

10 000 ETNs¹
iX China Equities SPC Limited
A Prospectus dated June 03, 2022

iX China Equities BR Exchange Traded Notes due June 03, 2032

General

- The iX China Equities BR Exchange Traded Notes (the “**ETNs**” or the “**Notes**”) are senior unsecured debt obligations of iX China Equities SPC Limited (the “**SPC**”), a special purpose company incorporated in the AIFC whose sole assets are shares in iShares MSCI China A ETF (Cboe BZX ticker symbol: “**CNYA**”) (the “**Shares**”) (the “**Underlying ETF**”) and Cash. The base currency of the Underlying ETF is US Dollars (US\$).
- The Underlying ETF seeks to track the investment results of the MSCI China A Inclusion Index (the “**Index**”), which is designed to measure the equity market performance in China, as represented by A-shares that are accessible through the Shanghai-Hong Kong Stock Connect program or the Shenzhen-Hong Kong Stock Connect program. A-shares are equity securities of companies based in China that trade on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The Underlying ETF and the Index are described in more detail on pages 33 to 34 of this Prospectus (this “**Prospectus**”).
- The ETNs seek to provide investors with a return linked to the performance of the Underlying ETF, reduced by the Expenses. If the price of Shares at the date of your sale of ETNs is greater than the price of Shares at the date of your purchase of ETNs, you will receive less due to accrued Expenses. The amount of accrued Expenses will reduce the amount, if any, you will receive at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be), which could result in a loss to you on your investment, even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase. **Any payment on the ETNs is subject to the SPC’s ability to pay its obligations as they become due.**
- The ETNs are issued by the SPC, a special purpose company incorporated in the AIFC and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017). The SPC is a wholly-owned subsidiary of AIX FM Limited (“**AIX FM**”). AIX FM is itself a wholly-owned subsidiary of Astana International Exchange Limited (“**AIX**”).
- **An investment in the ETNs involves significant risks and is not appropriate for every investor. The ETNs should be purchased only by knowledgeable investors who understand the potential consequences of investing in the ETNs. Investors should consider their investment horizon as well as potential transaction costs when evaluating an investment in the ETNs and should regularly monitor their holdings of ETNs to ensure that they remain consistent with their investment strategies.**
- The ETNs are senior unsecured debt obligations of the SPC and mature on June 03, 2032.
- The ETNs do not guarantee any return on your investment and will not pay any coupon. Any dividends paid by the Underlying ETF and received by the SPC will be used for the payment of Expenses and/or reinvestment in Shares. Accordingly, ETN holders will not receive regular or any interest payments. Prior to maturity of the Notes, unless the ETNs are either redeemed or terminated in accordance with their terms, ETN holders will only be able to realise the value of their investment by selling the ETNs through a broker that is a trading member of AIX, the stock exchange within the AIFC. On maturity of the ETNs, ETN holders will receive Shares which could be supplemented with Cash, and the amount of such Cash and/or the number of Shares will be reduced by the Expenses.
- The base currency of the ETNs is yuan (CNY) and the nominal value of the ETNs shall be expressed in yuan (CNY). The nominal value of one ETN calculated as at the date of this Prospectus is equal to 34,89 yuan (CNY). This nominal value is not a principal amount and, accordingly, does not provide the ETN holder with a right to claim this amount from the SPC. The value and price of the ETNs will be subject to change on a daily basis, as described in more detail on pages 13 to 18 of this Prospectus.
- The ETNs are expected to be listed and traded on AIX under the ticker symbol “**BRIXC**”, securities are categorized as BR securities to be listed and traded on AIX Belt and Road Market. The SPC has no obligation

¹ This amount represents the amount of the Initial Placement. The Issuer may issue additional ETNs as further described in this Prospectus.

to maintain any listing on any exchange or quotation system and no assurance can be given that the listing on AIX will be maintained.

- This Prospectus and (if) any changes or amendments to this Prospectus (in the form of supplementary prospectus) will be published on the website of the Stock Exchange (AIX).
- 10 000 ETNs have been issued by the SPC in the amount of the Initial Placement and are expected to be sold off-exchange to the Initial Purchaser where the consideration provided by the Initial Purchaser will consist of 1 471 Shares and cash in the amount of 1,000 US Dollars (US\$). The Initial Purchaser may sell these ETNs on AIX or off-exchange.
- Further issuances of the ETNs will be carried out by the SPC only upon the request of the Authorised Participants. Such additional issuances of the ETNs will be sold by the SPC to the Authorised Participants off-exchange at the price intended to be approximately close to the NAV. The Authorised Participants may sell ETNs on AIX and/or off-exchange. Prospective investors may purchase or sell ETNs on AIX through a brokerage firm that is a trading member of AIX or off-exchange. The Initial Purchaser and the Authorised Participants have a right to redeem ETNs purchased from the Issuer, on AIX or off-exchange. The redemption of the ETNs will be made off-exchange. **ETN holders (other than Authorised Participant(s) and Initial Purchaser(s)) shall have no right to require the SPC to redeem ETNs.** The SPC and its certain affiliates may engage in purchase and resale transactions in the ETNs, although they are not required to do so and may stop at any time. For a detailed description of these procedures, please refer to the Section headed “General terms of the Notes” on pages 13 to 18 of this Prospectus.

Investing in the ETNs involves a number of risks not associated with an investment in conventional debt securities. See the Section headed “Risk Factors” starting on page 19 of this Prospectus for more information.

Astana International Exchange Ltd (AIX) and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Prospectus including the accuracy or completeness of any information or statements included in it. Liability for the Prospectus lies with the issuer of the Prospectus and other persons such as Experts whose opinions are included in the Prospectus with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which the Prospectus relates for any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

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DEFINITIONS AND KEY TERMS

Acting Law of the AIFC	Has the same meaning as defined in clause 1 of Article 4 of the Constitutional Law of the Republic of Kazakhstan “On the Astana International Financial Centre” No. 438-V ZRK, dated 7 December 2015.
AIFC	Astana International Financial Centre.
AIX Belt and Road Market	A market segment of AIX where the proceeds applied to finance or refinance in part or in full new and/or existing projects that applied to AIX Belt and Road Market Rules BR 1.1.
AIX CSD	Astana International Exchange Central Securities Depository Limited, a private company incorporated under the Acting Law of the AIFC within the AIFC licensed by the Astana Financial Services Authority for securities settlement and depository activities (license no. 092018-001).
AIX Registrar	Astana International Exchange Registrar Ltd., a private company incorporated under the Acting Law of the AIFC within the AIFC, acting under an agreement with the Issuer dated June 03, 2022.
Auditor	IAC Russell Bedford A+ Partners LLP, a company, incorporated and operating under the laws of the Republic of Kazakhstan, with its registered office at 202, Al-Farabi Avenue, Almaty, Nur-Sultan, Republic of Kazakhstan.
Authorised Participant	Any legal entity that enters into an Authorised Participant Agreement with the SPC, including Astana International Exchange Market Liquidity Services Limited, a wholly-owned subsidiary of the AIX, which entered into the Authorised Participant Agreement with the SPC on June 03, 2022.
Authorised Participant Agreement	An authorised participant agreement to be concluded between an Authorised Participant and the SPC.
Business Day	Any day that is not a Saturday or Sunday or that is not a day on which banking institutions are generally authorised or obligated by law, regulation or executive order to close in New York, the United States of America, or Nur-Sultan (formerly Astana), Kazakhstan.
BR Expert Committee	An expert committee specializing in projects under the Belt and Road Initiative and established by AIFC.
BR Securities	Securities that are admitted for listing and trading on AIX Belt and Road Market are categorized as BR Securities.
Cash	<p>Cash in US Dollars and Kazakhstan tenge in the hands of the SPC and, to the extent only that they are immediately available for withdrawal or otherwise immediately available to the SPC, all deposits of the SPC with any bank/brokerage company/custodian.</p> <p>Cash will be held in a bank account of the SPC and/or in a bank account of the Management Company. This arrangement for holding Cash may be changed by the SPC or the Management Company at their discretion.</p>
Coupon Amount/Coupon Payment Date	Not applicable. The ETNs do not pay any interest payments.
Creation Amount	100 ETNs, subject to the right of the Management Company to modify the Creation Amount at any time at its sole and absolute discretion.
Custody Agreement	A custody agreement № Д-18/82 between the SPC and the Custodian dated May 24, 2022.
Custodian	Jusan Bank JSC, a legal entity, incorporated under the laws of the Republic of Kazakhstan and acting as a custodian for the Shares and Cash owned by the SPC, pursuant to and in accordance with the terms and conditions of the Custody Agreement.
Early Termination Right	Right of the SPC to redeem all, but not less than all, of the issued and outstanding ETNs, as described in this Prospectus on page 15.
ETN holder(s)	The end investor, whether an individual or legal entity, who owns ETNs for their own account and enjoys the benefits of ownership of the ETNs, notwithstanding the fact that the ETNs are held or recorded in the depository system of the AIX CSD under another name (for example, under a name of a nominee).

