.</u>	
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Subparagraph 2	(II) <u>The interest earned on the issuance price.</u>	Consolidated into Subparagraph 3.
Subparagraph 3	(III) <u>Interest earned, securities rights derived, and capital</u>			Added in accordance with

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>gains from the assets mentioned in Subparagraphs 1 and 2.</u>  (Deleted. Subsequent provisions number shall be adjusted accordingly.)			the practical operation of the Fund.  Subsequent provisions number shall be adjusted accordingly.
Subparagraph 6	(VI) <u>Transaction fees for subscriptions and redemptions.</u>	Subparagraph 5	(V) <u>The interest and capital gains from assets purchased by the Fund.</u>	Consolidated into Subparagraph 3.
Subparagraph 7	(VII) <u>Administrative processing fees for failed subscriptions or redemptions.</u>	Subparagraph 7	(VII) <u>Redemption fees (excluding redemption service charge collected by the appointed Fund's Sales Agents).</u>	Revised to align with the practical operation of the Fund.  Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly
Article 12	Expenses to be Borne by the Fund	Article 10	Expenses to be Borne by the Fund	
Paragraph 1	I. The following costs and expenses shall be borne by the Fund and shall be paid by the Fund Custodian as instructed by the Management Company:	Paragraph 1	I. The following costs and expenses shall be borne by the Fund and shall be paid by the Fund Custodian as instructed by the Management Company:	
Subparagraph 1	(I) Direct costs and necessary expenses incurred from the use of the Fund as stipulated in the Deed, such as brokerage	Subparagraph 1	(I) Direct costs and necessary expenses incurred from the use of the Fund as	The Fund adopts a fixed fee rate so the wording is revised accordingly.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	commissions, <u>transaction settlement fees</u> , and transaction service charge. This includes, but is not limited to, costs associated with completing transactions or settlements for the Fund's Investment Objects, fees charged by shareholder services agents, the TWSE, government agencies, or other institutions or third parties. Additionally, it includes fees arising from the Fund Custodian's handling or safekeeping of fund-related matters through institutions or systems such as centralized bills depositories, the central government construction bonds, the TWSE, clearing institutions, <u>financial institutions</u> remittance and settlement systems, or general communication systems, as required to fulfill the obligations under the Deed.		stipulated in the Deed, such as brokerage commissions, and transaction service charge. This includes, but is not limited to, costs associated with completing transactions or settlements for the Fund's Investment Objects, fees charged by shareholder services agents, the TWSE, government agencies, or other institutions or third parties. Additionally, it includes fees arising from the Fund Custodian's handling or safekeeping of fund-related matters through institutions or systems such as centralized bills depositories, the central government construction bonds, the TWSE, clearing institutions, <u>interbank</u> remittance and settlement systems, or	



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 3	(III) Remuneration payable to the Management Company and the Fund Custodian as stipulated in Article <u>19</u> of the Deed;	Subparagraph 3	general communication systems, as required to fulfill the obligations under the Deed.  (III) Remuneration payable to the Management Company and the Fund Custodian as stipulated in Article <u>16</u> of the Deed;	Revised in accordance with the article number of the Deed.
Subparagraph 4	(IV) Interest, arrangement fees, service charge, and other related expenses incurred by the Fund Custodian for handling matters related to short-term borrowings, as well as any processing fees paid to financial institutions by the Management Company for arranging short-term borrowings in accordance with relevant laws and regulations and the Deed, in order to pay the <u>Total Redemption Amount</u> to beneficiaries or settle securities transactions;	Subparagraph 4	(IV) Interest, arrangement fees, processing fees, and other related expenses incurred by the Fund Custodian for handling matters related to short-term borrowings, as well as any processing fees paid to financial institutions by the Management Company for arranging short-term borrowings in accordance with relevant laws and regulations and the Deed, in order to pay the <u>Redemption Amount</u> to beneficiaries or	Revised in accordance with the definitions in the Deed.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 5	<u>(V) Index licensing-related fees (including but not limited to index licensing fees and index data usage fees) and any resulting taxes;</u>		settle securities transactions;	Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 6	<u>(VI) Processing fee for outsourced handling of the computer system platform for cash subscription, redemption, and other transactions, provided by TWSE or other institutions approved or designated by the FSC;</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 7	<u>(VII) Related expenses incurred from listing on the TWSE (including but not limited to listing fees and annual fees payable to the TWSE);</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 8	<u>(VIII) Service charges and other related expenses (including but not limited to fees for managing collateral for securities lending by a professional institution, and management fees payable to the Management Company if the Management Company handles the collateral without engaging a professional</u>			Added in accordance with the practical operation of the Fund

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 10	<p><u>institution) arising from the Fund's securities lending as per Article 8 of the Deed;</u></p> <p>(X) Except where the Management Company or Fund Custodian has acted with intent or failed to exercise the duty of care of a good administrator, any costs incurred (including but not limited to legal fees) related to litigation or non-litigation claims made by or against the Management Company in relation to managing the Fund, or by the Fund Custodian in relation to the custody, disposal, handling of short-term borrowings, and collection/payment of the Fund's assets, which are not covered by a third party, or costs incurred by the Management Company under <u>Paragraph 13, Article 14 of the Deed</u>, or by the Fund Custodian under Paragraphs 4, 10, and 11, <u>Article 15, of the Deed</u> in the course of recovery efforts, which are not covered by the party being pursued;</p>	Subparagraph 6	<p>(VI) Except where the Management Company or Fund Custodian has acted with intent or failed to exercise the duty of care of a good administrator, any costs incurred (including but not limited to legal fees) related to litigation or non-litigation claims made by or against the Management Company in relation to managing the Fund, or by the Fund Custodian in relation to the custody, disposal, handling of short-term borrowings, and collection/payment of the Fund's assets, which are not covered by a third party, or costs incurred</p>	Revised in accordance with the practical operation of the Fund and the article number of the Deed.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 12	(XII) All expenses incurred during the liquidation of the Fund; however, in the event of liquidation due to the termination of the contract under Subparagraph 5, Paragraph 1, <u>Article 26</u> of the Deed, the liquidation costs shall be borne by the Management Company;	Subparagraph 8	by the Management Company under <u>Paragraph 12, Article 12</u> of the Deed, or by the Fund Custodian under Paragraphs 4, 10, and 11, <u>Article 13</u> , of the Deed in the course of recovery efforts, which are not covered by the party being pursued  (VIII) All expenses incurred during the liquidation of the Fund; however, in the event of liquidation due to the termination of the contract under Subparagraph 5, Paragraph 1, <u>Article 24</u> of the Deed, the liquidation costs shall be borne by the Management Company;	Revised in accordance with the article number of the Deed.
Paragraph 2	II. When the net asset value of the Fund on any given calendar day falls below TWD300 million, other than the expenditures and	Paragraph 2	II. When the net asset value of the Fund on any given calendar day falls below TWD300	Revised in accordance with the subparagraph number of the Deed.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	costs listed in Subparagraphs 1 to 8 of the preceding paragraph, which shall still be borne by the Fund, all other expenditures and costs shall be borne by the Management Company.		million, other than the expenditures and costs listed in Subparagraphs 1 to 3 of the preceding paragraph, which shall still be borne by the Fund, all other expenditures and costs shall be borne by the Management Company.	
Article 13	Rights, Obligations and Responsibilities of Beneficiary	Article 11	Rights, Obligations and Responsibilities of Beneficiary	
Paragraph 1	I. Beneficiaries may exercise the following rights in accordance with the provisions of the Deed and based on the beneficial rights represented by the beneficiary certificates held:	Paragraph 1	I. Beneficiaries may exercise the following rights in accordance with the provisions of the Deed and based on the beneficial rights represented by the beneficiary certificates held:	Revised to align with the wording.
Subparagraph 1	(I) Right to claim for distribution of the remaining assets.	Subparagraph 1	(I) Right to claim for distribution of the remaining assets.	
Article 14	Rights, Obligations, and Responsibilities of the Management Company	Article 12	Rights, Obligations, and Responsibilities of the Management Company	
Paragraph 1	I. The Management Company shall manage the Fund in accordance with the relevant laws and regulations, the Deed, the <u>Participation Agreement</u> , and the instructions of the FSC, with the duty of care of a prudent manager and fiduciary duty. Unless otherwise stipulated in the	Paragraph 1	I. The Management Company shall manage the Fund in accordance with the relevant laws and regulations, the Deed, and the instructions of the FSC, with the duty of care of a prudent manager	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	Deed, it may not seek benefits for itself, its agents, representatives, employees, or any third parties. If its agents, representatives, or employees intentionally or negligently fail to fulfill their obligations under the Deed, the Management Company shall bear the same liability as if the act were its own. If the Management Company violates laws and regulations or the Deed intentionally or negligently, causing damage to the assets of the Fund, it shall be liable for compensating the Fund for such damages.		and fiduciary duty. Unless otherwise stipulated in the Deed, it may not seek benefits for itself, its agents, representatives, employees, or any third parties. If its agents, representatives, or employees intentionally or negligently fail to fulfill their obligations under the Deed, the Management Company shall bear the same liability as if the act were its own. If the Management Company violates laws and regulations or the Deed intentionally or negligently, causing damage to the assets of the Fund, it shall be liable for compensating the Fund for such damages.	
Paragraph 5	V. If the Management Company believes that the Fund Custodian <u>or Participating Securities Firm</u> has violated or is likely to violate the Deed, <u>Participation Agreement</u> , or relevant laws and regulations, it shall immediately report to the FSC	Paragraph 5	V. If the Management Company believes that the Fund Custodian has violated or is likely to violate the Deed, or relevant laws and regulations, it shall immediately report to the FSC.	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Paragraph 6	VI. The Management Company shall, three days before the commencement of the Fund's offering, and within three days after the update or amendment of the prospectus, transmit the electronic file of the prospectus to the information reporting website designated by the FSC.	Paragraph 6	VI. The Management Company shall, three days before the commencement of the Fund's offering, <u>or within three days from the date of receipt of the effective letter for additional issuance amount,</u> and within three days after the update or amendment of the prospectus, transmit the electronic file of the prospectus to the information reporting website designated by the FSC.	Revised the wording since the Fund has no upper limit on the offering amount.
Paragraph 7	VII. The Management Company, Fund's Sales Agent, <u>or Participating Securities Firm</u> shall provide a simplified prospectus to the subscriber before the subscriber submits the subscription application and completes the payment of the Subscription Amount <u>or the Advance Total Subscription Amount.</u> <u>Upon request by the subscriber, the full prospectus must also be provided.</u> <u>If the subscription method is electronic or the subscriber agrees in</u>	Paragraph 7	VII. The Management Company, or Fund's Sales Agent, shall provide a simplified prospectus to the subscriber before the subscriber submits the subscription application and completes the payment of the Subscription Amount. The sales documents and advertisements for the Fund must	Revised in accordance with Article 14 of the "Regulations Governing the Offering, Issuance, Sale, and Subscription or Redemption Operations of Securities Investment Trust Funds".



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>writing, the prospectus may be sent via email or downloaded by the subscriber.</u> The sales documents and advertisements for the Fund must indicate that both the prospectus and the simplified prospectus are available and specify where they can be obtained. If the content of the prospectus is found to be false or concealed, the Management Company, its responsible persons, and other signatories of the prospectus shall be legally liable.		indicate that both the prospectus and the simplified prospectus are available and specify where they can be obtained. If the content of the prospectus is found to be false or concealed, the Management Company, its responsible persons, and other signatories of the prospectus shall be legally liable.	
Paragraph 8	VIII. The Management Company may, if necessary, amend the prospectus and make an announcement. Except for <u>Subparagraph 3 through 5</u> which should be reported to the industry association, all other items must be reported to the FSC.	Paragraph 8	VIII. The Management Company may, if necessary, amend the prospectus and make an announcement. Except for <u>Subparagraph 2 through 4</u> which should be reported to the industry association, all other items must be reported to the FSC.	Revised to align with the practical operation of the Fund.
Subparagraph 1	(I) Addition of new Investment Objects and their risk factors that do not require amendments to the Deed according to regulations.	Subparagraph 1	(I) Addition of new Investment Object and their risk factors that do not require amendments to the <u>trust deed</u> according to regulations.	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 2	<u>(II) The Subscription Base and Redemption Base of the Fund.</u>	Subparagraph 2	<u>(II) The minimum issuance amount for each subscription by the subscriber.</u>	
Subparagraph 3	(III) <u>Subscription and redemption</u> service charge.	Subparagraph 3	(III) Subscription service charge.	
Subparagraph 4	(IV) <u>Subscription and redemption transaction</u> fees.	Subparagraph 4	(IV) Redemption fees.	
Subparagraph 5	<u>(V) Administrative processing fees for failed subscriptions or redemptions.</u>			
Subparagraph 6	(VI) Amendments to the prospectus in accordance with changes to the Deed.	Subparagraph 5	(V) Amendments to the prospectus in accordance with changes to the <u>trust deed</u> .	
Subparagraph 7	(VII) Other amendments that material impact the rights and interests of beneficiaries.	Subparagraph 6	(VI) Other amendments that material impact the rights and interests of beneficiaries.	
Paragraph 12	<u>XII. The Management Company shall enter into a Participation Agreement with any Participating Securities Firms before they begin processing subscriptions and redemptions. The Participation Agreement</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>must include terms that reflect the intent and spirit of the provisions outlined in Appendix 2, "Key Terms of the Securities Firms Participation Agreement for KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund". The rights and obligations between the Management Company and the Participating Securities Firms shall be governed by the Participation Agreement.</u>			adjusted accordingly
Paragraph 13	XIII. The Management Company may request compensation from the Fund in accordance with Article 19 of the Deed and shall exercise its rights and fulfill its obligations in accordance with relevant laws and regulations and the Deed. The Management Company shall not be held liable for damages to the Fund and/or beneficiaries attributable to the Fund Custodian, <u>the centralized bills depository enterprise, or Participating Securities Firms,</u> but the Management Company is responsible for pursuing compensation on behalf of the Fund.	Paragraph 12	XII. The Management Company may request compensation from the Fund in accordance with Article 16 of the Deed and shall exercise its rights and fulfill its obligations in accordance with relevant laws and regulations and the Deed. The Management Company shall not be held liable for damages to the Fund and/or beneficiaries attributable to the Fund Custodian, but the Management Company is responsible for pursuing	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			compensation on behalf of the Fund.	
Paragraph 20	<u>XX.</u> When the net asset value of the Fund falls below TWD200 million, the Management Company shall <u>instruct the Participating Securities Firms</u> to inform the subscribers of the net asset value and the number of beneficiaries <u>as of the end of the previous month.</u>	Paragraph 19	<u>XIX.</u> When the net asset value of the Fund falls below TWD300 million, the Management Company shall inform the subscribers of the net asset value and the number of beneficiaries.	Revised to align with the Fund's minimum offering amount and practical operations.
Paragraph 21	<u>XXI.</u> If the situation described in Item (2), Paragraph 1, Article 26, of the Deed occurs, leading to the termination of the Deed, the Management Company shall, before the selection of a liquidator, execute the necessary procedures after obtaining approval from the FSC.	Paragraph 20	<u>XX.</u> If the situation described in Item (2), Paragraph 1, Article 24, of the Deed occurs, leading to the termination of the Deed, the Management Company shall, before the selection of a liquidator, execute the necessary procedures after obtaining approval from the FSC.	Revise article number.
Article 15	The Rights, Obligations, and Responsibilities of the Fund Custodian.	Article 13	The Rights, Obligations, and Responsibilities of the Fund Custodian.	
Paragraph 1	I. The Fund Custodian, based on the trust relationship, is entrusted by the Management Company to handle the Fund's account opening, custody, disposal, and receipt and payment of the Fund. All <u>cash delivered</u> by beneficiaries for	Paragraph 1	I. The Fund Custodian, based on the trust relationship, is entrusted by the Management Company to handle the Fund's account opening, custody, disposal, and receipt and	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	subscription of beneficiary units and other assets of the Fund must be handed over to the Fund Custodian in full.		payment of the Fund. All <u>Subscription Amounts paid</u> by beneficiaries for subscription of beneficiary units and other assets of the Fund must be handed over to the Fund Custodian in full.	
Paragraph 4	IV. The Fund Custodian may fulfill its obligations under the Deed by processing or safeguarding fund-related matters through institutions or systems such as centralized securities depository enterprise, centralized bills depository enterprise, central government construction bonds, stock exchanges, clearing institution, <u>financial institutions</u> remittance and clearing system, and general communication. However, if damages to the Fund result from the fault of these institutions or systems, the Fund Custodian shall not be liable for compensation unless it has acted with intent or negligence, but the Fund Custodian is responsible for pursuing compensation on behalf of the Fund.	Paragraph 4	IV. The Fund Custodian may fulfill its obligations under the Deed by processing or safeguarding fund-related matters through institutions or systems such as centralized securities depository enterprise, centralized bills depository enterprise, central government construction bonds, <u>relevant securities exchanges in the countries where investments are made</u> , clearing institution, <u>interbank</u> remittance and clearing system, and general communication. However, if damages to the Fund result from	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			the fault of these institutions or systems, the Fund Custodian shall not be liable for compensation unless it has acted with intent or negligence, but the Fund Custodian is responsible for pursuing compensation on behalf of the Fund.	
Paragraph 6	VI. The Fund Custodian shall, based on the income distribution data provided by the Management Company, act as the payer for the Fund's income distribution and carry out the related distribution tasks.	Paragraph 6	VI. The Fund Custodian shall, based on the income distribution data provided by the Management Company, act as the payer <u>and tax withholding agent</u> for the Fund's income distribution and carry out the related distribution tasks.	Revised to align with the practical operation of the Fund.
Paragraph 7	VII. The Fund Custodian may only dispose of the Fund's assets under the following circumstances:	Paragraph 7	VII. The Fund Custodian may only dispose of the Fund's assets under the following circumstances:	Revisions are made to the wording of Items 1 to 5 below to align with the practical operation.
Subparagraph 1	(I) In accordance with the instructions of the Management Company, for the following actions:	Subparagraph 1	(I) In accordance with the instructions of the Management Company, for the following actions:	
Item 1	1. Adjustments to the investment portfolio	Item 1		