Expenses	All expenses paid by the SPC in connection with the ETNs, as described in this Prospectus on pages 13 to 14.
Expert	A member of BR Expert Committee for the time being.
External Report	An external review provided by the BR Expert Committee in relation to the characterization of issuance of the BR Securities, in the form acceptable to AIX.
Governing Law and Arbitration	<p>The ETNs (including without limitation the binding agreement relating to arbitration between the SPC and the ETN holders), described in the Section headed “Arbitration” below on pages 51 to 52 of this Prospectus, including any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, the Acting Law of the AIFC.</p> <p>Any dispute, controversy, difference or claim, whether contractual or non-contractual, arising out of or in relation to this Prospectus, including its existence, validity, interpretation, performance, breach or termination, shall be referred to and finally resolved by arbitration administered by the IAC in accordance with the IAC Arbitration and Mediation Rules in force on the date on which the Request for Arbitration is filed with the Registrar of the IAC, which Rules are deemed to be incorporated by reference into this Prospectus. Details of the binding nature of the agreement between the SPC and the ETN holders in relation to the Notes are set forth on page 52 of this Prospectus.</p>
IAC	International Arbitration Centre of the AIFC.
IFRS	International Financial Reporting Standards (including international accounting standards, international financial reporting standards and interpretations of those standards) as in force from time to time.
Initial Placement	The direct subscription by the Initial Purchaser of ETNs pursuant to and in accordance with the Subscription Agreement.
Initial Purchaser or AIX MLS	Astana International Exchange Market Liquidity Services Limited, a wholly-owned subsidiary of AIX, or any other legal entity (including any affiliate of the SPC) which enters into the Subscription Agreement.
ISIN	KZX000001078.
Issuer or SPC	iX China Equities SPC Limited (“SPC”, “we”, “our” or “us”), a special purpose company, registration number 211240900258, incorporated under the Acting Law of the AIFC on 14 December 2021 (under the initial name of Portfolio 2 SPC Limited and renamed to its current name on May 18, 2022) with a registered address at Mangilik El 55, building 19, Nur-Sultan, Kazakhstan, telephone +7(717) 223 53 66 and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).
Kazakhstan	Republic of Kazakhstan.
Kazakhstan tenge	Lawful currency of Kazakhstan.
Listing	Application has been made to list the ETNs on the official list of AIX and for admission to trade the ETNs on AIX.
Management Company	AIX FM Limited, a private company incorporated under the Acting Law of the AIFC within the AIFC, a wholly-owned subsidiary of AIX.
Maturity Date	June 03, 2032.
Method of Notification to ETN holders	All notifications to holders of ETNs, as well as the publication of annual reports and other information concerning the ETNs, shall be made available via the AIX’s Regulatory Announcement Service at www.aix.kz .
Method of Placement	ETNs are issued in exchange for Shares and/or Cash, in each case in such proportion as determined by the Management Company.
Method of Repayment or Redemption	ETNs are redeemed in exchange for Shares and could be supplemented with Cash, in each case in such proportion as determined by the Management Company.
NAV or Net Asset Value	The net asset value of the SPC or ETN (as appropriate) (as further described in the “General Terms of the Notes” Section on page 13 of this Prospectus).
On-Going Placement(s)	ETNs issued from time to time to Authorised Participants in exchange for Shares and/or Cash, in each case at the consideration intended to be approximately close to the NAV.
Permitted Assets	<p>The assets which the SPC is permitted to hold and own are:</p> <ul style="list-style-type: none"> • Shares; and • Cash.

Placement Date	Any Business Day as determined solely by the SPC at its sole and absolute discretion.
Placement Notice	An irrevocable request provided by the Authorised Participant to the SPC pursuant to and in accordance with the Authorised Participant Agreement.
Primary Exchange or Cboe BZX	Cboe Exchange, Inc.
Redemption(s)	<p>The right of an Authorised Participant or (as the case may be) Initial Purchaser to require the SPC to redeem ETNs as at the Redemption Date, subject in all cases to comply with the procedures described in this Prospectus on page 15.</p> <p>ETN holders (other than Authorised Participant(s) and Initial Purchaser(s)) shall have no right to require the SPC to redeem ETNs.</p>
Redemption Fee	0.125 percent of a sum equal to the product of the NAV (as of the Business day preceding the date of the Redemption Notice) multiplied by the number of ETNs redeemed, subject to the right of the Management Company to reasonably modify the Redemption Fee at any time at its sole and absolute discretion.
Redemption Amount	100 ETNs, subject to the right of the Management Company to modify the Redemption Amount at any time at its sole and absolute discretion.
Redemption Date	Any Business Day as determined by the SPC at its sole and absolute discretion.
Shares	Shares in the Underlying ETF.
Subscription Agreement	An agreement between the SPC and the Initial Purchaser whereby the Initial Purchaser has agreed to purchase 10 000 ETNs from the SPC in exchange for Shares and/or Cash.
Settlement Amount	<p>A consideration to be paid to each ETN holder, who is eligible to receive the Settlement Amount on the Maturity Date or upon execution by SPC of the Early Termination Right, as applicable, subject to certain conditions being satisfied, as described on page 15 of this Prospectus:</p> <ul style="list-style-type: none"> for those ETN holders that hold at least the Redemption Amount, a combination of Shares and Cash less accrued but unpaid Expenses in proportion to the NAV as at the Business Day preceding the Maturity Date; or for those ETN holders that hold less than the Redemption Amount, Cash less accrued but unpaid Expenses in proportion to the NAV as at the Business Day preceding the Maturity Date.
Stock Exchange or AIX	Astana International Exchange Limited.
Term of the ETNs	10 years from the date of issuance of the ETNs, subject to the right of an Authorised Participant or Initial Purchaser to require the SPC to redeem the ETNs, the right of the SPC to exercise its Early Termination Right or (as the case may be) the right of the SPC to extend the term of the ETNs, each as described on pages 13 to 18 of this Prospectus.
Total Expense Ratio	Ratio of the total accrued Expenses to the NAV (as further described in the sub-Section headed “Expenses” in the “General Terms of the Notes” Section on pages 13 to 14 of this Prospectus).
Underlying ETF	iShares MSCI China A ETF (Cboe BZX ticker symbol: “CNYA”). For a detailed description of the Underlying ETF see pages 33 to 34 of this Prospectus.
United States or US	United States of America, its territories and possessions, and any state of the United States and the District of Columbia.
Yuan, or CNY	Lawful currency of the People’s Republic of China.

PROSPECTUS SUMMARY

INTRODUCTION AND WARNINGS

Notes	iX China Equities BR Exchange Traded Notes due June 03, 2032 ISIN: KZX000001078.
Issuer	<p>iX China Equities SPC Limited, a special purpose company, registration number 211240900258, incorporated under the Acting Law of the AIFC on 14 December 2021 (under the initial name of Portfolio 2 SPC Limited and renamed to its current name on May 18, 2022) with registered address at Mangilik El 55, building 19, Nur-Sultan, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).</p> <p>The contact details of the Issuer are: Mangilik El 55, building 19, Nur-Sultan, Kazakhstan, and its telephone number is +7(717) 223 53 66.</p> <p>The LEI (Legal Entity Identifier) code of the SPC is 25490075WME5J60TLP29.</p>
Person seeking for admission to trading on AIX	iX China Equities SPC Limited
Stock Exchange that approved the Prospectus	Astana International Exchange Limited, 55/19 Mangilik El st., block C 3.4. Nur-Sultan, Kazakhstan, telephone +7(717) 223 53 66
Date of approval of the Prospectus by the Issuer	June 03, 2022

This summary must be read as an introduction to and is qualified in its entirety by the more detailed information contained elsewhere in this Prospectus, and any decision to invest in the ETNs should be based on a consideration of this Prospectus as a whole. Civil liability attaches only to those persons who are included in this summary, including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the ETNs.

The ETNs are fully exposed to any decline in the Underlying ETF. If the price of Shares on the date of your sale is less than the price of Shares at the date of your purchase, you will lose some or all of your investment at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be).

KEY INFORMATION ABOUT THE ISSUER

Who is the Issuer of the Notes?

Issuer	<p>iX China Equities SPC Limited, a special purpose company, registration number 211240900258, incorporated under the Acting Law of the AIFC on 14 December 2021 (under the initial name of Portfolio 2 SPC Limited and renamed to its current name on May 18, 2022) with a registered address at Mangilik El 55, building 19, Nur-Sultan, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).</p> <p>The contact details of the Issuer are: Mangilik El 55, building 19, Nur-Sultan, Kazakhstan, and its telephone number is +7(717) 223 53 66.</p>
Principal activities of the Issuer	Issuing and maintaining ETNs, the purchase of which will enable ETN holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.
Auditor	The independent auditors of the Issuer are IAC Russell Bedford A+ Partners LLP. The licence for providing audit services is issued by the Ministry of Finance of the Republic of Kazakhstan under number 18013076 on July 03, 2018.

Directors AIX FM, a wholly-owned subsidiary of AIX, shall act as the sole director and secretary of the Issuer. The appointment of AIX FM, being a body corporate, as a director of the Issuer is permitted in Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

iX China Equities SPC Limited is incorporated with the principal business purpose of issuing the ETNs. ETN holders will participate in the performance (i.e., gains or losses) of the Underlying ETF.

AIX FM, a private company limited by shares, incorporated the SPC and is the SPC's sole shareholder. AIX FM was incorporated by the AIFC as a private company on 2 October 2019 with an initial share capital of US\$1,500,000. Nothing contained in this Prospectus, and nothing done pursuant to this Prospectus shall constitute nor be construed as a guarantee or commitment, express or implied, with respect to the use of AIX FM's share capital to support the activities of the SPC.

As of the date of this Prospectus, AIX is the sole shareholder of AIX FM.

What is the key financial information regarding the Issuer?

Assets

As of the date of this Prospectus, the assets of the SPC are represented by cash in the amount equal to its share capital. In addition, on or about the date of this Prospectus the SPC will receive the Shares and the cash from the Initial Purchaser in exchange for the ETNs pursuant to and in accordance with the Subscription Agreement.

Liabilities

As of the date of this Prospectus, the SPC has no liabilities, except expected liabilities regarding the delivery of the ETNs to the Initial Purchaser under the Subscription Agreement.

Share capital

As of the date of this Prospectus, the share capital of the SPC is represented by one (1) share in the amount of one (1) US Dollar.

Profit and loss statement

As of the date of this Prospectus, the profit and loss statements of the SPC reflect no income and no expenses.

What are the key risks that are specific to the Issuer?

The ETNs are subject to the credit risk of the SPC

The ETNs are senior unsecured debt obligations of the SPC and are not, either directly or indirectly, an obligation of any third party. Any payment to be made in respect of the ETNs, including any payment at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be), depends on the ability of the SPC to satisfy its obligations as they become due. As a result, any adverse changes in the market's view of the creditworthiness of the SPC will affect the market value, if any, of the ETNs prior to maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be). In addition, in the event the SPC was to default on its obligations, you may not receive any amounts owed to you under the terms of the ETNs.

The SPC is a newly established entity without any proven track record

The SPC has been established on 14 December 2021 and has no proven track record of operation.

KEY INFORMATION ON THE SECURITIES

What are the main features of the Securities?

The Notes	iX China Equities BR Exchange Traded Notes due June 03, 2032 ISIN: KZX000001078.
Issue Price	The value and price of the ETNs will be subject to change on a daily basis as described in more detail on pages 13 to 18 of this Prospectus
Currency and denomination of the Notes	The base currency of the ETNs is yuan (CNY) and the nominal value of the ETNs shall be expressed in yuan (CNY). The nominal value of one ETN calculated as of the date of this Prospectus is equal to 34,89 yuan (CNY). This nominal value is not a principal amount and, accordingly, does not provide the ETN holder with a right to claim this amount from the SPC.