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Item 2	necessary for investment decisions.	Item 2	1. Adjustments to the investment portfolio necessary for investment decisions.	
Item 3	2. Adjustments to margin accounts or payment of premiums required for trading securities-related products.	Item 3	2. Adjustments to margin accounts or payment of premiums required for trading securities-related products.	
Item 4	3. Payments of amounts that the Fund is obligated to bear as stipulated in Article <u>12</u> of the Deed.	Item 4	3. Payments of amounts that the Fund is obligated to bear as stipulated in Article <u>10</u> of the Deed.	
Item 5	4. Payments of distributable income allocated to beneficiaries as specified in the Deed.	Item 5	4. Payments of distributable income allocated to beneficiaries as specified in the Deed.	
Item 6	5. Payments for the <u>Total Redemption Amount</u> of the beneficiary certificates bought back by the beneficiaries.		5. Payments for the Redemption Amount of the beneficiary certificates bought back by the beneficiaries.	
	6. <u>Dispose of collateral provided by the borrower of securities</u>			This Item is added in accordance with



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>as stipulated in Article 8 of the Deed, in order to purchase securities and other related rights and interests of the securities that the borrower has failed to return within the specified time, or to return the collateral to the borrower and pay the service fees and related costs for the securities lent.</u>			the Fund's securities lending activities.
Paragraph 8	VIII. The Fund Custodian shall, in accordance with laws and regulations and the Deed, regularly deliver relevant records of the Fund to the Management Company, to be forwarded by the industry association to the FSC for reference. The Fund Custodian shall prepare and deliver to the Management Company the following documents: on the last business day of each week, the inventory detail of custodial assets (including realized stock dividends), bank deposit balance statement, detailed statement of securities-related products as of such date, <u>and information on the component stock of the Benchmark Index</u> as of such date; on the last business day of each	Paragraph 8	VIII. The Fund Custodian shall, in accordance with laws and regulations and the Deed, regularly deliver relevant records of the Fund to the Management Company, to be forwarded by the industry association to the FSC for reference. The Fund Custodian shall prepare and deliver to the Management Company the following documents: on the last business day of each week, the inventory detail of custodial assets (including realized stock dividends), bank deposit balance statement, <u>and</u>	Revised to align with the practical operation of the Fund.

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	month, the inventory detail of custodial assets, bank deposit balance statement, detailed statement of securities-related products, and information on the components of the Benchmark Index as of such date; and shall deliver these to the Management Company within five (5) business days of the following month. The Management Company shall prepare the Fund's inspection report, balance sheet, inventory asset reconciliation statement, and other reports required by the FSC, and after having them verified and signed by the Fund Custodian, submit them to the industry association for forwarding to the FSC by the 10th of each month.		detailed statement of securities-related products as of such date as of such date; on the last business day of each month, the inventory detail of custodial assets, bank deposit balance statement, detailed statement of securities-related products, and information on the components of the Benchmark Index as of such date; and shall deliver these to the Management Company within five (5) business days of the following month. The Management Company shall prepare the Fund's inspection report, balance sheet, inventory asset reconciliation statement, and other reports required by the FSC, and after having them verified and signed by the	

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			Fund Custodian , submit them to the industry association for forwarding to the FSC by the 10th of each month.	
Paragraph 11	XI. The Fund Custodian may request compensation of fees from the Fund according to the provisions of Article <u>19</u> of the Deed, and exercise rights and fulfill obligations in accordance with relevant laws, regulations, and the Deed. The Fund Custodian is not liable for damages to the Fund attributable to the Management Company or third parties appointed or sub-appointed by the Management Company, but it is responsible for pursuing compensation on behalf of the Fund.	Paragraph 11	XI. The Fund Custodian may request compensation of fees from the Fund according to the provisions of Article <u>16</u> of the Deed <u>and</u> exercise rights and fulfill obligations in accordance with relevant laws, regulations, and the Deed. The Fund Custodian is not liable for damages to the Fund attributable to the Management Company or third parties appointed or sub-appointed by the Management Company, but it is responsible for pursuing compensation on behalf of the Fund.	Revised to align with the practical operation of the Fund.
Article <u>16</u>	<u>Regarding Index Licensing Matters.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added in accordance with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Paragraph 1	<u>I. The index used by the Fund is managed and calculated by "Taiwan Index Plus Corporation" (hereinafter referred to as the Index Provider). The Index Provider has signed an Index License Agreement with the Management Company, authorizing the Fund to use the index and the name of the index.</u>			Added to include key content of the Index License Agreement.
Paragraph 2	<u>II. During the authorization period of the Index License Agreement, the key contents agreed upon by both parties in the Index License Agreement are summarized as follows:</u>			Added to include key content of the Index License Agreement.
Subparagraph 1	<u>(I) Content of authorization: The Index Provider grants the Management Company the right to use the index and its name for the issuance, promotion, and marketing of the Fund, as well as for handling related matters.</u>			
Subparagraph 2	<u>(II) The effective term of the Index License Agreement is three years from the effective date. Unless terminated early in accordance with the agreement or unless either the Management Company or the Index Provider provides written notice to the other party at least six months prior to</u>			

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	<p><u>the expiration of the Index License Agreement (including any renewal) that they do not wish to renew the agreement, the Management Company and the Index Provider agree that the agreement will automatically renew for one year under the same terms as the original index product licensing agreement upon the expiration of the aforementioned effective term, with the same provision applying to each subsequent renewal period.</u></p>			
Subparagraph 3	<p><u>(III) Index licensing fee:</u></p>			
Item 1	<p><u>1. A one-time index compilation fee of TWD250,000 shall be paid upon the effective date of the Index License Agreement.</u></p>			
Item 2	<p><u>2. Starting from the date the Fund's listing date, the licensing fee shall be paid at the end of each calendar quarter based on the total amount calculated by the following items, with any partial quarter calculated proportionally based on actual days:</u></p>			

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Item 3	<p><u>(1) 0.00875% of the average net assets for that quarter; and</u></p> <p><u>(2) TWD25,000 for quarterly service management fees;</u></p> <p><u>(3) TWD75,000 for quarterly index licensing fees.</u></p>			
Subparagraph 4	<p><u>3. The Index Provider reserves the right to increase the aforementioned service management fees and index licensing fees by providing written notice to the Management Company, with the annual increase limited to 20% of the previous year's fees. The Management Company may terminate the Index License Agreement within 30 days of receiving the above-mentioned written notice.</u></p>			
Item 1	<p><u>(IV) Matters related to the termination of Index License Agreement:</u></p>			
Item 2	<p><u>1. Upon termination of the Index License Agreement, the Management Company shall immediately cease using the index or related data of its component securities.</u></p> <p><u>2. The Management Company shall</u></p>			

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>immediately remove the index-related data from any facilities, items, or documents and provide a relevant statement to the Index Provider.</u>			
Paragraph 3	III. If the Fund experiences <u>significant matters related to the index, such as the termination of the Index License Agreement or changes to the Index Provider, that have a substantial impact on the interests of the beneficiaries, such events shall be announced and notified to the beneficiaries in accordance with the provisions of Article 33 of the Deed.</u>			Added to include key content of the Index License Agreement.
Article <u>17</u>	Basic Principles and Scope for Investing in Securities and Engaging in Trading of Securities-Related Products for the Fund	Article <u>14</u>	Basic Principles and Scope for Investing in Securities and Engaging in Trading of Securities-Related Products for the Fund	
Paragraph 1	I. The Management Company should aim to diversify risk and ensure the safety of the fund <u>by tracking the performance of the Benchmark Index as the objective of the Fund's investment portfolio management.</u> In accordance with principles of integrity and professional management, the Fund will be invested in <u>securities within the ROC</u> and will adhere to the following regulations;	Paragraph 1	I. The Management Company should aim to diversify risk and ensure the safety of the fund, <u>and actively seek long-term investment gains while maintaining stable returns.</u> In accordance with principles of integrity and professional management, the Fund will be invested in the ROC and will adhere to	Define the basic principles, scope, investment ratio limits and related requirements for the investment of the Fund.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 1	(I) The Fund's investments in securities in the ROC include:	Subparagraph 1	the following regulations:  (I) The Fund's investments in <u>TWSE- or TPEX-listed stocks in the ROC. In principle, starting from three months after the Fund's Establishment Date, the total amount invested in stocks shall be no less than 70% (inclusive) of the Fund's net asset value.</u>	
Item 1	1. <u>TWSE-listed stocks within the ROC (including newly listed underwriting stocks) or TPEX - listed stocks, index-based ETF beneficiary certificates (including leveraged or inverse ETFs), call (put) warrants, stock subscription certificates, domestic securities investment trust enterprises' index-type, bond-type (including fixed income) and money market-type securities investment trust funds issued domestically, and futures trust funds raised by futures trust enterprises from unspecified persons, as well as other securities and money market instruments.</u>			
Item 2	2. <u>The Fund's investment in newly listed underwriting stocks is limited to those stocks for which the listing information has been publicly announced and that the Management Company, based on its professional judgment, expects will be included</u>			

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Subparagraph 2	<p><u>as component stocks in the relevant index at the time of their initial listing.</u></p> <p><u>(II) The Management Company will adopt an indexing strategy, with the objective of tracking the performance of the Benchmark Index as closely as possible, after deducting various necessary expenses from the Fund. To achieve the aforementioned operational objective, the Fund shall, from the date of listing, invest in securities that are component parts of the Benchmark Index with an amount not less than 90% (inclusive) of the Fund's net asset value. The Management Company may use the Fund to engage in the aforementioned securities investments and other securities-related transactions approved by the FSC, so that the overall exposure of the investment portfolio can closely match 100% of the Fund's net asset value.</u></p>			
Subparagraph 3	<p><u>(III) If a failure in subscription/redemption occurs or if a situation specified in Article 21, Paragraph 3 of the Fund's Trust Deed</u></p>			

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Subparagraph 4	<p><u>arises, resulting in a deviation from the investment proportion limit specified in 2 above for the Benchmark Index component stocks, the investment portfolio must be adjusted to meet the proportion requirements of Subparagraph 2 within five business days following the end of such situation.</u></p> <p>(IV) However, based on the Management Company's professional judgment, in exceptional circumstances, for the purpose of diversifying risk and ensuring the safety of the fund, the investment proportion limits specified in <u>Subparagraph 2</u> above may be disregarded. "Exceptional circumstances" <u>are defined as follows:</u></p>	Subparagraph 2	<p>(II) However, based on the Management Company's professional judgment, in exceptional circumstances, for the purpose of diversifying risk and ensuring the safety of the fund, the investment proportion limits specified in above may be disregarded. "Exceptional circumstances" <u>refer to situations where, within one month before the termination of the Fund's trust deed, any of the following conditions occur in the issuance volume-weighted stock price index</u></p>	

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Item 1	1. <u>One month prior to the termination of the Fund's Trust Deed; or</u>	Item 1	<u>published by the TWSE or the TPEX:</u> 1. <u>The cumulative increase or decrease in the stock price index over the most recent six business days (excluding the current day) reaches 10% (inclusive) or more.</u>	
Item 2	2. <u>Significant and unexpected political or economic events within the country (e.g. coups, wars, energy crises, terrorist attacks, or natural disasters), temporary suspension of domestic or international financial markets (stock, bond, or currency markets), changes in laws or policies (e.g., the implementation of foreign exchange controls or reduction of daily price downward fluctuation limit), or other force majeure events that could potentially affect the economic development and financial market stability of the country or region.</u>	Item 2	2. <u>The cumulative increase or decrease in the stock price index over the most recent thirty business days (excluding the current day) reaches 20% (inclusive) or more.</u>	
Subparagraph 5	(V) Within thirty (30) business days after the conclusion of the	Subparagraph 3	(III) Within thirty (30) business days after the	

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Subparagraph 6	<p>exceptional circumstances described in Item (2) of the previous paragraph, the Management Company shall promptly adjust the investment portfolio to comply with the proportion limits specified in Subparagraph 2.</p> <p>(VI) <u>The Fund will track the Benchmark Index from the date of its listing.</u></p>		<p>conclusion of the exceptional circumstances described in the previous paragraph, the Management Company shall promptly adjust the investment portfolio to comply with the proportion limits specified in Subparagraph 1.</p> <p>(New provision.)</p>	
Paragraph 2	<p>II. The Management Company may maintain the Fund's assets in cash, deposited with <u>financial institutions (including the Fund Custodian)</u>, engaging in redemption transactions involving bonds, or purchasing short-term securities, or using other methods as specified by the FSC, and instruct the Fund Custodian to handle these assets accordingly. <u>Unless otherwise specified by laws and regulations</u>, the credit ratings of the <u>financial institutions</u> where the assets are deposited, the counterparties for redemption transactions involving bonds, or the underlying assets, should meet or exceed the minimum rating levels</p>	Paragraph 2	<p>II. The Management Company may maintain the Fund's assets in cash, deposited with <u>banks</u>, engaging in redemption transactions involving bonds, or purchasing short-term securities, or using other methods as specified by the FSC, and instruct the Fund Custodian to handle these assets accordingly. The credit ratings of the <u>banks</u> where the assets are deposited, the counterparties for redemption transactions</p>	Revised to align with the practical operation of the Fund.

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	provided by credit rating agencies approved or recognized by the FSC.		involving bonds, and <u>issuers, guarantors, acceptors of short-term commercial paper</u> , or underlying assets, or the underlying assets, should meet or exceed the minimum rating levels provided by credit rating agencies approved or recognized by the FSC.	
	(Deleted)	Paragraph 5	<u>V. When the Management Company uses the Fund to invest in government bonds, corporate bonds, or financial bonds, transactions shall be conducted on a cash basis with immediate delivery, and the Management Company shall instruct the Fund Custodian to handle the settlement.</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.
Paragraph 5	<u>V. To align with the Fund's tracking objectives and liquidity needs, the Management Company may use the Fund to engage in transactions of futures, options, or futures options derived from stock indices, stocks, depositary receipt, or ETF, and other securities-related products approved by the</u>	Paragraph 6	<u>VI. To hedge risks or enhance investment efficiency, the Management Company may use the Fund to engage in trading of</u>  securities-related products.	Specify the regulations for engaging in securities-related products.

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	<u>FSC. Such transactions must comply with the FSC's "Directions for Use by Securities Investment Trust Enterprises of Securities Investment Trust Funds for Trading of Securities-Related Products" and other relevant regulations from the FSC.</u>			
Paragraph 6	<p><u>VI. The Management Company shall manage the Fund in accordance with the relevant laws and regulations and the provisions of the Deed, and unless otherwise stipulated by the FSC, shall comply with the following provisions:</u></p> <p>(Deleted)</p>	Paragraph 7	<p><u>VII. The Management Company shall manage the Fund in accordance with the relevant laws and regulations and the provisions of the Deed, and unless otherwise stipulated by the FSC, shall comply with the following provisions:</u></p>	
Subparagraph 5	<p>(V) No investment shall be made in securities issued by the Management Company or a company in which the Management Company has an interest, <u>unless held for the purpose of complying with the composition of the Benchmark Index;</u></p>	Subparagraph 6	<p>(VI) No investment shall be made in securities issued by the Management Company or a company in which the Management Company has an interest;</p>	<p>Deleted to align with the Fund's investment underlying. The remaining subparagraphs number shall be adjusted accordingly.</p> <p>Revised in accordance with Article 35 of the Regulations Governing the Management of Securities Investment Trust Funds.</p>
		Subparagraph 2	<p><u>(II) Shall not invest in unlisted or not TPEX-listed subordinated corporate bonds and subordinated financial bonds;</u></p>	



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Subparagraph 7	(VII) The total amount invested in stocks of any single TWSE or TPEX-listed company shall not exceed 10% of the net asset value of the Fund, <u>unless held for the purpose of complying with the composition of the Benchmark Index;</u>	Subparagraph 8	(VIII) <u>The total amount invested in the stocks and corporate bonds (including subordinated corporate bonds) or financial bonds (including subordinated financial bonds) of any single TWSE or TPEX-listed company shall not exceed 10% of the Fund's net asset value. The total amount invested in subordinated corporate bonds issued by any single company shall not exceed 10% of the total amount of subordinated corporate bonds issued by that company in the relevant tranche (if the bonds are divided into tranches). Such subordinated corporate bonds must meet the certain credit rating issued by the credit rating agencies approved or recognized by the FSC.</u>	Revised to align with the Fund's investment underlying and in accordance with Article 35 of the Regulations Governing the Management of Securities Investment Trust Funds.

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	(Deleted)	Subparagraph 10	<u>(X) The total amount invested in unsecured corporate bonds issued by any company shall not exceed 10% of the total amount of unsecured corporate bonds issued by that company;</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.
Subparagraph 9	(IX) The total amount invested by the Fund in an underwriting of shares of any single TWSE or TPEx-listed company shall not exceed <u>3%</u> of the total underwriting shares;	Subparagraph 11	(XI) The total amount invested by the Fund in an underwriting of shares of any single TWSE or TPEx-listed company shall not exceed <u>1%</u> of the total underwriting shares;	Revised in accordance with Article 10 of the Regulations Governing the Management of Securities Investment Trust Funds.
Subparagraph 10	(X) The total amount invested by all funds under the common management of the Management Company in any single underwriting may not exceed <u>10%</u> of the total underwriting shares;	Subparagraph 12	(XII) The total amount invested by all funds under the common management of the Management Company in any single underwriting may not exceed <u>3%</u> of the total underwriting shares;	Revised in accordance with Article 10 of the Regulations Governing the Management of Securities Investment Trust Funds.
Subparagraph 13	(XIII) The total amount invested by the Fund in the beneficiary certificates of other funds shall not exceed	Subparagraph 15	(XV) The total amount invested by the Fund in the beneficiary certificates of	Revised in accordance with the FSC's ruling Jin-Guan-Zheng-Tou-Zi no.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	20% of the Fund's net asset value; <u>the total amount invested in futures trust fund, inverse ETFs, and leveraged ETFs offered to unspecified persons by the futures trust business shall not exceed 10% of the Fund's net asset value;</u>		other funds shall not exceed 20% of the Fund's net asset value;	1100335023B dated March 31, 2021.
Subparagraph 18	(XVIII) The total amount the Fund may invest in short-term bills <u>and securities</u> issued, guaranteed, or endorsed by any single company shall not exceed 10% of the Fund's net asset value. <u>However, this restriction does not apply to investments in beneficiary certificates of funds;</u>	Subparagraph 20	(XX) The total amount the Fund may invest in short-term bills issued, guaranteed, or endorsed by any single company shall not exceed 10% of the Fund's net asset value, but may exceed TWD500 million;	Revised in accordance with Subparagraph 17, Paragraph 1, Article 10 of the "Regulations Governing the Management of Securities Investment Trust Funds".
	(Deleted)	Subparagraph 21	(XXI) <u>The total amount invested in stocks and financial bonds (including subordinated financial bonds) issued by any single bank shall not exceed 10% of the Fund's net asset value. The total amount invested in financial bonds (including subordinated financial bonds) issued by any single bank shall</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	(Deleted)	Subparagraph 22	<p><u>not exceed 10% of the total financial bonds issued by that bank. The total amount invested in subordinated financial bonds issued by any single bank shall not exceed 10% of the total subordinated financial bonds issued by that bank for the specific tranche (including any tranche after subdivision, if applicable). Such subordinated financial bonds must meet certain credit rating issued by the credit rating agencies approved or recognized by the FSC;</u></p> <p><u>(XXII) The total amount invested in international financial organization bonds issued by any international financial organization which is approved by the FSC for issuance domestically shall not exceed</u></p>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.

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	(Deleted)	Subparagraph 23	<p><u>10% of the Fund's net asset value, nor shall it exceed 10% of the total amount of such international financial organization bonds issued by that international financial organization domestically;</u></p> <p><u>(XXIII) The total amount invested in beneficiary securities or asset-backed securities issued by any trustee or special purpose vehicle shall not exceed 10% of the total amount of beneficiary securities or asset-backed securities issued by that trustee or special purpose vehicle for the specific tranche (including any tranche after subdivision, if applicable), nor shall it exceed 10% of the Fund's net asset value. Such beneficiary securities or asset-backed securities must meet certain</u></p>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.

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	(Deleted)	Subparagraph 24	<u>credit rating issued by the credit rating agencies approved or recognized by the FSC;</u> (XXIV) The total <u>amount invested in stocks, corporate bonds, financial bonds issued by any founding institution, and in beneficiary securities or asset-backed securities issued by trustees or special purpose vehicles where the financial assets are entrusted, shall not exceed 10% of the Fund's net asset value. Such beneficiary securities or asset-backed securities must meet certain credit rating issued by the credit rating agencies approved or recognized by the FSC;</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.
	(Deleted)	Subparagraph 25	(XXV) If the <u>Management Company has a relationship of interest with any</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs

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			<u>of the entities involved in the issuance of beneficiary securities or asset-backed securities, including the founding institution, trustee, or special purpose vehicle, as defined in Paragraph 1, Article 11, of the Regulations Governing the Management of Securities Investment Trust Funds, the Management Company shall not use the Fund to invest in such beneficiary securities or asset-backed securities;</u>	number shall be adjusted accordingly.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Subparagraph 26	<u>(XXVI) The total number invested in beneficiary units of real estate investment trusts (REITs) issued by any trustee shall not exceed 10% of the total number of beneficiary units issued by that REIT. Such REITs must meet certain credit rating issued by the credit rating</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.



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	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Subparagraph 27	<u>agencies approved or recognized by the FSC;</u>  (XXVII) <u>The total amount invested in real estate asset trust (REAT) beneficiary securities issued by any trustee shall not exceed 10% of the total amount of REAT beneficiary securities issued by that trustee for the specific tranche (including any tranche after subdivision, if applicable). Such REAT beneficiary securities must meet certain credit rating issued by the credit rating agencies approved or recognized by the FSC;</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.
	(Deleted)	Subparagraph 28	(XXVIII) <u>The total amount invested in beneficiary securities of REITs and REATs issued by any trustee shall not exceed 10%</u>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.

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	(Deleted)	Subparagraph 29	<p><u>of the Fund's net asset value;</u></p> <p><u>(XXIX) The total amount invested in REATs beneficiary securities issued by the trustees engaged by any principal trusting the real estate assets, beneficiary securities or asset-backed securities issued by trustees or special purpose vehicles engaged by such principal trusting financial assets, and the stocks, corporate bonds, and financial bonds issued by such entities, shall not exceed 10% of the Fund's net asset value;</u></p>	Deleted to align with the Fund's investment scope. The remaining subparagraphs number shall be adjusted accordingly.
	(Deleted)	Subparagraph 30	<p><u>(XXX) If the Management Company has a relationship of interest with the trustee of the beneficiary securities of the REITs or the trustee of the beneficiary securities of REATs, or with the principal of such trusts, as</u></p>	Deleted to align with the Fund's investment scope.

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Subparagraph 19	(XIX) <u>Investment in call (put) warrants or stock warrants shall comply with the following requirements:</u>		<u>defined in Paragraph 1, Article 11, of the Regulations Governing the Management of Securities Investment Trust Funds, the Management Company shall not use the Fund to invest in those beneficiary securities of the REITs or beneficiary securities of REATs.</u>	
Item 1	<u>1. The total amount invested in call (put) warrants or stock warrants shall not exceed 5% of the Fund's net asset value;</u>			
Item 2	<u>2. The total number of shares represented by the investment in the call (put) warrants or stock warrants shall not exceed 10% of the total number of issued shares of the underlying securities issuing company when aggregated with the shares issued by the underlying securities issuing company in which the call (put)</u>			
				Revised in accordance with the FSC's ruling Jin-Guan-Zheng-Tou-Zi no. 1100335023B dated March 31, 2021.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Item 3	<p><u>warrants or stock warrants are held (including the shares represented by underwritten stocks, depositary receipts, and participatory notes);</u></p> <p>3. <u>The total amount of shares represented by the call (put) warrants or stock warrants of all the funds managed by the SITE shall not exceed 10% of the number of issued shares of the underlying securities company when aggregated with the shares issued by the underlying securities company in which the call (put) warrants or stock warrants are held (including the shares represented by underwritten stocks, depositary receipts, and participatory notes);</u></p>			
Item 4	<p>4. <u>However, the total amount of shares of the call warrants, stock warrants and put warrants may be netted against each other in order to calculate the upper limit of the ratio of the combined investment.</u></p>			
Subparagraph 20	<p>(XX) <u>Any improper trading activity and thereby affect the net</u></p>			Added in accordance with the provisions of

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>asset value of the Fund shall not be engaged in;</u>			Subparagraph 19, Paragraph 1, Article 10 of the Regulations Governing the Management of Securities Investment Trust Funds.
Paragraph 7	VII. The term "various funds" of the preceding paragraph <u>and</u> the term "all funds under the common management of the Management Company" include securities investment trust funds and futures trust funds publicly offered or privately placed by the Management Company.	Paragraph 8	VIII. The funds <u>referred to in Subparagraph 5 of the preceding paragraph, and all funds managed as referred to in Subparagraphs 9, 12, and 16,</u> including securities investment trust funds and futures trust funds publicly or privately offered by the Management Company; <u>Subparagraphs 23 and 24 do not include amounts approved by the FSC as short-term bills.</u>	Revise the wording as appropriate and delete the latter part of the provision in accordance with the contents of Article 15 of the Regulations Governing the Management of Securities Investment Trust Funds.
Paragraph 8	VIII. The proportionality limit <u>or prohibition</u> stipulated in the preceding Paragraph <u>6</u> , if amended by relevant laws or relevant regulations, the revised provisions shall prevail.	Paragraph 9	IX. The proportionality limits stipulated in the preceding Subparagraphs <u>(8) to (12), (14) to (17), (20) to (24), and (26) to (29) of Paragraph 7,</u> if amended by relevant laws or relevant regulations, the	Subparagraphs numbers and content are revised as appropriate.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			revised provisions shall prevail.	
Paragraph 9	<u>IX.</u> The determination of whether the Management Company has violated the prohibitions set forth in Paragraph <u>6</u> above shall be based on the circumstances surrounding the act in question. In the event that the circumstanced prohibited under Paragraph <u>6</u> above have occurred as a result of a change in circumstances subsequent to the act, no such limitation shall apply. However, if the Management Company needs to dispose of the Fund's assets for the purpose of raising cash, it shall dispose of the securities in excess of the proportionality limit first.	Paragraph 10	<u>X.</u> The determination of whether the Management Company has violated the prohibitions set forth in Paragraph <u>7</u> above shall be based on the circumstances surrounding the act in question. In the event that the circumstanced prohibited under Paragraph <u>7</u> above have occurred as a result of a change in circumstances subsequent to the act, no such limitation shall apply. However, if the Management Company needs to dispose of the Fund's assets for the purpose of raising cash, it shall dispose of the securities in excess of the proportionality limit first.	Subparagraph number is revised.
Article <u>18</u>	Income Distribution	Article <u>15</u>	Income Distribution	
Paragraph 1	<u>I.</u> The incomes distributable per beneficiary unit of <u>the Fund</u> refer to:	Paragraph 1	<u>I.</u> Cash dividends, interest income, Income Equalization, and realized capital gains less realized capital losses and <u>costs and expenses borne</u> by the Fund	Specify the source of the Fund's distributable income.
Subparagraph 1	(I) Cash dividends, interest income, <u>distributions from the Fund's incomes, cash</u>			

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 2	<p><u>dividends returned by the borrower of securities lent by the Fund and lease proceeds and the reserve for Income Equalization prior to the ex-dividend date (excluding that date), net of expenses incurred by the Fund.</u></p> <p><u>(II) If the additional distribution includes realized capital gains, net of capital losses (both realized and unrealized) and expenses borne by the Fund, then the net asset value per beneficiary unit on the distribution valuation date should be higher than the issue price per beneficiary unit prior to the Fund's Establishment Date (excluding that date). Furthermore, the net asset value per beneficiary unit, after subtracting the distributable incomes per beneficiary unit for the current period, should not be lower than the issue price per beneficiary unit prior to the Fund's Establishment Date (excluding that date).</u></p>		<p><u>from the Fund's investments are distributable income.</u></p>	
Paragraph 2	<p><u>II. Starting from the 180 days (inclusive) after the Fund's Establishment Date, the Management Company shall evaluate the Fund's net asset value</u></p>	Paragraph 2	<p><u>II. The Fund's income distribution shall be made if the actual distributable income balance of</u></p>	Specify the operating rules for the evaluation and distribution of income of the Fund.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<p><u>and income situation on the distribution valuation date (i.e., the last calendar day of February, May, August, and November each year) to determine the value of the distribution of incomes. The Management Company may decide the amount to be distributed or whether to make a distribution based on the Fund's incomes situation. Therefore, the amount distributed each time is not necessarily the same. However, after the Management Company determines the amount of income to be distributed, any undistributed income of the Fund's beneficiary units may be accumulated and included in the next distributable income. The Management Company shall, in accordance with laws and regulations, announce the distribution amount per beneficiary unit, the distribution payment date, the distribution record date, the distribution method, and other relevant matters related to the income distribution. The Management Company must distribute the incomes to the beneficiaries within forty-five (45) business days after each</u></p>		<p><u>the current year is positive. If the distributable income of each beneficiary units of the Fund is less than _____ percent of the net asset value of each beneficiary units at the end of the fiscal year, the Management Company shall not distribute it. If the distributable income of each beneficiary units exceeds _____ percent of the net asset value of each beneficiary units at the end of the fiscal year, the excess part shall be incorporated into the distributable income of subsequent years. If there is a gap of years between the realization and the acquisition of investment income, or if it is difficult to obtain the realized income, such income shall be distributed at the time of acquisition.</u></p>	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>distribution valuation date. The period during which changes to the beneficiary register are suspended and the distribution record date must be announced in advance by the Management Company in accordance with Article 33 of the Deed.</u>			
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Paragraph 3	<u>III. The distribution of the Fund's distributable income shall be distributed on the business day of the month of the following year after the end of the fiscal year, and the period of cessation of change of beneficiary register and the record date of distribution shall be announced by the Manager company in advance of the period.</u>	This provision has been incorporated into Paragraph 2 of this Article and is therefore deleted here.
Paragraph 3	<u>III. Distributable income of the Fund may not be distributed until a review report is issued by the certified public accountant (CPA) with approval from the FSC to certify public companies. However, if the source of distributable income involves capital gains, it shall not be distributed until the CPA with approval from the FSC to certify public companies</u>	Paragraph 4	<u>IV. Distributable income shall be distributed only after the certified public accountant (CPA) with approval from the FSC to certify public companies, has audited and signed the report. (If the distributable income does not involve capital gains, such income may be distributed</u>	Adjust the wording.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>has checked and approved it.</u>		<u>after the CPA's review report is issued.)</u>	
Paragraph 4	IV. The total amount of each distribution shall be deposited by the Fund Custodian into a separate account in the name of " <u>KGI Taiwan Premium Selection High Dividend 30 ETF Fund</u> Distributable Income Account" and shall no longer be considered part of the Fund's assets, but the fruits thereof shall be merged into the Fund.	Paragraph 5	V. The total amount of each distribution shall be deposited by the Fund Custodian into a separate account in the name of " <u>                    Fund</u> Distributable Income Account" and shall no longer be considered part of the Fund's assets, but the fruits thereof shall be merged into the Fund.	Specify the name of the dedicated account for the distribution of the Fund's income.
Article <u>19</u>	Compensation of the Management Company and the Fund Custodian	Article <u>16</u>	Compensation of the Management Company and the Fund Custodian	
Paragraph 1	I. The Management Company's compensation is calculated daily based on the Fund's net asset value at <u>the following rate</u> , and is paid once a calendar month starting from the Fund's Establishment Date;	Paragraph 1	I. The Management Company's compensation is calculated daily based on the Fund's net asset value at <u>a rate of           (       %) per annum</u> , and is paid once a calendar month starting from the Fund's Establishment Date.	Specify the way in which the Management Company's compensation is calculated.
Subparagraph 1	<u>(I) 0.30% per annum when the Fund's net asset value is TWD5 billion (inclusive) or lower;</u>			
Subparagraph 2	<u>(II) 0.25% per annum when the Fund's net asset value is over TWD5 billion.</u>			