	The value and price of the ETNs will be subject to change on a daily basis, as described in more detail on pages 13 to 18 of this Prospectus.
The number of Notes issued and their term	Number of ETNs issued: 10 000. This amount represents the amount of the Initial Placement. The Issuer may issue additional ETNs as further described in this Prospectus. Term of the Notes: 10 years from the date of issuance of the ETNs, subject to the right of an Authorised Participant or Initial Purchaser to require the SPC to redeem the ETNs, the right of the SPC to exercise its Early Termination Right or (as the case may be) the right of the SPC to extend the term of the ETNs, each as described on pages 13 to 18 of this Prospectus.
The rights attached to the Notes	Each ETN holder is eligible to receive the Settlement Amount on the Maturity Date, subject to certain conditions being satisfied, as described in more detail on page 15 of this Prospectus.
Issue Date	June 03, 2022
Maturity Date	June 03, 2032
Interest Rate and Interest Payment Dates	Not applicable. The ETNs do not pay any interest payments.
Transferability	The ETNs are freely transferable in accordance with the relevant legislation of the AIFC.
Ranking of ETNs	The ETNs constitute direct, unconditional and unsecured obligations of the Issuer and rank and will rank: (i) <i>pari passu</i> , without any preference among themselves; and (ii) as senior debt with preference over all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in each case, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Where will the Securities be traded?

The ETNs are expected to be listed and traded on the AIX Belt and Road Market, a special market segment of the stock exchange within the AIFC.

Is there a guarantee attached to the Notes?

There is no guarantee attached to the Notes.

What are the key risks that are specific to the Notes?

The ETNs may not be a suitable investment for you if:

- You do not seek an investment with a return linked to the performance of the Underlying ETF which seeks to track the investment results of an index composed of domestic Chinese equities that trade on the Shanghai or Shenzhen Stock Exchange.
- You believe that the price of Shares will decline during the term of the ETNs or the price of the Underlying ETF will not increase by an amount sufficient to offset accrued Expenses.
- You do not understand that the trading price of the ETNs at any time may vary significantly from the NAV and that paying a premium purchase price over the NAV could lead to significant losses in the event you sell the ETNs at a time when such a premium is no longer present in the market place or (as the case may be) the SPC exercises its Early Termination Right.
- You are not willing to accept the risk that you may lose some or all of your investment.
- You are not willing to actively and frequently monitor your investment in the ETNs.
- You do not have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions or the merits and risks of an investment in the ETNs.
- You do not understand the terms of the investment in the ETNs or are not familiar with the behaviour of the Underlying ETF or financial markets generally.
- You are not willing to hold securities that may be redeemed early by the SPC pursuant to the exercise of its Early Termination Right.
- You are not willing to accept the risk that the price at which you are able to sell the ETNs may be significantly less than the amount you invested.
- You do not have sufficient financial resources and liquidity to bear the risks of an investment in the ETNs, including the risk of loss of such investment.
- You seek an investment for which there will be an active secondary market.
- You are not comfortable with the creditworthiness of the SPC as an issuer of the ETNs.

Investors considering purchasing the ETNs should reach an investment decision only after carefully considering the suitability of the ETNs in light of their particular circumstances.

You may lose some or all of your investment

The ETNs are fully exposed to any decline in the Underlying ETF. If the price of Shares on the date of your sale is less than the price of Shares at the date of your purchase, you will lose some or all of your investment at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be).

The amount of accrued Expenses will reduce the amount of Shares and/or Cash, if any, you will receive at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be)

Even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase, you will receive less due to accrued Expenses. The amount of accrued Expenses will reduce the amount of Shares and/or Cash, if any, you will receive at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be), which could result in a loss to you on your investment, even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase.

The NAV on the Maturity Date or the Redemption Date may be less than the NAV on the date of your purchase

The NAV on the Maturity Date or the Redemption Date may be less than the NAV on the date of your purchase because the NAV is calculated based on the price of Shares on each Business Day less accrued but unpaid Expenses.

Tax implications if ETNs are excluded from the official list of the Stock Exchange

If ETNs are excluded from the official list of AIX, all income on ETNs will be subject to taxation based on the Kazakhstan Tax Code. Although the SPC will use its best efforts to maintain the ETNs on the official list of AIX, in circumstances where this is not possible, the exclusion of the ETNs from the official list of AIX may negatively affect the tax position of holders of ETNs for tax purposes, as well as their market price.

Tax on revenues from Shares owned by the SPC may reduce the NAV

The SPC may sell the Shares it owns to cover its Expenses. Besides, the redemption of ETNs is reflected as a sale of the Shares. In circumstances where the difference between the price of sale and the initial price of the Shares is positive, such a positive amount will be included in the aggregate annual income of the SPC according to the applicable Kazakhstan tax legislation. Also, the SPC as an owner of Shares may receive dividends or other distributions from the Underlying ETF less possible deductions (taxes, transactional fees, etc.). Such dividends and distributions received will be included in the aggregate annual income of the SPC. It is not guaranteed that, at the end of the calendar year, the deductible expenses of the SPC will be higher than the aggregate annual income and there will be no corporate income tax payable. Accordingly, the SPC may be obliged to pay taxes that will decrease the NAV.

The SPC may redeem the ETNs prior to the Maturity Date by exercising its Early Termination Right

On any Business Day, the SPC may elect to redeem all, but not less than all, of the outstanding ETNs with no less than 30 Business Days' prior notice by exercising its Early Termination Right. If the SPC elects to redeem your ETNs pursuant to the exercise by the SPC of its Early Termination Right, you may not be able to reinvest at comparable terms or returns.

Risk of changing interest rates

The value of the Underlying ETF may decline when interest rates fall or rise. This decline can occur because the Underlying ETF may subsequently invest in interest-sensitive assets.

You have no rights or interests in any Shares

Investing in the ETNs will not make you a holder of any rights or interest in the Underlying ETF (including the Shares). Neither you nor any other holder or owner of the ETNs will have any voting rights, any right to receive fixed dividends or other distributions or any other rights with respect to the Underlying ETF (including the Shares). Accordingly, the return on your ETNs may not reflect the return you would realise if you actually owned the Shares.

The market value of the ETNs may be influenced by many unpredictable factors

The market value of your ETNs may fluctuate greatly during the term of the ETNs. Generally, the value of the Underlying ETF will affect the market value of the ETNs more than any other factor. Other factors that may influence the market value of the ETNs include:

- the volatility of the Underlying ETF (i.e., the frequency and magnitude of changes in the value of the Underlying ETF);
- the market price of the Shares; volatility, earnings, financial conditions, corporate, industry and regulatory developments, and other events affecting the companies whose securities are included in the Underlying ETF;
- the prevailing prices and yields for the Shares;
- the time remaining to the maturity of the ETNs;

- supply and demand for the ETNs, including to the extent such supply and demand may be affected by inventory positions held by the SPC or any market maker;
- economic, financial, political, regulatory, geographical, agricultural, judicial, military, public health or other events that affect the value of the Underlying ETF, or that affect markets generally; and
- the actual and perceived creditworthiness of the SPC.

These factors interrelate in complex ways, and the effect of one factor on the market value of your ETNs may offset or (as the case may be) amplify the effect of other factors.

The liquidity of the market for the ETNs may vary materially over time and may be limited

As stated in this Prospectus, the SPC will sell the Initial Amount of the ETNs to the Initial Purchaser. Additional ETNs may also be offered and sold from time to time by the SPC to Authorised Participants. In addition, the number of ETNs outstanding or held by persons other than affiliates of the SPC could be reduced at any time due to redemptions of the ETNs. The SPC may suspend or cease sales of the ETNs at any time, at its sole and absolute discretion. Accordingly, the liquidity of the market for the ETNs could vary materially over the term of the ETNs. Only the Authorised Participants or (as the case may be) the Initial Purchaser may request redemption of the ETNs prior to their maturity, and the Redemption is subject to the conditions and procedures described elsewhere in this Prospectus.

Changes that affect the calculation of the NAV will affect the market value of the ETNs and the Settlement Amount

The amount payable on the ETNs and their market value could be affected if trading in the Shares is suspended or cancelled, in which case it may become difficult to determine the market value of the ETNs. If events such as these occur, or if the value of the Underlying ETF is not available because of a market disruption event or for any other reason, the SPC will make a good faith estimate at its sole and absolute discretion in its calculation of the NAV.

Historical values of the Underlying ETF should not be taken as an indication of future performance during the term of the ETNs

The actual performance of the Underlying ETF over the term of the ETNs, as well as the amount payable at maturity, upon early Redemption or upon the exercise by the SPC of its Early Termination Right, may bear little relation to the historical performance of the Underlying ETF. As a result, it is impossible to predict whether the price of ETNs will rise or fall.

There may not be an active trading market in the ETNs; sales in the secondary market may result in significant losses

The ETNs are expected to be listed on AIX. However, the SPC is not required to maintain any listing of the ETNs on AIX or any other stock or quoted exchange. SPC and its certain affiliates may engage in purchase and resale transactions in the ETNs, although they are not required to do so and may stop at any time. If an active secondary market exists, the SPC expects that ETN holders will purchase and sell the ETNs primarily in this secondary market. Even if an active secondary market for the ETNs exists, it may not provide significant liquidity or trade at prices advantageous to you. As a result, if you sell your ETNs in the secondary market, you may have to do so at a discount from your initial purchase price and you may suffer significant losses.

KEY INFORMATION ON THE ADMISSION TO TRADING

Under which conditions and timetable can I invest in the Notes?

The application will be made for the listing of the ETNs on AIX Belt and Road Market. The ETNs are expected to be admitted to trading on AIX Belt and Road Market on June 29, 2022.

Why is this Prospectus being produced?

This Prospectus has been produced for the ETNs to be admitted to the official list of AIX.

Conflicts of Interest

Disclosures on affiliated companies within AIX group.

AIX FM is a wholly-owned subsidiary of AIX and acts as a Management company of SPC and enters into all necessary agreements in this Prospectus on behalf of SPC. Whereas, AIX CSD, AIX Registrar and AIX MLS are wholly-owned subsidiaries of AIX and may from time to time act as administrator, registrar, transfer-agent, representative or otherwise as may be required from time to time in relation to this Prospectus, or be otherwise involved in or with other funds and clients which have similar investment objectives to those of SPC. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the SPC. Each of these companies will, at all times, have regard in such event to its obligations to the SPC and will endeavour to ensure that such conflicts are resolved

fairly and take into account the interests of the investors. Each of these companies has measures in place to minimize potential conflicts of interest.