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Paragraph 2	II. The Fund Custodian's compensation is calculated by the Management Company accumulatively daily based on 0.035% per annum of the Fund's net asset value. The payment is made calendar monthly, from the Fund's Establishment Date.	Paragraph 2	II. The Fund Custodian's compensation is calculated by the Management Company accumulatively daily based on ____ % per annum of the Fund's net asset value. The payment is made calendar monthly, from the Fund's Establishment Date.	Specify the way in which the custodian's compensation is calculated.
Article 20	Redemption of Beneficiary Certificates	Article 17	Redemption of Beneficiary Certificates	
Paragraph 1	I. From the <u>date of listing of the Fund (including that day)</u> , beneficiaries may request the redemption in accordance with the latest prospectus <u>by instructing Participating Securities Firms</u> to submit a redemption request to the Management Company in writing, electronically, or through other agreed-upon methods, <u>following the procedures specified in the Deed and the Participation Agreement.</u> <u>The Total Redemption Amount, based on the number of the Fund beneficiary units, will be paid to the beneficiaries, and Participating Securities Firms may also submit redemption applications on their own.</u> The <u>Participation Agreement</u> between the	Paragraph 1	I. After ____ days from the Fund's <u>Establishment Date</u> , beneficiaries may request the redemption in accordance with the latest prospectus to submit a redemption request to the Management Company in writing, electronically, or through other agreed-upon methods. The <u>sales contract</u> between the Management Company and the <u>Fund's Sales Agents</u> shall specify the cutoff time for accepting redemption requests each	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<p>Management Company and the <u>Participating Securities Firms</u> shall specify the cutoff time for accepting redemption requests each business day, the recognition and handling of late requests, as well as the obligations, responsibilities, and authority of both parties. Beneficiaries may <u>only</u> request redemption <u>of the full or partial amount of beneficiary certificates in units equal to or greater than the Redemption Base or its multiples</u>; partial redemptions are not permitted if the remaining beneficiary certificates <u>do not meet the Redemption Base</u>. The Management Company shall establish a deadline for accepting redemption applications. Late requests should be treated as transactions on the next business day <u>unless the Participating Securities Firms</u> can prove that the investor made the request before the deadline. The Management Company must strictly enforce the deadline for accepting redemption applications and disclose this information in the prospectus, relevant sales documents, or the Management Company's website.</p>		<p>business day, the recognition and handling of late requests, as well as the obligations, responsibilities, and authority of both parties. Beneficiaries may request redemption <u>all or a portion of the beneficiary certificate</u>; partial redemptions are not permitted if the remaining beneficiary certificates <u>is less than _____ units</u>. The Management Company shall establish a deadline for accepting redemption applications. Late requests should be treated as transactions on the next business day <u>unless it can be proved that the investor made the request before the deadline</u>. The Management Company must strictly enforce the deadline for accepting redemption applications and disclose this information in the prospectus, relevant sales documents, or the</p>	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			Management Company's website.	
Paragraph 2	II. Unless otherwise specified in the Deed, <u>the Total Redemption Amount for the Fund beneficiary certificates, whether redeemed by Participating Securities Firms on their own or as requested by beneficiaries, shall be calculated by the Management Company on the first business day following the Redemption Date, in accordance with the Operational Guidelines.</u>	Paragraph 2	II. Unless otherwise specified in the Deed, <u>the redemption price per beneficiary unit is calculated based on the net asset value per beneficiary unit of the Fund on the Redemption Date less the redemption fee.</u>	Revised to align with the practical operation of the Fund.
Paragraph 3	III. <u>The Management Company may either handle the redemption of Fund beneficiary certificates directly or delegate Participating Securities Firms to do so. The Management Company may also approve Participating Securities Firms and may charge a redemption fee for each redemption application to cover the costs associated with processing the redemption.</u> The redemption handling fee of the Fund may not exceed <u>2%</u> of the net asset value per beneficiary unit of the Fund, and the Management Company may adjust this fee within this limit after announcing it. The	Paragraph 3	III. The redemption fee of the Fund <u>(including the portion of short-term transactions conducted by the beneficiary)</u> may not exceed <u>    </u> % of the net asset value per beneficiary unit of the Fund, and the Management Company may adjust this fee within this limit after announcing it. The redemption fee <u>of the Fund</u> is governed by the latest prospectus and not included in the Fund's assets.	Specify the maximum rates of the Fund's redemption handling fee and matters handling fee, and to revise the wording in accordance with practical operation.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	redemption <u>handling</u> fee is governed by the latest prospectus and is <u>not</u> included in the Fund's assets.			
Paragraph 4	IV. To cover the payment of the redemption <u>total</u> amount or to handle the settlement of securities, the Fund may, as per the FSC's regulations, obtain short-term loans from financial institutions through the Management Company. The Fund Custodian shall enter into a loan agreement with the lending financial institution on behalf of the Fund's dedicated account. The following provisions must be observed, and any amendments to relevant laws or regulations, the revised provisions shall prevail:	Paragraph 4	IV. To cover the payment of the Redemption Amount or to handle the settlement of securities, the Fund may, as per the FSC's regulations, obtain short-term loans from financial institutions through the Management Company. The Fund Custodian shall enter into a loan agreement with the lending financial institution on behalf of the Fund's dedicated account. The following provisions must be observed, and any amendments to relevant laws or regulations, the revised provisions shall prevail:	Revised in accordance with the definitions in the Deed.
Subparagraph 2	(II) The loan period for paying the redemption <u>total</u> amount is limited to thirty (30) business days; the loan period for handling securities settlement is limited to	Subparagraph 2	(II) The loan period for paying the Redemption Amount is limited to thirty (30) business days; the loan period for	Revised in accordance with the definitions in the Deed.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 7	<p>fourteen (14) business days.</p> <p>(VII) <u>When the Management Company decides to use a short-term loan mechanism to pay the redemption proceeds to beneficiaries or for the settlement of securities, it may negotiate the relevant terms and amount with the loan financial institution. After obtaining the consent of the Fund Custodian, the Management Company will sign the loan agreement with the financial institution in the name of the Fund's dedicated account, in accordance with the Deed and relevant laws and regulations of the competent authority</u></p>		<p>handling securities settlement is limited to fourteen (14) business days.</p> <p>(New provision.)</p>	Added in accordance with the practical operation of the Fund.
Paragraph 6	<p><u>VI. When a beneficiary applies to redeem the Fund's beneficiary certificates, the redeemed certificates may include those already held by the beneficiary on the Redemption Application Date, as well as the number of beneficiary certificate units in transit</u></p>		<p>(New provision. Subsequent provisions number shall be adjusted accordingly.)</p>	Added in accordance with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>from ordinary transactions on the day before the Redemption Application Date and (or) the number of beneficiary certificate units on loan. However, these certificates must be delivered to the Fund within the time frame specified in the Operational Guidelines, and the process for delivering the redeemed certificates should conform to the regulations of the centralized securities depository enterprise at the Fund's registration location.</u>			
Paragraph 7	<u>VII. When a Participating Securities Firm applies for the redemption of the Fund's beneficiary certificates from the Management Company either on its own or as an agent, it may not withdraw the redemption application after the deadline specified in the Operational Guidelines, unless agreed upon by the Management Company.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly
Paragraph 8	<u>VIII. When a Participating Securities Firm redeems beneficiary certificates of the Fund either on its own or as an agent, it must ensure that the beneficiary delivers the redeemed certificates to the Fund within the time frame specified in the Operational Guidelines.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<p><u>The process for delivering the redeemed certificates should conform to the regulations of the centralized securities depository enterprise at the Fund's registration location. If the certificates are not delivered in full within the time frame specified in the Operational Guidelines, the redemption shall be deemed unsuccessful, and the Management Company shall not pay the Total Redemption Amount. The Participating Securities Firm must charge the beneficiary an administrative handling fee for each failed redemption to compensate the Fund for the additional operational costs incurred. The fee amount shall be calculated according to the standards specified in the Operational Guidelines.</u></p>			
Paragraph 9	<p><u>IX. Unless otherwise specified in the Deed, the Management Company shall, within <u>three (3)</u> business days from the business day following the <u>Redemption Date</u>, instruct the Fund Custodian to pay the <u>Total Redemption Amount (without interest) to the beneficiaries via a</u></u></p>	Paragraph 6	<p><u>VI. Unless otherwise specified in the Deed, the Management Company shall, within <u>five</u> business days from the next business day following the <u>arrival of the beneficiary's request to redeem the beneficiary</u></u></p>	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	registered, crossed, non-endorsable, non-transferable instruments or remittances in which the beneficiary is the payee. <u>The fees for processing the payment, registered mail, remittance charges, and other necessary expenses may be deducted from the Total Redemption Amount.</u>		<u>certificates, instruct the Fund Custodian to pay the Redemption Amount via a registered, crossed, non-endorsable, non-transferable instruments or remittances in which the beneficiary is the payee, and shall be permitted to deduct redemption expenses, redemption handling fee, fees for registered mail, remittance charges, and other necessary expenses from the Redemption Amount paid.</u>	
	(Deleted)	Paragraph 7	<u>VII. In the event that the beneficiary requests to redeem part of the beneficiary certificates, the Management Company shall, in addition to paying the Redemption Amount in accordance with the time period stipulated in the preceding paragraph, handle the reissuance of the beneficiary certificate within seven business days from the next business day after</u>	The Fund's beneficiary certificates are issued without a physical certificate and this provision is therefore deleted. Subsequent provisions number shall be adjusted accordingly

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			<u>receiving the beneficiary's request to redeem the beneficiary certificate.</u>	
	(Deleted)	Paragraph 8	<u>VIII. The Management Company may appoint the Fund's Sales Agents to handle the redemption matters of the beneficiary certificates of the Fund and the Fund's Sales Agents may charge a redemption handling fee for each redemption application to cover the cost of handling the redemption. The redemption handling fee is not included in the assets of the Fund. The redemption handling fee is provided in the latest prospectus.</u>	The Fund does not appoint a sales agent to handle the redemption of the Fund's beneficiary certificates, and this provision is therefore deleted. Subsequent provisions number shall be adjusted accordingly
Paragraph 10	<u>X. Except for circumstances specified in Paragraph 3, Article 21 of the Deed, the Management Company must not delay the payment for the Total Redemption Amount of beneficiary certificates. If there is a delay in payment attributable to the Management Company, it shall be liable for damages to the beneficiaries.</u>	Paragraph 9	<u>IX. Except for circumstances specified in Paragraph 1, Article 18 and Paragraph 1, Article 19 of the Deed, the Management Company must not delay the payment for the Redemption Amount of beneficiary</u>	Revised to align with the article and paragraph numbers cited in the Deed and practical operation.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			certificates. If there is a delay in payment, it shall be liable for damages to the beneficiaries.	
Paragraph 11	XI. The procedures, <u>operational processes, and related matters for redemption of the Fund shall be conducted in accordance with the Operational Guidelines, unless otherwise specified by laws and regulations or the Deed.</u>		(New provision.)	Added in accordance with the practical operation of the Fund.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	<u>Article 18</u>	<u>Large Redemption of Beneficiary Certificates</u>	This provision is not applicable to the Fund and is therefore deleted.
	(Deleted)	Paragraph 1	<u>I. If the balance of the Total Redemption Amount of the beneficiary units on any business day, less the issuance price of the beneficial certificates subscribed on that day, exceeds the total liquid assets of the Fund and the borrowing ratio set forth in Subparagraph 4, Paragraph 4, Article 17 of the Deed, the Management Company may report to the FSC for approval to temporarily suspend the calculation of the</u>	This provision is not applicable to the Fund and is therefore deleted.

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			<u>redemption price and defer the payment of the Redemption Amount.</u>	
	(Deleted)	Paragraph 2	II. In the case in the preceding paragraph, the Management Company shall dispose of the assets of the Fund in reasonable methods as soon as possible in order to raise sufficient liquid assets to pay the Redemption Amount. The Management Company shall restore the calculation of the Redemption Amount based on the net asset value per beneficiary unit as of the next calculation date on which the Fund has sufficient liquid assets to pay the full Redemption Amount, and shall pay the Redemption Amount within five business days from such calculation date. The Management Company shall report to the FSC regarding the resumption of the calculation of the	This provision is not applicable to the Fund and is therefore deleted.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			<u>redemption price per beneficiary unit of the Fund.</u> <u>If a person applies for redemption during the period when the calculation of the redemption price has been suspended, the redemption price shall be the price on the date when the calculation of the redemption price is resumed.</u>	
	(Deleted)	Paragraph 3	<u>III. In the event that a beneficiary applies for redemption under the circumstances stipulated in Paragraph 1 of this Article and Paragraph 1 of Article 19, the beneficiary may, starting from the announcement date of suspension of calculation of the redemption price (inclusive of the announcement date), revoke the application for redemption from the organization that the beneficiary originally applied for redemption or Management Company, and the application for revocation of redemption, except</u>	This provision is not applicable to the Fund and is therefore deleted.

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			<u>for force majeure</u> <u>circumstances,</u> <u>shall be made to</u> <u>the organization</u> <u>that the beneficiary</u> <u>originally applied</u> <u>for redemption or</u> <u>the Management</u> <u>Company within</u> <u>the business hours</u> <u>prior to the day of</u> <u>resumption of</u> <u>calculation of the</u> <u>redemption price</u> <u>(inclusive of the</u> <u>day of resumption</u> <u>of calculation of</u> <u>the redemption</u> <u>price).</u> The original <u>request for</u> <u>redemption shall</u> <u>cease to have</u> <u>effect and the</u> <u>revocation of the</u> <u>redemption shall</u> <u>not be revoked.</u> <u>The Management</u> <u>Company shall</u> <u>deliver the</u> <u>beneficiary</u> <u>certificates to be</u> <u>exchanged due to</u> <u>the revocation of</u> <u>redemption within</u> <u>seven business</u> <u>days from the date</u> <u>the document for</u> <u>revocation of</u> <u>redemption</u> <u>arrived.</u>	
	(Deleted)	Paragraph 4	<u>IV. The suspension</u> <u>and resumption of</u> <u>calculation of the</u> <u>redemption price</u> <u>provided for in this</u> <u>Article shall be</u> <u>announced in the</u>	This provision is not applicable to the Fund and is therefore deleted.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			<u>manner stipulated in Article 31 of the Deed.</u>	
Article 21	<u>Rejection or Suspension of the Acceptance of the Fund's Application for Subscription or Redemption; Suspension of the Calculation of the Actual Total Subscription Price, the Difference of the Total Subscription Price and the Total redemption Price; Deferral of the Payment of the Beneficiary Certificates to be Delivered upon Subscription and the Total Redemption Price.</u>	Article 19	Suspension of Calculation of Redemption Price and Deferred Payment of Redemption Amount	Added in accordance with the practical operation of the Fund.
Paragraph 1	<u>I. The Management Company has the authority to decide whether to accept subscription or redemption applications for the Fund. The Management Company must reject or temporarily suspend the acceptance of applications for subscription or redemption of the Fund upon the order of the Financial Supervisory Commission or in any of the following circumstances:</u>		(New provision. Subsequent provisions number shall be adjusted accordingly)	Added in accordance with the practical operation of the Fund.
Subparagraph 1	<u>(I) In the presence of any of the circumstances listed in Paragraph 4 of this Article below;</u>			
Subparagraph 2	<u>(II) If, after professional assessment, the Management Company believes there is a risk</u>			

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 3	<p><u>that it will be unable to buy or sell the securities or futures positions or quantities required to meet the needs of the subscriber or beneficiary for their subscriptions or redemptions;</u></p> <p><u>(III) From the announcement of the income distribution amount per beneficiary unit until the ex-dividend date (exclusive of that day), the Management Company has the right to refuse to accept subscriptions;</u></p>			
Subparagraph 4	<p><u>(IV) In the presence of any of other special circumstances.</u></p>			
Paragraph 2	<p><u>II. After accepting subscription or redemption applications for the Fund, the Management Company, upon receiving an order from the FSC or in the presence of any of the circumstances listed in Paragraph 3 below, and with FSC approval, may undertake the following actions:</u></p>		(New provision. Subsequent provisions number shall be adjusted accordingly)	Added in accordance with the practical operation of the Fund.
Subparagraph 1	<p><u>(I) Suspend the calculation of the Actual Total Subscription Amount and Total Subscription Amount Differences, and delay the delivery</u></p>			