The services of companies provided to the SPC are not deemed to be exclusive and each of these companies shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other money payable thereby and companies shall not be under any duty to disclose to the SPC any fact or thing which comes to the notice of companies in the course of it rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under contracts with SPC.

Conflicts of interest may also arise due to the widespread business operations of companies and their connected persons (CEO, CFO, Directors). The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of contracts be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of SPC will be on arm's length terms.

In the event that any conflicts of interest arise, each company will, at all times, have regard in such event to its obligations under contracts and, in particular, to its obligations to act in the best interests of the SPC and the ETN holder (s) so far as practicable. Companies will endeavor to ensure that such conflicts are resolved fairly and take into account the interests of the investors.

Use of Proceeds

The net proceeds of the issue of the Notes will be used by the Issuer for investments in the Permitted Assets only.

Estimated Expenses

The SPC will pay the following expenses:

- operational fees;
- the management fee; and
- other expenses.

The above expenses of the SPC are deducted from, and reflected in the value of, the SPC and, accordingly, the NAV.

The effect of the SPC paying Expenses is to reduce the NAV.

GENERAL TERMS OF THE NOTES

The following are general terms of the ETNs and other considerations you should take into account when deciding whether to invest in the ETNs.

What are the ETNs and how do they work?

The ETNs are unsecured senior debt obligations of iX China Equities SPC Limited, a special purpose company governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017) and incorporated in the AIFC (the “SPC”). The assets of the SPC are a combination of shares in the Underlying ETF (the “Shares”) and cash in US Dollars and Kazakhstan tenge in hand of the SPC and, to the extent only that they are immediately available for withdrawal or otherwise immediately available to the SPC, all deposits of the SPC with any bank/brokerage company/custodian (the “Cash”). The Cash will be held in a bank account of the SPC and/or in a bank account of the Management Company. This arrangement for holding Cash may be changed by the SPC or the Management Company at their discretion.

Over the term of the ETNs, the NAV will generally fluctuate in line with the change in the value of the Underlying ETF, reduced by the Expenses (as explained in more detail immediately below).

Net Asset Value

The NAV equals:

the closing price of a Share as quoted on the Primary Exchange on the preceding Business Day
multiplied by
the number of Shares held by the SPC
plus
Cash
plus
any other assets
less
accrued but unpaid Expenses
less
any other liabilities (excluding ETNs issued).

The NAV per ETN calculated by dividing the NAV by number of outstanding ETNs.

The Management Company has a right, acting reasonably and prudently, to adjust the calculation of the NAV by excluding or (as the case may be) including certain items in order to determine the correct value of the assets of the SPC.

The NAV is calculated on each Business Day and published on the website of the Stock Exchange at www.aix.kz no later than 11:00 a.m. Nur-Sultan (formerly Astana) time on that Business Day.

The NAV is rounded down to the nearest cent.

No interim NAV will be calculated and/or published by any person (including, without limitation, the SPC, AIX FM or AIX).

As a result of On-Going Placement(s) and Redemption(s), and the buying and selling of ETNs on AIX, it is expected (but not guaranteed) that the price of the ETNs traded on AIX will over time closely track the NAV.

Currency conversion.

The NAV is calculated and published in yuan (CNY). For the purposes of calculation of NAV, all assets and liabilities which are denominated in other currencies will be translated into yuan (CNY) at the prevailing market rates.

Expenses

The SPC shall pay the following expenses:

- operational fees;
- the management fee; and
- other expenses.

The above expenses of the SPC are deducted from, and reflected in the value of, the SPC and, accordingly, the NAV. The effect of the SPC paying Expenses is therefore to reduce the NAV.

Any cash dividends or other distributions received by the SPC in relation to the Shares owned by the SPC may be used for the payment of Expenses and/or reinvestment in Shares.

Total Expense Ratio

The Total Expense Ratio is the ratio of the Expenses, including operational fees and the management fee and the fees charged by the manager of the Underlying ETF, accrued on a daily basis, to the NAV. It is expected (but not guaranteed) that the Total Expense Ratio will not exceed 1.0 percent per annum.

For the avoidance of doubt, any withholding (or other taxes) associated with any net cash dividends or other distributions related to the Shares will not be included in expenses for the purpose of calculation of the Total Expense Ratio.

Right of the Management Company to pay Expenses

If at any time the Total Expense Ratio exceeds 1.0 percent per annum, the Management Company has a right, but is not obliged, to reimburse the SPC for such shortfall.

The Management Company may, but is not obliged to, pay any operational fees at its own expense, with or without reimbursement from the SPC.

The management fee and operational fees are described in more detail below on this page below.

Operational fees

Operational fees include all costs, charges, fees and expenses incurred in the operation of the SPC, including transactional costs, banking costs, brokerage costs, borrowing costs, the costs and expenses of obtaining and maintaining authorisations or registrations with regulatory authorities, professional fees, expenses for auditing, interest payments and other fees.

Management fee

In accordance with the Management Agreement, the SPC shall pay a fee to the Management Company for the Management Company's services. Pursuant to and in accordance with the terms and conditions of the Management Agreement, the Management Company may modify the management fee, provided that the Total Expense Ratio may not exceed 1.0 percent per annum.

Calculation and payment of the management fee

The management fee will be accrued on a daily basis and paid monthly by the SPC.

In the event the SPC has insufficient cash to pay the management fee or other Expenses, the SPC may sell Shares in order to cover such Expenses.

Other Expenses

In addition to the Expenses indicated above, the SPC may, in exceptional circumstances, deduct costs that relate to the ETNs that arise outside the ordinary course of business such as taxes, litigation expenses and any other extraordinary expenses. These other expenses are for the account of ETN holders and, accordingly, will be reflected in the NAV.

Permitted Assets

The SPC shall be entitled to hold the following assets only:

- Shares; and
- Cash.

The constitutional documents of the SPC further provide that the SPC shall be entitled to own and/or hold only those assets which are permitted for such ownership and/or holding under this Prospectus.

Cash will be held in US Dollars and/or Kazakhstan tenge in a bank account of the SPC and/or in a bank account of the Management Company. This arrangement may be changed by the SPC or the Management Company at their discretion. Cash may include cash in hand of the SPC and, to the extent only that they are immediately available for withdrawal or otherwise immediately available to the SPC, all deposits of the SPC with any bank/brokerage company/custodian.

All assets of the SPC in the form of Shares will be held by the Custodian under the terms of the Custody Agreement.

Target asset allocation

The SPC's target asset allocation and asset allocation ranges are set out in the table below:

Asset Class	Intended Target	Range
Shares	99%	95% - 100%
Cash	1%	0% - 5%

Maturity Date and Settlement Amount

On the Maturity Date the SPC will pay the Settlement Amount to ETN holders in accordance with instructions received from ETN holders, based on the size of their holding:

- for ETN holders holding at least the Redemption Amount, the Settlement Amount will be Shares which could be supplemented with Cash less accrued but unpaid Expenses in proportion to the NAV as at the Business Day preceding the Maturity Date. Any fraction of Shares due will be paid in cash at the closing price of the Shares as quoted on the Primary Exchange on the preceding Business Day; and
- for ETN holders holding less than the Redemption Amount, the Settlement Amount will be a cash amount equal to the NAV as at the Business Day preceding the Maturity Date less accrued but unpaid Expenses.

Accrued but unpaid Expenses will be deducted from the amount of Cash due to the ETN holder. If the amount of Cash due to the ETN holder (taking into account any cash component in respect of any fractions of Shares) is less than the amount of accrued but unpaid Expenses, then the SPC will decrease the number of Shares that are due to such ETN holder and increase the Cash due to such ETN holder, from which the accrued but unpaid Expenses will then be paid in full.

The Settlement Amount will be transferred to ETN holders appearing on the register of ETN holders provided by AIX Registrar as of the Maturity Date.

On the Maturity Date, the SPC will request that AIX Registrar cancels all outstanding ETNs.

Each ETN holder will be required to provide its banking and securities accounts details not later than 30 Business Days before the Maturity Date. Such instructions shall be submitted:

- for those ETN holders that hold their ETNs in their securities accounts with brokerage companies who are participants in AIX CSD, via such brokerage companies; or
- for those ETN holders that hold their ETNs in their securities accounts with AIX Registrar, via AIX Registrar.

In the event, that no details of either a securities or bank accounts are provided to the SPC within the required time period or such instructions are missing or include inaccurate information or (as the case may be) such instructions lack the required information, the Shares and Cash will be retained by the SPC in escrow. Such unclaimed Shares will be sold after 30 Business Days following the Maturity Date and the monies received from such sale will be held to the order of the relevant ETN holder together with such other retained Cash, in each case to the extent permissible under applicable law and until such time as such ETN holder claims such monies and retained Cash.

Early Termination Right

With at least 30 Business Days' notice, on any Business Day through and including the Maturity Date, the SPC, at its sole and absolute discretion, may redeem all, but not less than all, of the issued and outstanding ETNs. Such redemption will be effected by the SPC by the declaration of a new Maturity Date and respective actions to be undertaken in accordance with procedures described for the Maturity Date.

Any such notification by the SPC of the Early Termination Right is irrevocable.

Upon execution of the Early Termination Right, each ETN holder will receive the Settlement Amount, which will be calculated as described on this page above of this Prospectus. If the amount so calculated is less than zero, the Settlement Amount will be zero.

Redemption

An Authorised Participant or (as the case may be) the Initial Purchaser may submit an irrevocable request in accordance with and pursuant to the Authorised Participant Agreement or (in the case of the Initial Purchaser) the Subscription Agreement (each a "**Redemption Notice**") requiring the SPC to redeem the ETNs provided that any such Redemption Notice is in an amount not less than the Redemption Amount.

Once the Redemption Notice has been confirmed, such Authorised Participant or (as the case may be) Initial Purchaser shall:

- transfer ETNs to the SPC (in the amount specified in the Redemption Notice) and ensure that the SPC receives such ETNs on the Redemption Date; and
- make a cash payment in an amount equal to the Redemption Fee and ensure that the SPC receives the Redemption Fee on the Redemption Date.

Each Redemption Notice shall contain bank and securities account details.