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 2	<u>of all or part of the beneficiary certificates;</u>			
Subparagraph 3	<u>(II) Not to suspend the calculation of the Actual Total Subscription Amount, only to delay the payment of all or part of the beneficiary certificates;</u>			
Subparagraph 4	<u>(III) Suspend the calculation of the Redemption Amount and delay the payment of all or part of the Redemption Amount;</u>			
Subparagraph 4	<u>(IV) Not to suspend the calculation of the Total Redemption Amount, only to defer payment of all or part of the Total Redemption Amount.</u>			
Paragraph 3	<u>III. The acts of the Management Company as described in the preceding paragraph shall be based on any of the following circumstances, unless they are due to the order of the FSC:</u>	Paragraph 1	<u>I. The Management Company may suspend the calculation of the redemption price and delay the payment of Redemption Amount due to the order of the FSC or under one of the following circumstances approved by the FSC:</u>	Added in accordance with the practical operation of the Fund.
Subparagraph 1	(I) The TWSE, <u>futures exchange</u> , or TPEX ceases trading due to reasons other than regular holidays;	Subparagraph 1	(I) The TWSE, TPEX, or <u>foreign exchange market</u> ceases trading due to reasons other than regular holidays;	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 3	(III) <u>The weight of any component stock of the Benchmark Index suspended from trading on any business day equals or exceeds 20% of the total weight of the Benchmark Index;</u>	Subparagraph 3	(III) <u>Restrictions on foreign exchange transactions;</u>	
Subparagraph 4	(IV) <u>The centralized securities depository enterprise in the Fund's registration location is unable to perform the book entry transfer or cancellation of beneficiary certificates;</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	
Subparagraph 5	(V) <u>The Index Provider suddenly fails to provide the Benchmark Index or terminates the index licensing agreement;</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	
Subparagraph 6	(VI) <u>Other special circumstances preventing the acceptance of subscription or redemption requests, the calculation of the actual total subscription and Redemption Amount, or the delivery of beneficiary certificates and payment of the Total Redemption Amount.</u>	Subparagraph 4	(IV) <u>Other special circumstances preventing the acceptance of redemption requests or payment of the Redemption Amount.</u>	
Paragraph 4	IV. On the next business day after the cessation of the circumstances	Paragraph 2	II. On the next business day after the cessation of the	Added in accordance with the practical

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	described in preceding paragraph that led to the suspension of <u>subscription or redemption applications for the Fund, suspension of calculations, or delay in payments</u> , the Management Company shall immediately resume <u>the acceptance of subscription or redemption applications, resume calculations or payment procedures, and report this to the FSC.</u>		circumstances described in preceding paragraph that led to the suspension of the <u>calculation of the Fund's redemption price</u> , the Management Company shall <u>immediately resume the calculation of the Fund's redemption price based on the net asset value per beneficiary unit on the date of resumption of calculation, and the Redemption Amount shall be paid within five business days from the date of resumption of calculation. The Management Company shall report to the FSC, regarding the resumption of calculation of the Fund's redemption price per beneficiary unit.</u>	operation of the Fund.
Paragraph 5	<u>V. For subscriptions where the calculation of the Actual Total Subscription Amount, Subscription Amount differences, and Redemption Amount was suspended according to Paragraph 2 of this Article, the calculation of Actual Subscription</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added in accordance with the practical operation of the Fund.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>Amount, Subscription Amount differences, Redemption Amount, and the beneficiary certificates to be delivered shall be based on the Cash Subscription/Redemption List announced on the first business day after the resumption of calculations. The Management Company, subscribers, and beneficiaries must also adhere to the subscription or redemption applications submitted on the resumption calculation date, and deliver the Actual Subscription Amount, Redemption Amount, or beneficiary certificates within the stipulated period as per the Operational Guidelines.</u>			
Paragraph 6	<u>VI. For cases where the payment of all or part of the Redemption Amount is delayed in accordance with the provisions of Paragraph 2 above, and if the calculation of the Actual Total Subscription Amount and Redemption Amount has not been suspended, starting from resumption of delivery of total Subscription Amount, the Total Redemption Amount shall be paid based on the amount calculated by the Management Company on the original</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added in accordance with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>calculation date, with payment postponed for the actual number of days of delay announced by the Management Company. If the Management Company delays the payment of the Redemption Amount as described, beneficiaries may also delay the delivery of the Fund's beneficiary certificates according to the actual number of days of delay announced by the Management Company, and must proceed in accordance with the relevant regulations of the securities exchange or centralized securities depository enterprise.</u>			
Paragraph 7	<u>VII. The suspension and resumption of the acceptance of subscription or redemption applications, the suspension and resumption of the calculation of the Actual Total Subscription Amount and Redemption Amount, and the delay and resumption of the delivery of beneficiary certificates and Total Redemption Amount as stipulated in this Article shall be announced in accordance with the provisions specified in Article 33 of the Deed.</u>	Paragraph 3	<u>III. The suspension and resumption of calculation of redemption price as stipulated in this Article shall be announced in accordance with the provisions specified in Article 31 of the Deed.</u>	Revised to align with the practical operation of the Fund and article and paragraph numbers cited.
Article 23	Calculation and Announcement of Net	Article 21	Calculation and Announcement of	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	Asset Value per Beneficiary Unit		Net Asset Value per Beneficiary Unit	
Paragraph 1	I. The net asset value per beneficiary unit is calculated by dividing the net asset value of the Fund on the calculation date by the total number of outstanding beneficiary units, rounded to the nearest TWD to the second decimal place. <u>However, this does not apply to cases of liquidation distribution in accordance with Paragraph 7, Article 27 of the Deed, or settlement of balances of the dedicated account due to termination of the Deed.</u>	Paragraph 1	I. The net asset value per beneficiary unit is calculated by dividing the net asset value of the Fund on the calculation date by the total number of outstanding beneficiary units, rounded to the nearest TWD to the second decimal place.	Revise the wording as appropriate to align with the practical operation.
Article 26	Termination of the Deed and <u>Termination of Listing of the Fund's Beneficiary Certificates</u>	Article 24	Termination of the Deed and <u>Discontinuance of the Fund</u>	Revise the content to meet the needs of practical operation.
Paragraph 1	I. If any of the following circumstances occur, the Deed shall be terminated after obtaining approval from the FSC <u>and consent from the TWSE for the delisting of the Fund's beneficiary certificates:</u>	Paragraph 1	I. If any of the following circumstances occur, the Deed shall be terminated after obtaining approval from the FSC:	Revised to align with the practical operation.
Subparagraph 5	(V) If, <u>after the Fund has been established for one (1) year</u> , the average net asset value of the Fund over the most recent thirty (30) business days falls below TWD100 million, the Management Company	Subparagraph 5	(V) If the average net asset value of the Fund over the most recent thirty (30) business days falls below TWD100 million, the Management Company must	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	must promptly notify all beneficiaries, the Fund Custodian, and the FSC of the termination of the Deed;		promptly notify all beneficiaries, the Fund Custodian, and the FSC of the termination of the Deed.	
Subparagraph 9	<u>(IX) The Index License Agreement is terminated or materially changed such that the Fund's investment objectives can no longer be achieved, or the Index Provider ceases to provide the Benchmark Index without offering an alternative index. However, this does not apply if the Management Company, before the termination of the Index License Agreement, holds a beneficiaries' meeting that approves the use of another Index Provider to offer an alternative Benchmark Index and signs a new Index License Agreement with them;</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Revised to align with the practical operation of the Fund.
Subparagraph 10	<u>(X) The beneficiaries' meeting does not agree to use another alternative Benchmark Index;</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Revised to align with the practical operation of the Fund.
Subparagraph 11	<u>(XI) The Fund has a termination cause specified in the Listing Agreement, and the Management Company applies for termination</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Revised to align with the practical operation of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>of the listing in accordance with the Listing Agreement, or the TWSE terminates the Listing Agreement according to laws, TWSE regulations, or the Listing Agreement, with the approval of the FSC.</u>			
Paragraph 2	<u>II. In the event of the circumstances listed in Subparagraphs 9 and 10 of the previous Paragraph, the Fund will hold or maintain the investment portfolio based on the index as of the actual date authorization is terminated, until the termination date of the Deed. However, this does not apply to cases that meet the special circumstances outlined in Subparagraph (4), Paragraph 1, Article 17 of the Deed.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Specify the grounds for termination of the trust deed of the Funds.
	(Deleted. Subsequent provisions number shall be adjusted accordingly.)	Paragraph 2	<u>II. The termination criteria for the Deed set forth in Subparagraph 5 of the preceding paragraph is that by September 30, 2020, the average of the Fund's net asset value for the most recent thirty business days shall be less than TWD50 million.</u>	The exemption period has expired, so this paragraph is deleted.
Paragraph 3	III. The termination of the Deed shall be announced by the Management Company within two (2)	Paragraph 3	III. The termination of the Deed shall be announced by the Management	The termination of the Fund's Deed is subject to the approval of

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	days from the date of approval.		Company within two (2) days from the date of <u>filing for report or date of approval</u> .	the competent authority, and therefore some of the language has been amended.
Article <u>27</u>	Liquidation of the Fund	Article <u>25</u>	Liquidation of the Fund	
Paragraph 2	II. The liquidator of the Fund is acted by the Management Company. If the Management Company is subject to circumstances specified in Subparagraph (2) or (4), Paragraph 1, Article <u>26</u> , of the Deed, the Fund Custodian shall serve as the liquidator. If the Fund Custodian is also subject to circumstances specified in Subparagraph (3) or (4), Paragraph 1, Article <u>26</u> , of the Deed, the beneficiaries' meeting shall resolve to appoint another securities investment trust enterprise or fund custodian that meets the FSC regulations as the liquidator.	Paragraph 2	II. The liquidator of the Fund is acted by the Management Company. If the Management Company is subject to circumstances specified in Subparagraph (2) or (4), Paragraph 1, Article <u>24</u> , of the Deed, the Fund Custodian shall serve as the liquidator. If the Fund Custodian is also subject to circumstances specified in Subparagraph (3) or (4), Paragraph 1, Article <u>24</u> , of the Deed, the beneficiaries' meeting shall resolve to appoint another securities investment trust enterprise or fund custodian that meets the FSC regulations as the liquidator.	Revise articles number.
Paragraph 3	III. If the Fund Custodian terminates the Deed due to reasons specified in Subparagraph (3) or (4), Paragraph 1, Article <u>26</u>	Paragraph 3	III. If the Fund Custodian terminates the Deed due to reasons specified	Revise article number.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	of the Deed, the liquidator may appoint another appropriate fund custodian, subject to approval by the FSC, to assume the duties of the original fund custodian during the liquidation period.		in Subparagraph (3) or (4), Paragraph 1, Article 24 of the Deed, the liquidator may appoint another appropriate fund custodian, subject to approval by the FSC, to assume the duties of the original fund custodian during the liquidation period.	
Paragraph 7	VII. <u>Unless the beneficiaries' meeting makes a different resolution on the distribution method and obtains approval from the FSC</u> , the liquidator shall promptly dispose of the Fund's assets at an appropriate price, settle the Fund's debts, and instruct the Fund Custodian to distribute the <u>remaining assets</u> after liquidation to each beneficiary in proportion to their beneficiary units. Before distributing the <u>remaining assets</u> after liquidation, the liquidator must report and announce the liquidation and distribution methods to the FSC and notify the beneficiaries. This notification should include the total amount of the <u>remaining assets</u> after liquidation, the total number of beneficiary units in the Fund, the	Paragraph 7	VII. The liquidator shall promptly dispose of the Fund's assets at an appropriate price, settle the Fund's debts, and instruct the Fund Custodian to distribute the <u>balance</u> after liquidation to each beneficiary in proportion to their beneficiary units. Before distributing the <u>balance</u> after liquidation, the liquidator must report and announce the liquidation and distribution methods to the FSC and notify the beneficiaries. This notification should include the total amount of the <u>balance</u> after liquidation, the	Revised to align with the practical operation of the Fund.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	distribution ratio per beneficial unit, the method of payment for the <u>remaining assets</u> after liquidation, and the scheduled distribution date. Within two (2) months of the completion of the liquidation process, the liquidator must report the results to the FSC and notify the beneficiaries.		total number of beneficiary units in the Fund, the distribution ratio per beneficial unit, the method of payment for the <u>balance</u> after liquidation, and the scheduled distribution date. Within two (2) months of the completion of the liquidation process, the liquidator must report the results to the FSC and notify the beneficiaries.	
Paragraph 8	VIII. The notification of the Fund's liquidation and distribution of remaining assets shall be made to the beneficiaries respectively in accordance with Article <u>33</u> of the Deed.	Paragraph 8	VIII. The notification of the Fund's liquidation and distribution of remaining assets shall be made to the beneficiaries respectively in accordance with Article <u>31</u> of the Deed.	Revise article number.
Paragraph 9	<u>IX. In the liquidation of the Fund, any remaining assets to be distributed to the beneficiaries that are not claimed within six (6) months of distribution may be deposited with the court by the Management Company. The expenses related to the deposit shall be borne by the beneficiaries who have not claimed their share.</u>			Added in accordance with the practical operation of the Fund. Subsequent provisions number shall be adjusted accordingly.
Paragraph 10	<u>X. The notification mentioned in the</u>	Paragraph 9	<u>IX. The notification mentioned in the</u>	Added to align with the practical

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	previous Paragraph should be delivered to the address listed in the register of beneficiaries <u>or, with the written consent of the beneficiaries, by fax, email, or other electronic transmission methods.</u>		previous Paragraph should be delivered to the address listed in the register of beneficiaries.	operation of the Fund.
Article <u>28</u> Paragraph 2	Statute of Limitation II. The beneficiary's right to claim the <u>Total</u> Redemption Amount shall be extinguished if the beneficiary does not exercise the right within 15 years from the expiration date of the payment of <u>Total</u> Redemption Amount.	Article <u>26</u> Paragraph 2	Statute of Limitation II. The beneficiary's right to claim the payment of Redemption Amount shall be extinguished if the beneficiary does not exercise the right within 15 years from the expiration date of the payment of Redemption Amount.	Revised in accordance with the definitions in the Deed.
Article <u>29</u>	Beneficiaries Register	Article <u>27</u>	Beneficiaries Register	
Paragraph 1	I. The Management Company and the service agents designated by the Management Company must keep a register of beneficiaries in accordance with the "Regulations Governing Matters Related to Beneficiary Certificates."	Paragraph 1	I. The Management Company and the service agents designated by the Management Company must keep a <u>latest</u> register of beneficiaries in accordance with the "Regulations Governing Matters Related to Beneficiary Certificates."	Added to align with practical operation of the Fund.
Article 30	Beneficiaries Meetings	Article <u>28</u>	Beneficiaries Meetings	
Paragraph 3	III. The Management Company or Fund Custodian must convene a beneficiary meeting	Paragraph 3	III. The Management Company or Fund Custodian must convene a	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	under the following circumstances, unless otherwise provided by the Fund's Trust Deed and approved by the FSC:		beneficiary meeting under the following circumstances, unless otherwise provided by the Fund's Trust Deed and approved by the FSC:	
Subparagraph 7	(VII) <u>An Index Provider ceases to provide the Benchmark Index and provides an alternative index instead.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	The contents of Subparagraphs 7 to 9 were added to align with the practical operation of the Fund.
Subparagraph 8	(VIII) <u>In the event that the Index Provider ceases to compile the Benchmark Index or the Index License Agreement is terminated, the Management Company shall negotiate with other Index Providers to provide a replacement Benchmark Index.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	
Subparagraph 9	(IX) <u>In the event that the Index Provider ceases to provide the Benchmark Index due to unexpected credit events, terminates the Index License Agreement or any other circumstances which may appear to be detrimental to the rights and interests of the beneficiaries, the Management Company shall request other Index Providers to provide</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>alternative Benchmark Indexes.</u>			
Paragraph 4	<u>IV. If any of the situations described in Subparagraph (7) through (9) of the Paragraph 3 occur, the Fund may continue to hold or maintain the investment portfolio as of the actual cessation date of the Benchmark Index until the alternative index license begins.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added to align with practical operation of the Fund.
Paragraph 5	<u>V. In the situations described in Subparagraphs (7) through (9) of the Paragraph 3, if the Index Provider or licensor ceases to provide the Benchmark Index due to bankruptcy, dissolution, suspension of operations, cessation of business, or merger, and if the FSC approves the exemption from convening a beneficiary meeting, the Fund may directly approach other Index Providers or licensors to provide an alternative Benchmark Index.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added to align with practical operation of the Fund.
Paragraph 6	<u>VI. The beneficiary meeting may be convened either in writing or by in-person attendance. If the beneficiary meeting is convened in writing, beneficiaries may exercise their voting rights either in writing or electronically, according to the method specified in the meeting notice.</u>	Paragraph 4	<u>IV. The beneficiary meeting may be convened either in writing or by in-person attendance. If a beneficiary meeting is convened in writing, the attendance and resolution of the beneficiaries shall be indicated in the</u>	Revised to align with the "Regulations Governing Securities Investment Trust Fund Beneficiaries Meetings" to include electronic voting as one of the methods of exercising voting