On the Redemption Date, upon receipt of ETNs and the Redemption Fee, the SPC will pay to the Authorised Participant or (as the case may be) Initial Purchaser via the transfer of Shares and Cash less accrued but unpaid Expenses the NAV pro rata to the total number of ETNs outstanding. Any fraction of Shares will be paid in Cash at the closing price of the Shares as quoted on the Primary Exchange on the preceding Business Day.

Accrued but unpaid Expenses will be deducted from the amount of Cash due to the Authorised Participant or (as the case may be) the Initial Purchaser (acting on their own account or for the account of the ETN holder). If the amount of Cash due to the Authorised Participant or (as the case may be) the Initial Purchaser (acting on their own account or for the account of the ETN holder) (taking into account any cash component in respect of any fractions of Shares) is less than the amount of accrued but unpaid Expenses, then the SPC will decrease the number of Shares that are due to the Authorised Participant or (as the case may be) the Initial Purchaser (acting on their own account or for the account of the ETN holder) and increase the Cash due to the Authorised Participant or (as the case may be) the Initial Purchaser (acting on their own account or for the account of the ETN holder), from which the accrued but unpaid Expenses will then be paid in full.

No Redemption Notice will be accepted during the period of 30 calendar days prior to the Maturity Date.

ETN holders (other than Authorised Participant(s) and Initial Purchaser(s)) shall have no right to require the SPC to redeem ETNs.

Borrowing

The SPC does not intend to borrow money. However, the SPC may borrow money for working capital purposes only. It is anticipated that, under normal market conditions, any borrowing by the SPC in aggregate will not exceed 3 (three) percent of the NAV.

Substitution of the current Underlying ETF for a new Underlying ETF

The SPC may change its decision on Permitted Assets, including change of the Underlying ETF at its sole and absolute discretion. The circumstances under which the SPC may change the Underlying ETF include, but are not limited to:

- suspension of trading or delisting of the Shares on the official list of the Primary Exchange;
- decrease in liquidity of Shares on the Primary Exchange; and
- other conditions that may make it practically impossible to sell, purchase or obtain reasonable market prices for the Shares.

Should such conditions occur, the SPC, acting in good faith, must decide whether to:

- substitute the current Underlying ETF with a new Underlying ETF, which shall, in all material respects, be substantially similar to the previous Underlying ETF; or
- exercise its Early Termination Right to redeem all of the outstanding ETNs.

In circumstances where the previous Underlying ETF are substituted for a new Underlying ETF, the SPC shall:

- inform the holders of ETNs by means of a notification on the website of the Stock Exchange at www.aix.kz;
- request the suspension of trading of the ETNs on the Stock Exchange;
- suspend the issuance and Redemptions of the ETNs;
- sell, on a best efforts basis, Shares in the previous Underlying ETF;
- purchase, on a best efforts basis, Shares in the new Underlying ETF;
- calculate and publish the new NAV; and
- seek a lifting of the trading suspension on the Stock Exchange in respect of the ETNs.

Safekeeping of the SPC's assets by the Custodian

In accordance with the terms of the Custody Agreement, Jusan Bank JSC agreed to act as a Custodian for the Shares. The Custodian will be liable for the safekeeping of the Shares owned by the SPC and held in the SPC's securities account with the Custodian.

The SPC has the right at its sole and absolute discretion to appoint another custodian to replace the Custodian and to transfer all the Shares to such custodian.

Extension of the ETNs' term

The SPC may at its sole and absolute discretion and at any time extend the maturity of the ETNs with prior 30 days' written notification to ETN holders by means of a notification on the website of the Stock Exchange at www.aix.kz. Other than the extension of the Maturity Date, all the other terms of the ETNs will remain the same.

Placement of ETNs

The SPC will issue and place ETNs via both the Initial Placement and On-Going Placements.

Initial Placement and Material Details of the Subscription Agreement

The Initial Placement of ETNs will be done via direct subscription from the Initial Purchaser pursuant to and in accordance with the terms and conditions of the Subscription Agreement.

Under the Subscription Agreement, the Initial Purchaser will purchase ETNs in exchange for Shares and Cash in such proportion as determined by the Management Company within the target allocation range described on page 14 of this Prospectus.

The Initial Purchaser is expected to deliver ETNs purchased to any third party, including a market maker. The market maker may be appointed by the Stock Exchange. Such third parties, including a market maker, may offer ETNs received from the Initial Purchaser to any purchaser trading on AIX or off-exchange.

The expected amount of the Initial Placement – 10 000 ETNs. This amount may be subject to change based on negotiations with the Initial Purchaser and prevailing market conditions.

The Initial Purchaser is expected to receive the ETNs pursuant to and in accordance with the Subscription Agreement on or around June 03, 2022.

On-Going Placements

All On-Going Placements shall be carried out via transactions with Authorised Participants in exchange for Shares and Cash in an amount not less than the Creation Amount in proportion to the NAV as at the date immediately preceding the date of the Placement Notice. The SPC has a right to require an Authorised Participant to pay for the Creation Amount in Cash only.

The SPC has absolute discretion to accept or reject in whole or in part any Placement Notice for ETNs. In addition, the SPC may impose such restrictions as it believes at its sole and absolute discretion are necessary to ensure compliance with applicable legislation and anti-money laundering procedures.

The SPC has a right to modify the Creation Amount at its sole and absolute discretion at any time with prior written notification to the Authorised Participants published on the website of the Stock Exchange at www.aix.kz.

The SPC will issue, and the Authorised Participant will receive ETNs on the Placement Date, provided that:

- the Authorised Participant provided an irrevocable placement notice (a “**Placement Notice**”) no later than the Placement Date;
- the SPC received Shares and/or Cash in the quantities specified in the Placement Notice no later than the Placement Date;
- any fraction of Shares that are due by the Authorised Participant shall be paid in Cash at the closing price of the Shares as quoted on the Primary Exchange of the Underlying ETF on the Business Day preceding the date of the Placement Notice; and
- the SPC has signed an Authorised Participant Agreement with the Authorised Participant.

Cash due from the Authorised Participant shall be decreased by the amount of accrued but unpaid Expenses; in case if amount of Cash due from the Authorised Participant (taking into account cash component for any fractions of Shares) is less than the amount of accrued but not paid Expenses, proportionate to the number of ETNs placed, then the Authorised Participant shall deliver fewer Shares in order to net the accrued but not paid Expenses.

On the Placement Date, upon receipt of the Shares and/or Cash, the SPC will issue ETNs to the Authorised Participant as per the instructions provided in the Placement Notice.

ETNs purchased by the Authorised Participants as part of the On-Going Placement(s) may be sold by the Authorised Participant on AIX or off-exchange to any investors.

The SPC may attract other market participants as Authorised Participants if such other market participants indicate their willingness to so participate.

The material terms of the Authorised Participant Agreement with Astana International Exchange Market Liquidity Services Limited include the procedures regarding On-Going Placement and Redemption described on pages 13 to 18 of this Prospectus. The material terms of the Authorised Participant Agreement with other new Authorised Participants in future are expected to be based on the procedures regarding On-Going Placement and Redemption described in this Prospectus.

Market Making

The Authorised Participant may also act as a market maker on the Stock Exchange (subject to compliance with certain conditions). Such activity will be performed in accordance with a market maker agreement signed between the Authorised Participant and the Stock Exchange.

A market maker is expected to perform market making activities providing bid and ask quotes in relation to the ETNs on AIX with the principal purpose, among others, of providing liquidity in respect of the ETNs on AIX.

Dividends and distributions received from the Shares

Any net cash dividends or other distributions associated with the Shares and paid to the SPC shall be retained by the SPC and may be used to cover the Expenses of the SPC. The ETN holders have no right or entitlement to any such dividends or other distributions.

The SPC has the right to use any cash owned by it for the purchase of Shares.

Split of ETNs

The SPC may carry out the split of ETNs with sufficient prior notification to ETN holders. Such notification shall include information on the nature of the transaction, the record date for the register of ETN holders eligible to participate in such split and the date of split.

On the date of transaction, after the closure of trading, the SPC will deliver additional ETNs to all ETN holders eligible to participate in such split (those ETN Holders that held ETNs as of the end of business day on a record date).

Between the record date and split date, the SPC may publish two NAVs –one for the previous number of ETNs, the second –for the new number of ETNs.

Listing on the Stock Exchange

Application has been made to list the ETNs on the official list of AIX and for admission to trade the ETNs on AIX.

Declaration of BR Securities

The external report has been made to ETNs to be admitted to listing and trading on AIX Belt and Road Market that to be categorized as BR Securities.

Information published by the SPC

The SPC will publish the following information on a daily basis (not later than 11:00 a.m. Nur-Sultan (formerly Astana) time) on the Stock Exchange's website at www.aix.kz:

- the NAV; and
- the amount of Cash and Shares

Notification to ETN holders

All notifications to holders of ETNs as well as the publication of an annual report and other information concerning the SPC will be carried out in form of notifications via Regulatory Announcement Service at www.aix.kz. The SPC can change the notification method with 30 Business Days' prior notice to ETN holders, such notification to be published via Regulatory Announcement Service at www.aix.kz.

Inquiries of ETN holders

All inquiries and requests of ETN holders (except notification of the Settlement Amount) shall be sent to the registered address of the SPC as follows: Mangilik El, building 55/19, Nur-Sultan, Kazakhstan, to the attention of Fund Operation.

Base of calculation

For all calculations involving the number of days in a year, a calendar year of 365/366 days shall apply.

Changes to this Prospectus

The SPC may amend or change this Prospectus at any time in its sole and absolute discretion by the issuance of a supplementary prospectus.

Financial information about the SPC

The SPC was established on 14 December 2021 and has not yet conducted any financial or other business activity other than entering into the arrangements specified in this Prospectus. Further financial information is provided in the Section headed "Issuer/SPC" below on page 36 of this Prospectus.

RISK FACTORS

Your investment in the ETNs will involve risks. The ETNs are not secured debt and are riskier than ordinary unsecured debt securities. As described in more detail below, the trading price of the ETNs may vary considerably before the Maturity Date due to, among other things, fluctuations in the markets on which the Underlying ETF is traded and other events that are difficult to predict and beyond control of the SPC. Investing in the ETNs is not equivalent to investing directly in the Underlying ETF. This Section of this Prospectus describes the most significant risks relating to an investment in the ETNs.

The SPC urges you to read the following information about these risks, together with the other information in this Prospectus, before investing in the ETNs.