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<p><u>When beneficiaries exercise their voting rights in writing, they shall use the written documents (including ballots) issued by the convener of the beneficiary meeting. The documents should be signed or sealed using the original signature or stamp and delivered to the designated place by mail or in person.</u></p> <p><u>When beneficiaries exercise their voting rights in writing or electronically, their expressions of intent should be delivered to the designated place at least two (2) days before the beneficiary meeting. In the case of multiple submissions, the earliest received submission will be considered valid. However, this does not apply to expressions of intent for withdrawal of previous submission.</u></p>		written documents (including ballots) issued by the convener of the beneficiary meeting. The documents should be signed or sealed using the original signature or stamp and delivered to the designated place by mail or in person.	rights at the beneficiary meeting, and the wording is revised accordingly.
Paragraph 7	VII. Resolutions at the beneficiary meeting of the Fund, <u>unless otherwise specified by the FSC</u> , must be passed by the presence of beneficiaries holding half of the total issued beneficiary rights units or more and must receive approval from half of the total voting rights or more of the attending beneficiaries. The following matters may not be introduced as	Paragraph 5	V. Resolutions at the beneficiary meeting of the Fund must be passed by the presence of beneficiaries holding half of the total issued beneficiary rights units or more and must receive approval from half of the total voting rights or more of the attending	The wording is revised accordingly.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	extempore motions at the beneficiary meeting:		beneficiaries. The following matters may not be introduced as extempore motions at the beneficiary meeting:	
Article <u>32</u>	Currency	Article <u>30</u>	Currency	
	All bookkeeping documents, income, expenses, calculation of the total value of the Fund's assets and the presentation of the Fund's financial statements shall be in New Taiwan Dollars, with any amount less than one dollar being rounded up. However, the net asset value per beneficiary units as stipulated in Paragraph 1, Article <u>23</u> of the Deed shall be excluded from this limitation.		All bookkeeping documents, income, expenses, calculation of the total value of the Fund's assets and the presentation of the Fund's financial statements shall be in New Taiwan Dollars, with any amount less than one dollar being rounded up. However, the net asset value per beneficiary unit as stipulated in Paragraph 1, Article <u>21</u> of the Deed shall be excluded from this limitation.	Revise article number.
Article <u>33</u>	Notifications and Announcements	Article <u>31</u>	Notifications and Announcements	
Paragraph 1	I. The matters that the Management Company or the Fund Custodian should notify the beneficiaries of are as follows:	Paragraph 1	I. The matters that the Management Company or the Fund Custodian should notify the beneficiaries of are as follows:	
Subparagraph 4	(IV) <u>Beneficiary certificates of the Fund are listed or delisted.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added to align with the practical operations of the Fund.
Subparagraph 8	(VIII) <u>Termination of the index licensing agreement, changes to</u>		(New provision.)	Added to align with the practical operations of the

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 9	<u>the Benchmark Index, or changes to the Index Provider.</u>			Fund. Subsequent provisions number shall be adjusted accordingly.
Subparagraph 10	<u>(IX) Material events related to the Fund's Benchmark Index that have a material impact on beneficiaries.</u>			Subparagraphs 9 and 10 are added according to the FSC's letter Zhong-Xin-Gu-Zi No. 1100050236, dated February 23, 2021.
Subparagraph 11	<u>(X) Matters of material impact on Fund beneficiaries (including, but not limited to, "Special Circumstances" as specified in Article 17 (Basic principles and scope for investing in securities and engaging in securities-related transactions for this Fund), Paragraph 1, Subparagraph 4 of the Deed, which allows the fund to operate outside of the originally specified investment proportion limits).</u>	Subparagraph 7	<u>(VII) Other matters that are required to be notified to the beneficiaries in accordance with relevant laws and regulations, instructions from the FSC, the Deed, or matters deemed necessary for disclosure by the Management</u>	Added to align with the practical operations of the Fund.



Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	deemed necessary for disclosure by the Management Company or the Fund Custodian.		Company or the Fund Custodian.	
Paragraph 2	II. The matters that the Management Company or the Fund Custodian should announce are as follows:	Paragraph 2	II. The matters that the Management Company or the Fund Custodian should announce are as follows:	
Subparagraph 3	(III) <u>Announcements of the Fund's Cash Subscription/Redemption List for the next business day on each business day.</u>		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added to align with the practical operations of the Fund.
Subparagraph 6	(VI) <u>Suspension and resumption of subscription or redemption operations for the Fund; suspension and resumption of calculating the Actual Total Subscription Amount, differences in Subscription Amount, and Redemption Amount, as well as delays and resumption of the delivery of subscription units and Total Redemption Amount.</u>	Subparagraph 5	(V) <u>Suspension and resumption of calculation of redemption prices for the Fund.</u>	Added to align with the practical operations of the Fund.
Subparagraph 9	(IX) Situations where "special circumstances" as defined in Subparagraph 4, Paragraph 1, Article 17 of the Deed occur, allowing the Fund to	Subparagraph 8	(VIII) Situations where "special circumstances" as defined in Subparagraph 2, Paragraph 1, Article 14 of the Deed occur,	Adjustments to article and subparagraph number.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	operate outside of the investment proportion limits specified in Paragraph 2 of the same paragraph, and matters following the end of these special circumstances.		allowing the Fund to operate outside of the investment proportion limits specified in Paragraph 1 of the same paragraph, and matters following the end of these special circumstances.	
Subparagraph 10	(X) Other matters that are required to be announced according to relevant laws and regulations, instructions from the FSC, the Deed, or those deemed necessary for disclosure by the Management Company, <u>the TWSE,</u> or the Fund Custodian.	Subparagraph 9	(IX) Other matters that are required to be announced according to relevant laws and regulations, instructions from the FSC, the Deed, or those deemed necessary for disclosure by the Management Company or the Fund Custodian.	Revised to align with the practical operations of the Fund.
Subparagraph 11	(XI) Other material matters that should be announced, such as long-term issues with the Fund's securities or securities related products that prevent delivery, transfer, offset, or retrieval of margin; <u>material discrepancies between the number of component stocks or exposure ratios of the Fund's futures transactions and those of the component</u>	Subparagraph 10	(X) Other material matters that should be announced, such as long-term issues with the Fund's securities or securities related products that prevent delivery, transfer, offset, or retrieval of margin.	Added according to the FSC's letter Zhong-Xin-Gu-Zi No. 1100050236, dated February 23, 2021.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	<u>stocks or exposure ratios of the Benchmark Index it tracks; and adjustments to the Fund's component stocks and futures positions that result in a material difference in the tracking difference between the Fund's performance and the performance of the Benchmark Index.</u>			
Paragraph 3	III. Notification or announcement to beneficiaries, <u>unless otherwise provided by laws and regulations from the FSC, the TPEX, or other relevant laws and regulations</u> , shall be made in the following manner:	Paragraph 3	III. Notification or announcement to beneficiaries shall be made in the following manner:	Revised to align with the practical operations of the Fund.
Subparagraph 1	(I) Notification: Should be sent by mail to the communication address listed in the beneficiary register of the Fund. If a representative is designated, the notification should be sent to the representative. <u>However, if agreed upon by the beneficiary or as previously arranged, notification may be made via fax or electronic means.</u> <u>When there is a change in the beneficiary's</u>	Subparagraph 1	(I) Notification: Should be sent by mail to the communication address listed in the beneficiary register of the Fund. If a representative is designated, the notification should be sent to the representative.	To align with the practical operations of the Fund, procedures for notification and beneficiaries to make changes are specified.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
Subparagraph 2	<p><u>communication details, the beneficiary should promptly update the records with the Management Company or the service agency. Notifications by the Management Company or liquidator, in accordance with the Deed of the Fund, will be considered legally delivered if sent by the communication method listed in the beneficiary register.</u></p> <p>(II) Announcement: Except for cash subscription and redemption lists, which are to be posted on the Management Company's website, all other matters may be published in any major newspaper in the R.O.C, or transmitted via the MOPS of the TWSE, the industry association's website, <u>the Management Company's website</u>, or other methods designated <u>or approved</u> by the FSC. The method of announcement selected by the Management Company or the Fund Custodian shall be prominently disclosed in the prospectus.</p>	Subparagraph 2	<p>(II) Announcement: Except for cash subscription and redemption lists, which are to be posted on the Management Company's website, all other matters may be published in any major newspaper in the R.O.C, or transmitted via the MOPS of the TWSE, the industry association's website, or other methods designated by the FSC. The method of announcement selected by the Management Company or the</p>	Revised to align with the practical operations of the Fund.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			Fund Custodian shall be prominently disclosed in the prospectus.	
Paragraph 6	<u>VI. If the contents and proportions required to be published set forth in the preceding Subparagraph (ii) to (iv), Paragraph 2 of this Article are amended by relevant laws and regulations, the revised provisions shall prevail.</u>		(New provision.)	Added to align with the practical operations of the Fund.
<b>Article 35</b>	<b>Governing Law</b>	<b>Article 32</b>	<b>Governing Law</b>	
Paragraph 2	II. After the signing of the Deed, if there are amendments to the Securities Investment Trust and Consulting Act, the Regulations Governing the Management of Securities Investment Trust Funds, the Regulations Governing Securities Investment Trust Enterprises, the Securities and Exchange Act, <u>relevant regulations of the TWSE, relevant regulations of the securities central depository enterprise</u> , or other applicable laws and regulations, the rights and obligations of the parties to the Deed concerning the amended portions shall be governed by the amended provisions, unless otherwise specified in the Deed.	Paragraph 2	II. After the signing of the Deed, if there are amendments to the Securities Investment Trust and Consulting Act, the Regulations Governing the Management of Securities Investment Trust Funds, the Regulations Governing Securities Investment Trust Enterprises, the Securities and Exchange Act, or other applicable laws and regulations, the rights and obligations of the parties to the Deed concerning the amended portions shall be governed by the amended provisions, unless	Revised to align with the practical operations of the Fund.

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			otherwise specified in the Deed.	
Paragraph 3	III. For matters not specified in the Deed, the provisions of the Securities Investment Trust and Consulting Act, the Regulations Governing the Management of Securities Investment Trust Funds, the Regulations Governing Securities Investment Trust Enterprises, the Securities and Exchange Act, <u>relevant regulations of the TWSE, relevant regulations of the securities central depository enterprise</u> , or other applicable laws and regulations shall apply. In the absence of such legal provisions, the parties to the Deed shall reach an agreement based on principles of good faith.	Paragraph 3	III. For matters not specified in the Deed, the provisions of the Securities Investment Trust and Consulting Act, the Regulations Governing the Management of Securities Investment Trust Funds, the Regulations Governing Securities Investment Trust Enterprises, the Securities and Exchange Act, or other applicable laws and regulations shall apply. In the absence of such legal provisions, the parties to the Deed shall reach an agreement based on principles of good faith.	Revised to align with the practical operations of the Fund.
Article <u>36</u>	Amendments to the Deed	Article <u>34</u>	Amendments to the Deed	
	Any amendments to the Deed of the Fund <u>and its appendices</u> must be approved by both the Management Company and the Fund Custodian, with consent from the beneficiaries' meeting, and be subject to the approval of the FSC. However, if the amendments do not		Any amendments to the Deed of the Fund must be approved by both the Management Company and the Fund Custodian, with consent from the beneficiaries' meeting, and be subject to the	The Fund has attached appendices and therefore the wording are revised accordingly.

Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
	have a material impact on the beneficiaries' interests, the consent of the beneficiaries' meeting may be waived, but the approval of the Management Company, Fund Custodian, and the FSC is still required.		approval of the FSC. However, if the amendments do not have a material impact on the beneficiaries' interests, the consent of the beneficiaries' meeting may be waived, but the approval of the Management Company, Fund Custodian, and the FSC is still required.	
Article 37	Appendix		(New provision. Subsequent provisions number shall be adjusted accordingly.)	Added to align with the fact that the Fund has appendixes.
Paragraph 1	I. Appendix 1 " <u>KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund Beneficiary Certificate Cash Subscription and Redemption Application Operational Guidelines</u> " and Appendix 2, " <u>Key Terms of the Securities Firms Participation Agreement for KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund</u> " of the Fund are part of the Deed and have the same effect as the provisions of the Deed.			Added to align with the practical operations of the Fund.
Article 38	<u>Effective Date</u>	Article 35	<u>Effective Date</u>	
Paragraph 1	I. The Deed shall take effect from the date <u>it is reported to the FSC for effectiveness</u> .	Paragraph 1	I. The Deed shall take effect from the date of <u>approval or</u>	The Fund adopts the report for effectiveness system and the wording is



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Article, Paragraph, Subparagraph number	Securities Investment Trust Deed Contents of KGI Taiwan Premium Selection High Dividend 30 ETF	Article, Paragraph, Subparagraph number	Template of Securities Investment Trust Deed for Domestic Open-End Equity Fund	Explanation
			<u>effectiveness</u> by the FSC.	revised accordingly.
【Appendix I】	<u>KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund Beneficiary Certificate Cash Subscription and Redemption Application Operational Guidelines.</u>			Added to align with the practical operations of the Fund.
【Appendix II】	<u>Key Terms of the Securities Firms Participation Agreement for KGI Taiwan Premium Selection High Dividend 30 ETF Securities Investment Trust Fund.</u>			Added to align with the practical operations of the Fund.

## [Appendix 5] Supplementary Information on Fund Utilization Status

### [KGI Taiwan Premium Selection High Dividend 30 ETF]

#### I. Status of investments:

(I) The components of total net assets, and their respective amounts and percentage:

#### Detailed Statement of Total Net Assets of KGI Taiwan Premium Selection High Dividend 30 ETF

Data as of June 30, 2024

Asset Item	Name of Securities Market	Amount (in TWD million)	Percentage (%)
Stock	Taiwan Stock Exchange Corporation (TWSE)	14,457	82.75
Stock	Taipei Exchange (TPEX)	2,874	16.44
Stock	Subtotal	17,331	99.19
Depository Receipts	-	0	0
Listed Funds	-	0	0
Bonds and Other Fixed Income Securities	-	0	0
Funds	-	0	0
Other Securities	-	0	0
Short-term Notes	-	0	0
Repurchase Bonds	-	0	0
Cash in Bank	-	583	3.34
Structured Deposits	-	0	0
Net Amount of Other Assets after Deducting Liabilities	-	-441	-2.53
Net Asset	-	17,473	100

(II) Investing in a single stock that accounts for one percent or more of the Fund's net assets value:

#### Detailed Statement of Stock Investments of KGI Taiwan Premium Selection High Dividend 30 ETF

Data as of June 30, 2024

Name of Stocks	Name of Securities Market	Number of Shares (in thousands)	Price Per Share (in TWD)	Investment Amount (in TWD million)	Investment Percentage (%)
Hon Hai	TWSE	10,623	214	2,273	13.01
CTBC HOLDINGS	TWSE	38,816	37.85	1,469	8.41
ROEC	TWSE	6,931	189.50	1,313	7.52
UMC	TWSE	22,127	55.70	1,232	7.05
UNI-PRESIDENT	TWSE	15,025	81.30	1,222	6.99
ASEH	TWSE	6,498	168.50	1,095	6.27
Synnex	TWSE	11,438	73.10	836	4.79
EGST	TWSE	4,820	139.50	672	3.85

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

Name of Stocks	Name of Securities Market	Number of Shares (in thousands)	Price Per Share (in TWD)	Investment Amount (in TWD million)	Investment Percentage (%)
ZDT-KY	TWSE	4,901	129.50	635	3.63
Primax	TWSE	6,655	94.20	627	3.59
Supreme	TWSE	6,501	81.80	532	3.04
TXC	TWSE	4,314	115	496	2.84
TSMT	TWSE	3,809	120	457	2.62
CHICONY	TWSE	2,141	171	366	2.1
TC	TWSE	9,938	35.90	357	2.04
UIS	TWSE	965	366	353	2.02
MSI	TWSE	1,351	178	240	1.38
IGS	TPEX	869	1,355	1,177	6.74
SMP	TPEX	2,535	427.50	1,084	6.2
SAS	TPEX	1,473	217.50	320	1.83
CHIPBOND	TPEX	4,219	67.10	283	1.62

Note: The investment amount accounts for 1% or more of the Fund's net asset value.

(III) Investing in a single bond that accounts for one percent or more of the Fund's net assets value: None

(IV) Investing in a single beneficiary certificate that accounts for one percent or more of the Fund's net assets value: None

(V) Composition of the Fund's net assets - based on the credit ratings of the investment underlying: The Fund is not a bond fund, so this item is not applicable.

## II. Investment performance:

(I) Trend chart of net value per unit since inception: For details, please refer to [I. Fund Overview] (XII) "Use of assets by the fund" of the Prospectus.

(II) Income distribution per beneficiary unit over the most recent ten years:

Dollars per beneficiary unit										
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Amount of income distribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.6900

(III) Annual rate of return of the Fund's net asset value during the most recent ten years: For details, please refer to [I. Fund Overview] (XII) "Use of assets by the fund" of the Prospectus.

(IV) Cumulative rate of return of the Fund's net asset value: For details, please refer to the [I. Fund Overview] (XII) "Use of assets by the fund" of the Prospectus.

## III. Annual expense ratio (%) of the Fund during the most recent five years:

Year	2019	2020	2021	2022	2023
Expense ratio	N/A	N/A	N/A	0.87	1.50

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IV. CPA audit reports, statements of net asset value, statements of investments, and statements of changes in net asset value with footnotes of the Fund for each of the most recent 2 fiscal years: Please refer to "Appendix 6" of the Prospectus

V. Names of the top five securities firms for trading securities, and the amount of service charges paid to such securities firms:

Information of Securities Transactions Made by Securities Firms Entrusted by KGI Taiwan Premium Selection High Dividend 30 ETF

Data as of June 30, 2024

Item Period	Name of Securities Firm	Amount of Securities Transactions Entrusted (in thousand TWD)				Service Charg es Amou nt (in thousa nd TWD)	The Beneficial Rights of the Fund Held by the Securities Firm	
		Stock/Fu nd	Bond	Others	Total		Unit (in thousand )	(%) Perce ntage (%)
January 1 to December 31, 2023	KGI Securities	4,328,736	-	-	4,328,736	4,327	-	-
	President Securities	2,052,968	-	-	2,052,968	2,053	-	-
	SinoPac Securities	1,615,348	-	-	1,615,348	1,615	-	-
	Fubon Securities	1,053,346	-	-	1,053,346	1,053	-	-
	Yuanta Securities	1,021,257	-	-	1,021,257	1,021	-	-
January 1 to 30 June, 2024	KGI Securities	4,269,792	-	-	4,269,792	4,269	-	-
	President Securities	2,738,807	-	-	2,738,807	2,738	-	-
	SinoPac Securities	1,637,437	-	-	1,637,437	1,637	-	-
	Capital Securities	1,188,861	-	-	1,188,861	1,189	-	-
	Cathay Securities	870,510	-	-	870,510	870	-	-

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**[Appendix 6] The Fund's Audit Report by Certified Public Accountant, Net Asset Value Report, Detailed Investment Statement, Statement of Changes in Net Asset Value and Notes for the Most Recent Two Years**

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

KGI Securities Investment Trust Co. Ltd.  
KGI Taiwan Premium Selection High Dividend  
30 ETF  
Financial Report and Audit Report of Certified  
Public Accountant  
Year of 2023 and Period from August 1 (Fund  
Inception Date) to December 31, 2022

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

Audit report of certified public accountant

(2024) Tsai-Shen-Bau-Tz No. 23003133

To KGI Taiwan Premium Selection High Dividend 30 ETF:

### **Audit Opinion**

We have reviewed net asset value report and detailed investment statement of KGI Taiwan Premium Selection High Dividend 30 ETF as of December 31, 2023 and 2022, and the statement of changes in net asset value for the period from January 1 to December 31, 2023 and August 1 (Fund inception date) to December 31, 2022, and notes to the financial statements, including a summary of material accounting policies.

Based on our opinion, the accompanying consolidated financial statements present fairly, in all material respects, net assets of KGI Taiwan Premium Selection High Dividend 30 ETF as December 31, 2023 and 2022 and its financial performance and changes in net asset value for the period from January 1 to December 31, 2023 and August 1 (Fund inception date) to December 31, 2022 in accordance relevant laws and regulations for securities investment trust funds, provisions in the Business Entity Accounting Act related to the preparation of financial statements, Regulations on Business Entity Accounting Handling, and the Corporate Accounting Standards Bulletin and its interpretations.

### **Basis for Audit Opinion**

We conducted our audit in accordance with Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Republic of China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The personnel of the accounting firm who are subject to independence regulations have maintained detachment and independence from KGI Taiwan Premium Selection High Dividend 30 ETF in accordance with the Accountants Code of Conduct of the Republic of China, and have performed other responsibilities under the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Management Team for the Financial Statements**

The Management team is responsible for the preparation and fair presentation of these financial statements in accordance with relevant laws and regulations governing securities investment trust funds, provisions in the Business Entity Accounting Act related to the preparation of financial statements, Regulations on Business Entity Accounting Handling, and the Corporate Accounting Standards Bulletin and its interpretations, and for such internal control as determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management team is also responsible for assessing the KGI Taiwan Premium Selection High Dividend 30 ETF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management team either intends to liquidate the KGI Taiwan Premium



Selection High Dividend 30 ETF or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Republic of China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Republic of China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also exercise the following:

1. Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform appropriate audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KGI Taiwan Premium Selection High Dividend 30 ETF's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on KGI Taiwan Premium Selection High Dividend 30 ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause KGI Taiwan Premium Selection High Dividend 30 ETF to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management team regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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PricewaterhouseCoopers

HUANG, JIN-LIAN  
Certified public accountants  
Click here to enter text. LI, XIU-LING

Financial Supervisory Commission

Approval Letter Number for Certification: Jin-Guan-Zheng-Shen-Zi No. 1100348083

Former Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan

Approval Letter Number for Certification: Jin-Guan-Zheng-Liu-Zi No. 0960038033

16<sup>th</sup> February 2024

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KGI Securities Investment Trust Co. Ltd.  
KGI Taiwan Premium Selection High Dividend 30 ETF  
Net Asset Value Report  
December 31, 2023 and December 31, 2022

Unit: TWD

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>Asset</b>				
Listed stocks at market price (The costs as of December 31, 2023 and 2022, are \$5,690,082,857 and \$1,435,033,214)) (note 3)	\$ 6, 102, 912, 169	83.83	\$1, 437, 038, 762	94.89
TPEX-listed stocks at market price (The costs as of December 31, 2023 and 2022, are \$1,056,022,914 and \$47,302,371) (note 3)	1, 150, 218, 300	15.80	49, 315, 400	3.26
Cash at bank	167, 253, 665	2.30	35, 022, 730	2.31
Futures margin receivable (note 3, 5, 6)	8, 747, 511	0.12	8, 731, 126	0.58
Securities sold receivable	1, 758, 836, 462	24.16	454, 352, 187	30.00
Dividend receivable	6, 860, 000	0.09	550, 200	0.04
Interest receivable (note 5)	45, 235	-	4, 031	-
Other assets	300, 000	-	300, 000	0.02
<b>Total assets</b>	<b>9, 195, 173, 342</b>	<b>126.30</b>	<b>1, 985, 314, 436</b>	<b>131.10</b>
<b>Liabilities</b>				
Securities purchased payable	( 1, 778, 429, 084)	(24.43)	(462, 386, 164)	(30.53)
Beneficial interest units redemption payable	-	-	(7, 587, 578)	(0.50)
Management fee payable (notes 3 and 5)	(1, 402, 163)	(0.02)	(398, 219)	(0.03)
Custodian fee payable (note 3)	(196, 302)	-	(46, 460)	-
Beneficiary distribution payable (notes 1 and 7)	(132, 967, 350)	(1.83)	-	-
Index licensing fee payable (note 3)	(594, 132)	(0.01)	(249, 500)	(0.02)
Other payables	(364, 523)	-	(233, 880)	(0.02)
Unearned beneficial interest units sales	(1, 072, 514)	(0.01)	-	-
<b>Total liabilities</b>	<b>(1, 915, 026, 068)</b>	<b>(26.30)</b>	<b>(470, 901, 801)</b>	<b>(31.10)</b>
<b>Net assets</b>	<b>\$7, 280, 147, 274</b>	<b>100.00</b>	<b>\$1, 514, 412, 635</b>	<b>100.00</b>
Beneficial interest units outstanding	324, 483, 000. 00		99, 983, 000. 00	
Net asset per unit	\$22.44		\$15.15	

The accompanying notes are an integral part of these financial statements, and should be read in conjunction.

Chairman: (Stamped)

General Manager: (Stamped)

Accounting Manager: (Stamped)

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KGI Securities Investment Trust Co. Ltd.  
KGI Taiwan Premium Selection High Dividend 30 ETF  
Detailed Investment Statement  
December 31, 2023 and December 31, 2022

Unit: TWD

Investment Categories (note)	Amount		Percentage of total issued shares		Percentage of net assets	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Listed Stocks						
Taiwan						
Iron and Steel Industry						
Tung ho steel	\$43,621,900	\$40,947,900	0.08	0.11	0.60	2.70
TC steel	164,538,000	-	0.17	-	2.26	-
EGST	215,280,000	-	0.50	-	2.96	-
Subtotal	423,439,900	40,947,900			5.82	2.70
Building material and construction						
GBM	-	13,357,250	-	0.04	-	0.88
Finance and Insurance Industry						
SinoPac Holdings	68,255,378	-	0.03	-	0.94	-
CTBC Holding	433,755,000	-	0.08	-	5.96	-
Fubon Financial	-	119,964,040	-	0.02	-	7.92
Cathay Holdings	-	121,320,000	-	0.02	-	8.01
China Development Financial	-	75,259,800		0.04	-	4.97
Yuanta Group	-	95,743,872		0.04	-	6.32
Subtotal	502,010,378	412,287,712			6.90	27.22
Semiconductor Industry						
UMC	573,655,600	-	0.09	-	7.88	-
Macronix	31,350	-	-	-	-	-
KYEC	84,900	31,240,600	-	0.07	-	2.06
ELAN	162,500	31,820,000	-	0.12	-	2.10
ASEH	444,285,000	90,801,300	0.08	0.02	6.10	6.00
PTI	78,678,000	21,463,200	0.07	0.04	1.08	1.42
SIGURD	46,552,800	9,904,200	0.16	0.04	0.64	0.65
ChipMOS	-	30,954,000	-	0.13	-	2.04
Subtotal	1, 143, 450, 150	216, 183, 300			15.70	14.27
Electronic Parts/Components Industry						
LTC	73,593,000	13,270,400	0.03	0.01	1.01	0.88
Qisda	48,528	8,979,850	-	0.02	-	0.59
MSI	140,760,000	11,352,500	0.08	0.01	1.93	0.75
QCI	156,252,000	58,779,900	0.02	0.02	2.15	3.88
CHICONY	305,025,000	68,781,100	0.23	0.11	4.19	4.54
Getac	111,000	-	-	-	-	-
ENNOCONN	8,040,000	-	0.02	-	0.11	-
ACER		29,084,250	-	0.04	-	1.92

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ASUSTEK	67,662,000	-	0.03	-	4.47
Wistron	35,632,800	-	0.04	-	2.35
MHC	2,124,000	-	0.01	-	0.14
Subtotal	683,829,528	295,666,800		9.39	19.52
<b>Optoelectronic Industry</b>					
ROEC	490,504,000	112,455,000	0.79	0.23	6.74
TSMT	157,276,000	-	0.56	-	2.16
Subtotal	647,780,000	112,455,000		8.90	7.43
<b>Electronic Parts/Components Industry</b>					
Compeq	70,700	-	-	-	-
TXC	209,919,400	12,901,200	0.69	0.05	2.88
Tripod	90,090,000	34,780,000	0.09	0.07	1.24
Primax	198,902,600	-	0.63	-	2.73
ZDT- KY	272,173,000	-	0.26	-	3.74
HSB	4,147,500	-	0.01	-	0.06
FLEXIM	88,300	12,360,000	-	0.04	-
Subtotal	775,391,500	60,617,200		10.65	4.00
<b>Electronic Products Distribution Industry</b>					
Synnex	457,353,000	121,952,000	0.39	0.12	6.28
WT	133,199,213	-	0.12	-	1.83
Supreme	169,400,000	-	0.56	-	2.33
WPG	-	89,273,600	-	0.11	-
Subtotal	759,952,213	211,225,600		10.44	13.96
<b>Other Electronic Industry</b>					
HON HAI	451,440,000	-	0.03	-	6.20
UIS	212,922,500	74,298,000	0.42	0.21	2.93
Subtotal	664,362,500	74,298,000		9.13	4.91
<b>Food Industry</b>					
GREATWALL	4,095,000	-	0.01	-	0.05
UNI-PRESIDENT	451,097,500	-	0.11	-	6.20
Subtotal	455,192,500	-		6.25	-
<b>Others</b>					
SP	27,671,000	-	0.10	-	0.38
HON CHUAN	16,000,000	-	0.04	-	0.22
Subtotal	43,671,000	-		0.60	-
<b>Communications and Internet Industry</b>					
MERRY	3,832,500	-	0.02	-	0.05
SubTotal	6,102,912,169	1,437,038,762		83.83	94.89
Total	6,102,912,169	1,437,038,762		83.83	94.89
<b>TPEX-listed Stocks</b>					
<b>Taiwan</b>					
<b>Semiconductor Industry</b>					
Ardentec	7,252,000	-	0.02		0.10
SAS	145,040,000	-	0.13		1.99
CHIPBOND	115,752,300	34,210,400	0.21	0.08	1.59
WAFER WORKS	866,000	-	-		0.01
Subtotal	268,910,300	34,210,400		3.69	2.26
<b>Computer and Peripheral Equipment Industry</b>					
SMP	517,860,000	15,105,000	0.67	0.03	7.12
					1.00

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Cultural and Creative Industries					
IGS	363,448,000	-	0.36	-	4.99
Subtotal	1,150,218,300	49,315,400			15.80
Total	1,150,218,300	49,315,400			15.80
Total investment	7,253,130,469	1,486,354,162			99.63
Cash at bank	167,253,665	35,022,730			2.30
Net amount of other assets after deducting liabilities	(140,236,860)	(6,964,257)			(1.93)
Net Assets	\$7,280,147,274	\$1,514,412,635			100.00

Note: Stocks are classified by country of exposure.

The accompanying notes are an integral part of these financial statements, and should be read in conjunction.

Chairman: (Stamped)

General Manager: (Stamped)

Accounting Manager: (Stamped)

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

KGI Securities Investment Trust Co. Ltd.  
KGI Taiwan Premium Selection High Dividend 30 ETF  
Statement of Changes in Net Asset Value  
January 1 to December 31, 2023 and August 1 to December 31, 2022

Unit: TWD

	Year of 2023		August 1 to December 31, 2022	
	Amount	%	Amount	%
Net assets at the beginning of the period	\$1,514,412,635	20.80	\$-	-
<u>Incomes</u>				
Cash dividend (note 3)	99,689,285	1.37	13,544,340	0.89
Interest income (notes 3 and 5)	472,562	0.01	243,209	0.02
Total incomes	100,161,847	1.38	13,787,549	0.93
<u>Costs and expenses</u>				
Management fee (notes 3 and 5)	(7,707,068)	(0.11)	(2,333,567)	(0.15)
Custodian fee (note 3)	(974,371)	(0.01)	(272,237)	(0.02)
Auditor fee	(96,000)	-	(20,000)	-
Other expenses (note 3)	(1,807,295)	(0.03)	(970,506)	(0.07)
Total cost and expenses	(10,584,734)	(0.15)	(3,596,310)	(0.24)
Net investment income for the period	89,577,113	1.23	10,191,239	0.67
Issuance proceeds for beneficial interest units	5,477,773,834	75.24	2,954,745,000	195.11
Redemption of beneficial interest units	(582,261,162)	(8.00)	(1,478,485,161)	(97.63)
Realized capital gains/losses (notes 3, 5, 6 and 8)	615,603,829	8.46	25,305,780	1.67
Unrealized capital gains/losses (notes 3, 6 and 8)	504,767,521	6.93	2,655,777	0.18
Income distribution (notes 1 and 7)	(339,726,496)	(4.66)	-	-
Net assets at the end of the period	\$7,280,147,274	100.00	1,514,412,635	100.00

The accompanying notes are an integral part of these financial statements, and should be read in conjunction.