RISK FACTORS RELATED TO THE ETNs

The ETNs may not be a suitable investment for you

The ETNs may not be a suitable investment option for you if:

- You do not seek an investment with a return linked to the performance of the Underlying ETF which seeks to track the investment results of an index composed of domestic Chinese equities that trade on the Shanghai or Shenzhen Stock Exchange.
- You believe that the price of Shares will decline during the term of the ETNs or the price of the Underlying ETF will not increase by an amount sufficient to offset accrued Expenses.
- You do not understand that the trading price of the ETNs at any time may vary significantly from the NAV and that paying a premium purchase price over the NAV could lead to significant losses in the event you sell the ETNs at a time when such a premium is no longer present in the market place or (as the case may be) the SPC exercises its Early Termination Right.
- You are not willing to accept the risk that you may lose some or all of your investment.
- You are not willing to actively and frequently monitor your investment in the ETNs.
- You do not have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions or the merits and risks of an investment in the ETNs.
- You do not understand the terms of the investment in the ETNs or are not familiar with the behaviour of the Underlying ETF or financial markets generally.
- You are not willing to hold securities that may be redeemed early by the SPC pursuant to the exercise of its Early Termination Right.
- You are not willing to accept the risk that the price at which you are able to sell the ETNs may be significantly less than the amount you invested.
- You do not have sufficient financial resources and liquidity to bear the risks of an investment in the ETNs, including the risk of loss of such investment.
- You seek an investment for which there will be an active secondary market.
- You are not comfortable with the creditworthiness of the SPC as the issuer of the ETNs.

Investors considering purchasing the ETNs should reach an investment decision only after carefully considering the suitability of the ETNs in light of their particular circumstances.

You may lose some or all of your investment

The ETNs are fully exposed to any decline in the Underlying ETF. If the price of Shares on the date of your sale is less than the price of Shares at the date of your purchase, you will lose some or all of your investment at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be).

The amount of accrued Expenses will reduce the amount of Shares and/or Cash, if any, you will receive at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be)

Even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase, you may receive less due to accrued Expenses. The amount of accrued Expenses will reduce the amount of Shares and/or Cash, if any, you will receive at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be), which could result in a loss to you on your investment, even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase.

The NAV on the Maturity Date or the Redemption Date may be less than the NAV on the date of your purchase

The NAV on the Maturity Date or the Redemption Date may be less than the NAV on the date of your purchase because the NAV is calculated based on the price of Shares on each Business Day less accrued but unpaid Expenses.

Tax implications if ETNs are excluded from the official list of the Stock Exchange

If ETNs are excluded from the official list of AIX, all income on ETNs will be subject to taxation in Kazakhstan. Although the SPC will use its best efforts to maintain the ETNs on the official list of AIX, in circumstances where this is not possible, the exclusion of the ETNs from the official list of AIX may negatively affect the tax position of holders of ETNs resident in Kazakhstan for tax purposes, as well as their market price.

Tax on revenues from Shares owned by the SPC may reduce the NAV

The SPC may sell the Shares it owns to cover its Expenses. Besides, the redemption of ETNs is reflected as a sale of the Shares. In circumstances where the difference between the price of sale and the initial price of the Shares is positive, such a positive amount will be included in the aggregate annual income of the SPC according to the applicable Kazakhstan tax legislation. Also, the SPC as an owner of Shares may receive dividends or other distributions from the Underlying ETF less possible deductions (taxes, transactional fees, etc.). Such dividends and distributions received will be included in the aggregate annual income of the SPC. It is not guaranteed that, at the end of the calendar year, the deductible expenses of the SPC will be higher than the aggregate annual income and there will be no corporate income tax payable. Accordingly, the SPC may be obliged to pay taxes that will decrease the NAV.

The SPC may redeem the ETNs prior to the Maturity Date by exercising its Early Termination Right

On any Business Day, the SPC may elect to redeem all, but not less than all, of the outstanding ETNs with no less than 30 Business Days' prior notice by exercising its Early Termination Right. If the SPC elects to redeem your ETNs pursuant to the exercise of its Early Termination Right, you may not be able to reinvest at comparable terms or returns.

Risk of changing interest rates

The value of the Underlying ETF may decline when interest rates fall or rise. This decline can occur because the Underlying ETF may subsequently invest in interest-sensitive assets.

You have no rights or interests in any Shares

Investing in the ETNs will not make you a holder of any rights or interest in the Underlying ETF (including the Shares). Neither you nor any other holder or owner of the ETNs will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the Underlying ETF (including the Shares). Accordingly, the return on your ETNs may not reflect the return you would realise if you actually owned the Shares.

The market value of the ETNs may be influenced by many unpredictable factors

The market value of your ETNs may fluctuate greatly during the term of the ETNs. Generally, the value of the Underlying ETF will affect the market value of the ETNs more than any other factor. Other factors that may influence the market value of the ETNs include:

- the volatility of the Underlying ETF (i.e., the frequency and magnitude of changes in the value of the Underlying ETF);
- the market price of the Shares; volatility, earnings, financial conditions, corporate, industry and regulatory developments, and other events affecting the companies whose securities are included in the Underlying ETF;
- the prevailing prices and yields for the Shares;
- the time remaining to the maturity of the ETNs;
- supply and demand for the ETNs, including to the extent such supply and demand may be affected by inventory positions held by the SPC or any market maker;
- economic, financial, political, regulatory, geographical, agricultural, judicial, military, public health or other events that affect the value of the Underlying ETF, or that affect markets generally; and
- the actual and perceived creditworthiness of the SPC.

These factors interrelate in complex ways, and the effect of one factor on the market value of your ETNs may offset or (as the case may be) amplify the effect of other factors.

The liquidity of the market for the ETNs may vary materially over time and may be limited

As stated in this Prospectus, the SPC will sell the Initial Amount of the ETNs to the Initial Purchaser. Additional ETNs may also be offered and sold from time to time by the SPC to Authorised Participants. In addition, the number of ETNs outstanding or held by persons other than the affiliates of the SPC could be reduced at any time due to redemptions of the ETNs. The SPC may suspend or cease sales of the ETNs at any time, at its sole and absolute discretion. Accordingly, the liquidity of the market for the ETNs could vary materially over the term of the ETNs. Only the Authorised Participants or (as the case may be) the Initial Purchaser may request redemption of the ETNs prior to their maturity, and the Redemption is subject to the conditions and procedures described elsewhere in this Prospectus.

Changes that affect the calculation of the NAV will affect the market value of the ETNs and the Settlement Amount

The amount payable on the ETNs and their market value could be affected if trading in the Shares is suspended or cancelled, in which case it may become difficult to determine the market value of the ETNs. If events such as these occur,

or if the value of the Underlying ETF is not available because of a market disruption event or for any other reason, the SPC will make a good faith estimate at its sole and absolute discretion in its calculation of the NAV.

Historical values of the Underlying ETF should not be taken as an indication of future performance during the term of the ETNs

The actual performance of the Underlying ETF over the term of the ETNs, as well as the amount payable at maturity, upon early Redemption or upon the exercise by the SPC of its Early Termination Right, may bear little relation to the historical performance of the Underlying ETF. As a result, it is impossible to predict whether the price of ETNs will rise or fall.

There may not be an active trading market in the ETNs; sales in the secondary market may result in significant losses

The ETNs are expected to be listed on AIX. However, the SPC is not required to maintain any listing of the ETNs on AIX or any other stock or quoted exchange. Certain affiliates of the SPC may engage in limited purchase and resale transactions in the ETNs, although they are not required to do so and may stop at any time. If an active secondary market exists, the SPC expects that ETN holders will purchase and sell the ETNs primarily in this secondary market. Even if an active secondary market for the ETNs exists, it may not provide significant liquidity or trade at prices advantageous to you. As a result, if you sell your ETNs in the secondary market, you may have to do so at a discount from your initial purchase price and you may suffer significant losses.

The SPC may sell additional ETNs, but the SPC is under no obligation to issue or sell additional ETNs at any time. If the SPC sells additional ETNs, the SPC may limit or restrict such sales, and the SPC may stop and subsequently resume selling additional ETNs at any time

In its sole discretion, the SPC may decide to issue and sell additional ETNs from time to time. Trades of the ETNs will be made at market prices prevailing at the time of sale, at prices related to market prices or at negotiated prices. Additionally, any ETNs held by the SPC or an affiliate in inventory may be resold at prevailing market prices or lent to market participants who may have made short sales of the ETNs. However, the SPC is under no obligation to issue or sell additional ETNs at any time, and if the SPC does sell additional ETNs, the SPC may limit or restrict such sales, and the SPC may stop and subsequently resume selling additional ETNs at any time. If the SPC starts selling additional ETNs, the SPC may stop selling additional ETNs for any reason, which could materially and adversely affect the trading price and liquidity of such ETNs in the secondary market. Furthermore, unless the SPC indicates otherwise, if the SPC suspends selling additional ETNs, the SPC reserves the right to resume selling additional ETNs at any time, which might result in the reduction or elimination of any premium in the trading price.

Suspension of additional issuances of ETNs can also result in a significant reduction in the number of outstanding ETNs if ETN holders subsequently exercise their right to have the ETNs redeemed by the SPC. If the total number of outstanding ETNs has fallen to a level that is close to or below the Redemption Amount, you may not be able to purchase enough ETNs to meet the minimum size requirement in order to exercise your right of Redemption. The unavailability of this right can result in the ETNs trading in the secondary market at discounted prices below the NAV. Having to sell your ETNs at a discounted sale price below the NAV could lead to significant losses. Prior to making an investment in the ETNs, you, together with your financial adviser, should consider whether the trading price is tracking the NAV.

The NAV and the Settlement Amount are not the same as the closing price or any other trading price of the ETNs in the secondary market

The NAV and Settlement Amount are not the same as the closing price or any other trading price, which is the price at which you may be able to sell your ETNs in the secondary market, if one exists. The NAV and Settlement Amount are in the form of Shares and/or Cash and calculated as described in this Prospectus.

The trading price of the ETNs at any time is the price at which you may be able to sell your ETNs in the secondary market at such time, if one exists. In the absence of an active secondary market for the ETNs, the last reported trading price may not reflect the actual price at which you may be able to sell your ETNs at a particular time. The trading price of the ETNs at any time may vary significantly from the NAV or Settlement Amount at such time due to, among other things, imbalances of supply and demand, lack of liquidity, transaction costs, credit considerations and bid-offer spreads. Paying a premium purchase price over the indicative value of the ETNs could lead to significant losses in the event you sell your ETNs at a time when such premium is no longer present in the market or the ETNs are called. The SPC may, without providing you notice or obtaining your consent, create and issue ETNs in addition to those offered by this Prospectus having the same terms and conditions as the ETNs. However, the SPC is under no obligation to sell additional ETNs at any time, and the SPC may suspend the issuance of new ETNs at any time without providing you notice or obtaining your consent. If the SPC limits, restricts or stops sales of such additional ETNs, or if the SPC subsequently resumes sales of such additional ETNs, the trading price and liquidity of the ETNs in the secondary market could be materially and adversely affected, including an increase or decline in the premium purchase price of the ETNs.

The SPC and/or its affiliates or any other third party may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the ETNs. Any such research, opinions or recommendations could affect the market value of the ETNs

The SPC and/or its affiliates or any other third party may publish research from time to time on stocks or commodities and other matters that may influence the value of the ETNs, or express opinions or provide recommendations that are inconsistent with purchasing or holding the ETNs. Any research, opinions or recommendations expressed by the SPC or its affiliates or any other third party may not be consistent with each other and may be modified from time to time without notice. The ETNs are linked to the Shares that is intended to measure the performance of Shares. Investors should make their own independent investigation of the merits of investing in the ETNs and the Shares to which the ETNs are linked.

Business activities of the SPC or its affiliates may create conflicts of interest

As noted above, the SPC and its affiliates may engage in trading activities related to the Shares that are not for the account of holders of the ETNs or on their behalf. These trading activities may present a conflict between the holders' interest in the ETNs and the interests the SPC and its affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the value of the Shares, could have a material and adverse impact on the market value of the ETNs.

The Underlying ETF and Shares may be replaced upon the occurrence of certain adverse events

If certain adverse events were to occur (including but not limited to suspension of trading or delisting of the Shares from the official list of the Primary Exchange) which make it practically impossible to sell or purchase, or (as the case may be) to obtain reasonable market prices for the Shares, then the SPC must, acting in the good faith, decide whether to substitute the current Underlying ETF and Shares with a new Underlying ETF and Shares, which new Underlying ETF and Shares shall, in all material respects, be substantially similar to the previous Underlying ETF and Shares, or exercise its Early Termination Right to redeem all of the outstanding ETNs.

The ETNs are subject to the credit risk of the SPC

The ETNs are senior unsecured debt obligations of the SPC and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the ETNs, including any payment at maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be), depends on the ability of the SPC to satisfy its obligations as they become due. As a result, any adverse changes in the market's view of the creditworthiness of the SPC will affect the market value, if any, of the ETNs prior to maturity, upon Redemption or upon the exercise by the SPC of its Early Termination Right (as the case may be). In addition, in the event the SPC was to default on its obligations, you may not receive any amounts owed to you under the terms of the ETNs.

The SPC is a newly established entity without any proven track record

The SPC has been established on 14 December 2021 and has no proven track record of operation. The SPC is a special purpose vehicle with a passive investment strategy and the asset classes in which it can invest are limited. Investments by the ETN holders will be used by the SPC to purchase Permitted Assets only. Accordingly, the prospects of the SPC are fully dependent on the market demand for its ETNs and the performance of the Underlying ETF.

Counterparty risk to the Custodian and other custodians

The assets of the SPC in the form of the Shares are entrusted to the Custodian for safekeeping, as set out in further detail on page 16 of this Prospectus. These assets should be segregated from other securities/assets of the Custodian in accordance with applicable law and regulation, which mitigates but does not exclude the risk of non-restitution in case of bankruptcy of the Custodian. The ETN holders are therefore exposed to the risk of the Custodian not being able to fully meet its obligation to reconstitute all of the Shares in the case of bankruptcy of the Custodian. The Custodian may not keep all the assets of the SPC itself but may use a network of sub-custodians who are not always part of the same group of companies as the Custodian. The ETN holders may be exposed to the risk of bankruptcy of the sub-custodians in circumstances in which the Custodian may have no liability.

Astana International Exchange Limited

The ETNs are expected to be listed and traded on AIX in the AIFC. AIX was launched in July 2018, and therefore, has a relatively short history of operations. No assurance can be given about acceptable trading volumes of the Notes on the AIX. These factors may negatively impact the liquidity and pricing of the Notes on AIX.

Cap on Expenses

The SPC is obliged to pay its Expenses, including certain other expenses. Other expenses may include certain extraordinary or unpredictable expenses (such as litigation or tax expenses), that may result in an increase to the Total Expense Ratio above 1.0 percent at any time. Notwithstanding that the SPC will attempt to limit its Expenses in order to keep the Total Expense Ratio below the 2.0 percent threshold, it is not guaranteed that the Total Expense Ratio will be less or equal to 1.0 percent.

Sanctions could be imposed and have adverse effects on Kazakhstan capital market

While Kazakhstan maintains strong independent diplomatic relationships with both Russia and Ukraine and has confirmed its neutral position with respect to the war between Russia and Ukraine, Kazakhstan has significant economic and political

relations with Russia. Therefore, there is also a risk that sanctions could be also imposed on Kazakhstan, which would have an adverse effect on the internal market and Kazakhstan's economy, which could, in turn, have a material adverse effect on SPC's financial condition, cash flows, results of operations and or the price of the ETNs.

RISK FACTORS RELATED TO THE UNDERLYING ETF

Below are the principal risks related to the Underlying ETF. Potential investors are urged to read the full description of risks associated with the Underlying ETF in the prospectus of the Underlying ETF available at <https://www.ishares.com/> prior to the purchase of any ETNs.

A-Share Market Suspension Risk. The A-shares market can have a higher propensity for trading suspensions than many other global equity markets. Trading suspensions in certain stocks could lead to greater market execution risk, valuation risks, liquidity risks and costs for the Underlying ETF, and the creation and redemption of shares may also be disrupted.

Asset Class Risk. Securities and other assets in the Index or in the Underlying ETF's portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

Currency Risk. The Underlying ETF's assets will be invested primarily in domestic Chinese equities and the income received by the Underlying ETF will be primarily in renminbi ("RMB"). Because the Underlying ETF's NAV is determined on the basis of the U.S. dollar, investors may lose money if the RMB depreciates against the U.S. dollar, even if the local currency values of the Underlying ETF's holdings in Chinese securities increase. Furthermore, the Underlying ETF may incur costs in connection with conversions between U.S. dollars and RMB, as well as in connection with conversions between the two separate types of RMB, the onshore RMB ("CNY") and the offshore RMB ("CNH"). The Underlying ETF does not intend to hedge its currency exposure. While transactions with authorized participants will be in U.S. dollars, the Underlying ETF's transactions in A-shares through stock connect not in connection with creation or redemption activity generally will be in CNH. The Index uses CNH to value its component securities, and the CNH exchange rate will be used for purposes of determining the Underlying ETF's NAV. To the extent that income received by the Underlying ETF is in CNY, and the CNY exchange rate differs from the CNH exchange rate, the Underlying ETF's NAV and its ability to track the Index may be adversely impacted. In addition, there is no assurance that there will always be sufficient amounts of RMB available for the Underlying ETF to remain fully invested in Chinese equities. The Chinese government heavily regulates the domestic exchange of foreign currencies and RMB exchange rates in China, which may adversely affect the operations and financial results of the Underlying ETF's investments in China.

Risk of Investing in China. Investments in Chinese securities, including certain Hong Kong-listed and U.S.-listed securities, subject the Underlying ETF to risks specific to China. China may be subject to considerable degrees of economic, political and social instability. China is an emerging market and demonstrates significantly higher volatility from time to time in comparison to developed markets. Over the last few decades, the Chinese government has undertaken a reform of economic and market practices and has expanded the sphere of private ownership of property in China. However, Chinese markets generally continue to experience inefficiency, volatility and pricing anomalies resulting from governmental influence, a lack of publicly available information and/or political and social instability. Chinese companies are also subject to the risk that Chinese authorities can intervene in their operations and structure. Internal social unrest or confrontations with neighbouring countries, including military conflicts in response to such events, may also disrupt economic development in China and result in a greater risk of currency fluctuations, currency non-convertibility, interest rate fluctuations and higher rates of inflation. China has experienced security concerns, such as terrorism and strained international relations. Additionally, China is alleged to have participated in state-sponsored cyberattacks against foreign companies and foreign governments. Actual and threatened responses to such activity and strained international relations, including purchasing restrictions, sanctions, tariffs or cyberattacks on the Chinese government or Chinese companies, may impact China's economy and Chinese issuers of securities in which the Underlying ETF invests. Incidents involving China's or the region's security may cause uncertainty in Chinese markets and may adversely affect the Chinese economy and the Underlying ETF's investments. Export growth continues to be a major driver of China's rapid economic growth. Reduction in spending on Chinese products and services, institution of additional tariffs or other trade barriers (including as a result of heightened trade tensions or a trade war between China and the U.S. or in response to actual or alleged Chinese cyber activity) or a downturn in any of the economies of China's key trading partners may have an adverse impact on the Chinese economy. Chinese companies, including Chinese companies that are listed on U.S. exchanges, are not subject to the same degree of regulatory requirements, accounting standards or auditor oversight as companies in more developed countries. As a result, information about the Chinese securities in which the Underlying ETF invests may be less reliable or complete. Chinese companies with securities listed on U.S. exchanges may be delisted if they do not meet U.S. accounting standards and auditor oversight requirements, which would significantly decrease the liquidity and value of the securities. There may be significant obstacles to obtaining information necessary for investigations into or litigation against Chinese companies, and shareholders may have limited legal remedies. The Underlying ETF is not actively managed and does not select investments based on investor protection considerations.

Other risk factors related to the Underlying ETF

Other risk factors related to the Underlying ETF are described in the prospectus of the Underlying ETF issued in connection with the Shares and available at <https://www.ishares.com/>.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for investments in the Permitted Assets in compliance with AIX Belt and Road Market Rules BR 1.1. only.

EXTERNAL REPORT

Below is the external report of the ETNs provided by the BR Expert Committee and written in accordance with 3.1(R)(a) AIX BR Rules. This external report has been produced at the Issuer's request, and the external report is included in this Prospectus with the consent of the Experts named below.

This review opinion from the BR Expert Committee shall only help investors to better understand the Belt and Road Initiative nature of the ETNs. The BR Expert Committee shall not guarantee the value of issuance and shall not be liable for any claims or losses of any nature, arising directly or indirectly from investing in the ETNs.