Chairman: (Stamped)

General Manager: (Stamped)

Accounting Manager: (Stamped)



KGI Securities Investment Trust Co. Ltd.  
KGI Taiwan Premium Selection High Dividend 30 ETF  
Note to Financial Statements

Year of 2023 and Period from August 1 (Fund Inception Date) to December 31, 2022

Unit: TWD

I. Overview

The KGI Taiwan Select High Dividend 30 ETF Securities Investment Trust Fund (hereinafter referred to as "the Fund") was established on August 1, 2022 by approval from the Securities and Futures Bureau of the Financial Supervisory Commission (FSC). The Fund is an open-end index equity fund with its investment scope including exchange or OTC listed stocks (including newly listed underwritten stocks) within the Republic of China, Exchange Traded Funds (ETFs) (including leveraged ETFs or inverse ETFs), warrants, stock options, index, bond (including fixed-income) and money market securities investment trust funds issued domestically by domestic securities investment trust enterprises, and futures trust funds offered from unspecified persons by futures trust enterprises, as well as other securities and money market instruments.

The Fund's investment in newly listed underwritten stocks is limited to those stocks for which listing information has been published and which, according to the Management Company's professional judgment, are expected to be included as component securities of the benchmark index upon their initial listing.

Income Distribution

1. The incomes distributable per beneficiary unit of the Fund refer to:

(1) Cash dividends, interest income, distributions from the Fund's incomes, cash dividends returned by the borrower of securities lent by the Fund and lease income and the reserve for income equalization prior to the ex-dividend date (excluding that date), net of expenses incurred by the Fund.

(2) If the additional distribution includes realized capital gains, net of capital losses (both realized and unrealized) and expenses borne by the Fund, then the net asset value per beneficiary unit on the distribution valuation date should be higher than the issue price per beneficiary unit prior to the Fund's establishment date (excluding that date). Furthermore, the net asset value per beneficiary unit, after subtracting the distributable incomes per beneficiary unit for the current period, should not be lower than the issue price per beneficiary unit prior to the Fund's establishment date (excluding that date).

2. Starting from the 180 days (inclusive) after the Fund's establishment date, the Management Company shall evaluate the Fund's net asset value and income situation on the distribution valuation date (i.e., the last calendar day of February, May, August, and November each year) to determine the value of the distribution of incomes. The Management Company may decide the amount to be distributed or whether to make a distribution based on the Fund's incomes situation. Therefore, the amount distributed each time is not necessarily the same. However, after the Management Company determines the amount of income to be distributed, any undistributed income of the Fund's beneficiary units may be accumulated and included in the next distributable income. The Management Company shall, in accordance with laws and regulations, announce the distribution amount per beneficiary unit, the distribution payment date, the distribution record date, the distribution method, and other relevant matters related to the income distribution. The Management Company must distribute the incomes to the beneficiaries within forty-five (45) business days after each distribution valuation date. The period during which changes to the beneficiary register are suspended and the distribution record date must be announced in advance by the Management Company in accordance with Article 33 of the Trust Deed.

3. The distributable incomes of the Fund may only be distributed after the auditor approved by the FSC to audit public companies has issued a verification report. However, if the distributable incomes include capital gains, distribution can only occur after the audit by the auditor approved by the FSC to audit public companies.
4. The total amount of each distribution should be deposited by the Fund Custodian into an independent account named "KGI Taiwan Premium Selection High Dividend 30 ETF Distributable Income Account." This amount will no longer be considered part of the Fund's assets; however, any interest earned on this amount should be included in the Fund.
5. The distributable income should be allocated equally among the total number of beneficiary units outstanding as of the income distribution record date. The distribution payments should be made by means of registered, crossed, non-endorsable, non-transferable note payable to the beneficiaries. The Management Company must announce the calculation method, as well as the amount, location, time, and method of the distribution.

The Fund is managed by KGI Securities Investment Trust Co., Ltd. and safekept by Chang Hwa Commercial Bank, Ltd.

## II. Date and Procedure for Approval of Financial Statements

The financial statements were approved for release by the chairman of the Fund's Management Company on February 16, 2024.

## III. Summary of Major Accounting Policies

The major accounting policies adopted in the preparation of these financial statements are described below. Except as otherwise stated, these policies have been consistently applied across all reporting periods.

### Compliance Statement

These financial statements have been prepared in accordance with relevant laws and regulations for securities investment trust funds, provisions in the Business Entity Accounting Act related to the preparation of financial statements, the Regulations on Business Entity Accounting Handling, and the Corporate Accounting Standards Bulletin and its interpretations

### Domestic Listed and TPEx-Listed stocks

The Fund applies trading date accounting for stocks, recording them at their actual acquisition cost on the trading date, with cost calculated using the moving average method. The value of the invested stocks is calculated daily based on the market price according to the provisions under the securities investment trust deed. For listed stocks, the closing price on the calculation date from the centralized trading market shall be used for valuation; for TPEx-listed stocks, the closing price from the automated trade matching system of the Taipei Exchange shall be used for valuation. The difference between the closing price and the cost mentioned in the preceding paragraph is recorded in the statement of changes in net asset value under "unrealized capital gains/losses". Upon the sale of securities, the difference between the sale price and the cost is recorded in the statement of changes in net asset value under "realized capital gains/losses". Cash dividends are recognized as income for the current period on the ex-dividend date. For shares distributed by converting surplus into capital increase and free distribution of shares by converting capital reserve into capital, the number of new shares distributed is recorded on the ex-rights date, and the cost per share is recalculated accordingly.

### Bonds with a Repurchase Agreement

The Fund applies trading date accounting for bonds with a repurchase agreement, recording them at actual acquisition cost on the trading date. Subsequent valuation is based on the purchase cost plus accrued interest calculated using the purchase yield up to the calculation date. However, if there is objective evidence that the investment has become impaired, an impairment loss shall be recognized.

### Beneficiary Certificates

The Fund applies trading date accounting for beneficiary certificates, recording them at the actual acquisition cost on the trading date, with cost calculated using the moving average method. For listed or TPEX-listed beneficiary certificates, the closing price on the calculation date from the centralized trading market or the TPEX shall be used for valuation. For unlisted (not TPEX-listed) beneficiary certificates, the net asset value per unit published on the announcement website of the securities investment trust enterprises as stipulated in the securities investment trust deed shall be used for valuation. If the closing price or net worth for the calculation date is not available, the most recent available closing price or net worth shall be used as a substitute.

### Futures Transactions

For the margin paid for futures contracts and the positions established for futures contracts, the settlement price of the relevant futures trading market for the type of underlying under the futures contract on the calculation date shall be used for calculation of contract gains or losses. The contract gains or losses are determined by daily valuation and the resulting margin amount and unrealized gains or losses from open positions are recorded separately in the net asset value report under "receivables from futures margin" and in the statement of changes in net asset value under "unrealized capital gains/losses". Upon contract liquidation, these are recorded in the statement of changes in net asset value under "unrealized capital gains/losses".

### Index Licensing Fee

1. The index used by the Fund is managed and calculated by the index provider, and licensed for use by the Fund's management company and the Fund is required to pay the fee for using the index to the index provider. One-off index creation fee of TWD250,000 payable upon the effective date of the index licensing agreement. From the Fund's listing date, the total amount calculated accordingly to the following items is payable as licensing fees at the end of each calendar quarter. For periods less than a full calendar quarter, the fee will be calculated pro rata based on the actual number of days:

- (1) 0.00875% of the daily average net assets for that calendar quarter;
- (2) A service management fee of TWD25,000 per calendar quarter;
- (3) Index licensing fee of TWD75,000 per calendar quarter.

### Listing Fee

The Fund pays the listing fees for beneficiary certificates to the Taiwan Stock Exchange Corporation (TWSE) at the time of initial listing and annually thereafter. The annual listing fee is 0.03% of the Fund's asset size, up to TWD300,000, and shall be recorded as "other expenses".

### Management Fee and Custodian Fee

According to the securities investment trust deed of the Fund, the Fund is required to pay service fees to the Management Company. The fee is calculated at an annual rate of 0.30% when the Fund's daily net asset value is TWD5 billion (inclusive) or lower; and the fee is calculated at an annual rate of 0.25% when the Fund's net asset value is more than TWD5 billion. The service fees payable to the custodian are calculated at an annual rate of 0.035% based on the Fund's daily net asset value.

## Tax

The withholding taxes incurred from the Fund's investment income shall be recorded as a deduction for each income in the account. In addition, according to the Ministry of Finance's ruling with letter no. Tai-Cai-Tsui-No. 0910455815, if the trust income of a trust fund is not distributed to the beneficiary certificate holders within the fiscal year when the income is earned, the taxes withheld by the trust fund on behalf of the taxpayers cannot be refunded. Therefore, related income is accounted for using the net amount method. For dividends and interest income from the Fund's investments in foreign securities, the tax is withheld by the payer according to the tax laws of the source country.

## IV. Key Sources for Significant Accounting Judgement, Estimations and Assumption Uncertainty

In preparing these financial statements, the management team of the Fund's management company makes critical judgments in applying accounting policies and makes important assumptions and estimations regarding future matters. These judgments and estimations are based on historical experience and other factors and are continuously assessed and adjusted. In addition, the accounting estimations made by the company are based on reasonable expectations of future events as of the assets balance sheet date; however, actual results may differ from these estimations. After evaluation, the company believes that there are no significant accounting estimates and assumptions.

## V. Related Party Transactions

### (I) The names and relationships of related parties

<u>Names of Related Parties</u>	<u>Their Relationship with the Fund</u>
China Development Financial Holding Corporation ( <b>China Development Financial</b> ) (note)	The parent company of the Fund's management company
KGI Securities Investment Trust Co. Ltd. ( <b>KGI SITE</b> ) (note)	The management company of the Fund
KGI Securities Co. Ltd. ( <b>KGI Securities</b> ) (note)	The sister company of the Fund's management company
KGI Futures Co. Ltd. ( <b>KGI Futures</b> ) (note)	Other related party of the Fund's management company

Note: KGI SITE, which was fully owned by KGI Securities prior to July 1 2023, is now fully owned by China Development Financial.

### (II) Significant related party transactions and balances

#### 1. Interest income

	<u>Year 2023</u>		<u>August 1 to December 31, 2022</u>	
	Amount	Percentage of interest income (%)	Amount	Percentage of interest income (%)
KGI Futures	\$34	-	\$553	-

#### 2. Management fee

	<u>Year 2023</u>		<u>August 1 to December 31, 2022</u>	
	Amount	Percentage of management fee (%)	Amount	Percentage of management fee (%)
KGI SITE	\$7,707,068	100	\$2,333,567	100

3. Service Charge

	<u>Year 2023</u>		<u>August 1 to December 31, 2022</u>	
	Amount	Percentage of transaction fee (%)	Amount	Percentage of transaction fee (%)
KGI Securities	\$4,326,520	28	\$1,683,871	29
KGI Futures	14,175	-	11,295	
	<u>\$4,340,695</u>	<u>28</u>	<u>\$1,695,166</u>	<u>29</u>

4. Futures margin receivable

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	Amount	Percentage of futures margin receivable (%)	Amount	Percentage of futures margin receivable (%)
KGI Futures	<u>\$8,747,511</u>	<u>100</u>	<u>\$8,731,126</u>	<u>100</u>

5. Interest receivable

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	Amount	Percentage of interest receivables (%)	Amount	Percentage of interest receivables (%)
KGI Futures	<u>\$11</u>	<u>-</u>	<u>\$284</u>	<u>7</u>

6. Management fee payable

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	Amount	Percentage of management fee payable (%)	Amount	Percentage of management fee payable (%)
KGI SITE	<u>\$1,402,163</u>	<u>100</u>	<u>\$398,219</u>	<u>100</u>

VI. Disclosure of Financial Instruments

(I) The investment of the Fund as of December 31, 2023 and December 31, 2022 are provided in the detailed investment statement. In addition, to mitigate market price fluctuation risks, the Fund engaged in futures trading and the margins not yet retrieved from the futures commission merchants amounted to TWD8,747,511 and TWD8,731,126 respectively, and are recorded as futures margins receivables. The details of the open futures trades are as follows:

<u>December 31, 2023</u>							
Name of Futures	Trading Currency	Open Positions (Sell)	Trading Date	Weighted Average Trading Price (points)	Closing Price (points)	Price per Point	Unrealized Capital Gains/Losses
TAIEX futures	TWD	10	2023/12/15	17,670.70	17,870.00	200	\$398,600
<u>December 31, 2022</u>							
Name of Futures	Trading Currency	Open Positions (Sell)	Trading Date	Weighted Average Trading Price (points)	Closing Price (points)	Price per Point	Unrealized Capital Gains/Losses
TAIEX futures	TWD	13	2022/12/14	14,659.15	14,135.00	200	(\$1,362,800)

As of December 31, 2023 and December 31, 2022, the unrealized gains (losses) from open futures contracts amounted to \$398,600 and (\$1,362,800) respectively. These are recorded in the net asset value report under "futures margins receivables" and in the statement of changes in net asset value under "unrealized capital gains/losses." The realized gains (losses) from futures contracts settled for the periods of Year 2023 and August 1 (Fund Inception Date) to December 31, 2022 were \$5,754,678 and (\$906,343) respectively. These are recorded in the statement of changes in net asset value under "realized capital gains/losses."

## (II) Financial Risk Management

The Fund adopts a comprehensive risk management and control system to identify and effectively manage all types of risks, including market risk, credit risk, and operational risk. The Fund regularly evaluates factors such as currency exposure, duration, risk positions, and economic conditions to make appropriate asset allocations. In addition, it uses information systems to manage investment positions in order to control market risk. The affiliated investment trust company regularly reviews the credit status of counterparties. Transactions are conducted only with financial institutions approved by the investment trust company.

## (III) Market Risk

The financial assets that the Fund primarily holds are stocks of domestic listed and TPEX-listed companies, and therefore fluctuations in stock prices will cause value volatility in its investments. The Fund manages market risk for all its holdings through mechanisms such as management on investment limit and stop-loss orders. In addition, the Fund engages in futures trading for hedging purposes. Therefore, the gains and losses from market price changes are offset by the gains and losses of the hedged items, making the market price risk relatively not material.

## (IV) Credit Risk

Since the Fund's trading in listed and TPEX-listed securities is primarily conducted through the Taipei Exchange and centralized trading markets, there is no material credit risk in this respect. The Fund's other financial assets are traded with financial institutions with excellent credit and the Fund also trades with a number of financial institutions to diversify the risks. Therefore, the probability of default by the counterparties of each financial instrument is relatively low.

## (V) Liquidity Risk

The Fund may invest in listed and TPEX-listed stocks. Investors should be aware that, compared to centralized markets, the OTC market has fewer investment objectives and lower trading volumes. In addition, some TPEX-listed companies have smaller capital bases and are more susceptible to industry cycle risks, leading to risks of significant stock price volatility and insufficient liquidity.

## (VI) Cash Flow Risk Due to Interest Rate Fluctuations and Fair Value Risk Due to Interest Rate Changes

As of December 31, 2022 and December 31, 2023, the Fund has not invested in products related to interest rate fluctuations. Therefore, there is no material cash flow risk or fair value risk due to interest rate changes.

## VII. Income Distribution



(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

According to the trust deed of the Fund, for the quarterly income distribution units of the Fund in Year 2023, the quarterly income distribution amounts have been paid on a quarterly basis according to the provisions under the trust deed during Year 2023 are as follows:

Year 2023				
Class	Dividend frequency	Ex-Dividend Date	Dividend per Unit	Dividend Amount
TWD	Quarterly distribution	2023/3/16	TWD 0.220	\$19,686,259
TWD	Quarterly distribution	2023/6/16	TWD 0.320	27,834,555
TWD	Quarterly distribution	2023/9/18	TWD 0.700	159,238,332
TWD	Quarterly distribution	2023/12/18	TWD 0.450	132,967,350
				<u>\$339,726,496</u>

The Fund did not distribute income from August 1 (Fund Inception Date) to December 31 2022.

#### VIII. Transaction Costs

The various transaction costs of the Fund for the periods of Year 2023 and August 1 (Fund Inception Date) to December 31 2022 are as follows:

	<u>Year 2023</u>	<u>August 1 to December 31, 2022</u>
Service Charge	\$15,289,691	\$5,865,340
Transaction Tax	15,994,335	6,643,687
	<u>\$31,284,026</u>	<u>12,509,027</u>

The aforementioned transaction costs are listed under "realized capital gains/losses" and "unrealized capital gains/losses" in the statement of changes in net asset value.



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