The BR Expert Committee is not an investment advisor. The information contained in this review opinion shall not constitute or provide any kind of investment advice, including without limitation any recommendation or commentary regarding (i) the potential financial benefits or otherwise of purchasing, selling or holding the ETNs, (ii) the merits of any investment or (iii) the suitability of any investment for any particular investor.

This document may not be utilized or relied upon for any purpose other than that for which it is stated within and BR Expert Committee shall not be liable for any loss or damage caused by such use of reliance. In the event that the recipient of this document wishes to use the content in support of any purpose beyond or outside that which it is expressly stated or for the raising of any finance from a third party where the document is not being utilised in its full form for this purpose, the recipient shall, prior to such use, present a draft of any report or document produced by it that may incorporate any of the content of this document to the BR Expert Committee for review so that the committee may ensure that this is presented in a manner which accurately and reasonably reflects any results or conclusions produced by the committee. This document shall only be distributed to any third party in full as provided by BR Expert Committee and may not be reproduced or circulated in the public domain (in whole or in part) or in any edited, abridged or otherwise amended form unless expressly agreed by the committee.

AIX Belt and Road Market

External Review Form

Disclaimer in relation to limited circulation, and reproduction of the Review report and indemnification of the BR Expert Committee against losses of the third parties.

Section 1. Basic Information

Issuer name: iX China Equities SPC Limited

Securities's Type: Structured products

Issuing Currency: CNY

Review provider: AIFC BR Expert Committee, [55/18 Mangilik El Avenue, Nur-Sultan, Kazakhstan]

Date of the review opinion: 23.05.2022

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the AIX Belt and Road Market Rule:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Nature of the BRI project | <input checked="" type="checkbox"/> Use of Proceeds |
| <input checked="" type="checkbox"/> Characterisation of the issuance of the BR Securities | <input checked="" type="checkbox"/> Scope of BRI Disclosure |

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

The review is conducted within the four main dimensions, include the nature of the BRI project, Use of Proceeds, Charactersation of the issuance of the BR Securieis and Socpe of BRI Disclosure.

iX China Equities SPC Limited as the issuer has complied with all four dimensions and the AIX Belt and Road Market Rules in all aspects, the ETNs issued by iX China Equities SPC Limited are qualified to be admitted for listing and trading on AIX Belt and Road Market as BR Securities.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. NATURE OF THE BRI PROJECT

Overall comment on section (BR1.1):

iX China Equities SPC Limited ("issuer") is a special purpose company incorporated under the Acting Law of AIFC with principle business purpose of issuing and maintaining ETNs. AIX FM, a wholly-owned subsidiary of Astana International Exchange ("AIX") which will act as the sole director and secretary of the issuer. This issuance is highly related to AIX, which AIX is the ultimate beneficiary.

AIX as a project is included under the list of the Kazakhstan-China capacity cooperation projects, which has been promoting the financial integration between Kazakhstan and China in terms of capital market developments.

2. USE OF PROCEEDS

Overall comment on section (BR2.1(d)):

The net proceeds of the issue of the Notes will be used by the issuer for investments in the Permitted Assets only, which include Shares and Cash.

The Permitted Assets with target asset allocation and asset allocation ranges are clearly disclosed in the Prospectus, which in compliance with nature of the use of proceeds in compliance with AIX Belt and Road Market Rule 1.1.

Evaluation

- ☒ Project under Belt and Road Initiative in Kazakhstan, Central Asia and all BRI Countries
- ☐ Project under "Nurly Zhol" new economic policy of the Republic of Kazakhstan
- ☐ Privatization project in the Republic of Kazakhstan
- ☐ Infrastructure project in the Republic of Kazakhstan
- ☒ Kazakhstan-China Capacity Cooperation Project
- ☐ Other project (please specify):

Information on Responsibilities and Accountability

- ☐ Evaluation / Selection criteria subject to external advice or verification
- ☒ In-house assessment
- ☐ Other (please specify):

3. CHARACTERISATION OF THE ISSUANCE OF THE BR SECURITIES

Overall comment on section (BR3.1(a)):

The iX China Equities ETNs("ETNs") with issuing and trading currency of CNY that seek to provide investors with a return linked to the performance of the Underlying ETF, which seeks to track the investment results of the MSCI China A Inclusion Index, which is designed to measure the equity market performance in China.

The issuance of the ETNs complied with the general characterization of the BR Securities, the significance of the issuance is expected to further promote the financial innovation, integration and cooperation between Kazakhstan and China in terms of capital market connectivity.

4. SCOPE OF THE BRI DISCLOSURE IN THE OFFERING DOCUMENT

Overall comment on section (BR3.1(b)-(f)):

Scope of the BRI Disclosure complied with AIX Market Disclosure rules, additional disclosure obligations of BR Securities in accordance with the requirements under Table 3 of the AIX Market Disclosure Rules Appendix expected to be complied if applicable.

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://invest.gov.kz/ru/media-center/press-releases/stroitelstvo-kazahstansko-kitayskikh-invest-proektov-budet-vestis-v-sootvetstvii-s-zakonodatelstvom/>

<http://fec.mofcom.gov.cn/article/ywzn/xgzx/guowai/201809/20180902790353.shtml>

5. EXPERT COMMITTEES' CONSENT

The BR Expert Committee has consented to the inclusion of this review report into the prospectus or other offer document in relation to the BR Securities.

6. DISCLAIMERS

The BR Expert Committee does NOT guarantee the value of issuance and shall NOT be liable for any claims or losses of any nature, arising directly or indirectly from participating in the issuance.




The BR Expert Committee is not an investment advisor. The information contained in the review opinion shall not constitute or provide any kind of investment advice, including without limitation any recommendation or commentary regarding (i) the potential financial benefits or otherwise of purchasing, selling or holding the subject security, (ii) the merits of any investment or (iii) the suitability of any investment for any particular investor.

Review provider: AIFC BR Expert Committee


Chair: Yernur Rysmagambetov

Date: 30.05.2022

List of AIFC BR Expert Committee Members

No.	Name	Title	Experiences related to BRI
1.	 Yernur Rysmagambetov	Chairman of the Management Board, AIFC Authority	<p>The Chairman of the Management Board of AIFC Authority oversees the development of all AIFC initiatives and is in charge of business development. Mr. Rysmagambetov has vast experience and expertise in Belt and Road Initiatives and actively engages with senior regional partners on Belt and Road market development.</p> <p>Mr. Rysmagambetov is certified financial analyst, CFA Charterholder.</p>
2.	 Daniyar Kelbetov	Managing Director, AIFC Authority	<p>Mr. Kelbetov oversees the the strategy of AIFC. Mr. Kelbetov has vast experience in markets development, policy and strategy coordination and keeps track of world's best practices and global trends. Mr. Kelbetov actively takes part in the formation and navigation of Belt and Road Initiatives at AIFC.</p> <p>Mr. Kelbetov is certified financial analyst, CFA and FRM Charterholder.</p>
3.	 Talgar Bolat	Head, AIX Belt and Road Market, AIX	<p>Mr. Bolat has 9 Years in Kazakhstan-China relations and Belt and Road Initiatives, experienced in policy coordination, educations cooperations and financial integration, project lead in developing AIX Belt and Road Market and AIFC Offshore RMB Clearing Centre.</p>

Information relating to a conflict of interest

As of the date of this Prospectus, there are not any material interests of any of the Experts in the Issuer, including the following:

- No benefit, fees or commissions paid to the Expert by the Issuer or a related company in relation to this external report;
- None of the Experts hold or expecting to hold any position in the Issuer;
- None of the Experts hold or planning to hold any investments in the Issuer or a related company or the ETNs.

At the same time, the Experts hold positions within the same group of companies with the Issuer:

- Mr. Yernur Rysmagambetov is a Chairman of the Management Board, AIFC Authority;
- Mr. Daniyar Kelbetov is a Managing Director of AIFC Authority;
- Mr. Talgar Bolat is an employee of AIX, on a position of Head, AIX Belt and Road Market.

REGISTRATION, PURCHASE AND SALE OF ETNS

Registration of the Notes

The Notes are book-entered non-bearer securities in uncertificated form registered in AIX Registrar. The Notes may be held by the relevant holders in their accounts established either with AIX Registrar or with a participant of AIX CSD. Participants in AIX CSD include trading members of AIX (brokerage firms) and the custodians who have account(s) with AIX CSD.

Only persons that are registered as the owners of the Notes in the accounts with AIX Registrar or with a participant of AIX CSD will be recognised as the ETN holders. The owners of the Notes held in a holding (nominee) account with AIX CSD may choose to exercise all of their rights as noteholders against the Issuer through the respective participant of AIX CSD that has such holding (intermediary) account with AIX CSD (subject to such participant's agreement with the owners of the Notes to act in this capacity).

Over-the-counter Transactions with the Notes held with AIX Registrar

In order to transfer ETNs held in any account with AIX Registrar or receive ETNs into an account at AIX Registrar (either as a result of a sale and purchase transaction or other types of a transaction) a person must:

- have an account with AIX Registrar; and
- submit to AIX Registrar an instruction to transfer ETNs into or from its account with AIX Registrar (together with the relevant documents).

Trading of the Notes on AIX and Their Settlement in AIX CSD

The ETNs are expected to be traded on AIX. The settlement of these on-exchange trades of the ETNs will be made in the depository system of AIX CSD in accordance with the business rules and procedures of AIX CSD.

AIX CSD holds securities for trading members of AIX, for other participants of AIX CSD and for their clients. Potential purchasers of the ETNs on AIX need to have an account opened with the participant of AIX CSD (which may be a trading member of AIX or a custodian with an account at AIX CSD). In such cases, ETNs will be held on behalf of investors in the relevant AIX CSD participant's account at AIX CSD.

AIX CSD facilitates clearance and settlement of securities transactions conducted on AIX between trading members of AIX. The clearing and settlement process that takes place at AIX CSD provides for the exchange of money and securities on a delivery-versus-payment basis through electronic book entry changes in the accounts of AIX CSD's participants and their respective clients. Secondary market sales of the ETNs held through AIX CSD will be conducted in accordance with the business rules and the procedures of AIX CSD.

AIX Registrar, as a legal entity which holds and maintains a register of the records of legal owners of the ETNs, interacts with AIX CSD's depository system, and, as part of such interaction, AIX CSD will provide details of the ultimate beneficial owners of the ETNs to AIX Registrar to the extent such details are available in the depository system of AIX CSD.

UNDERLYING ETF

THE INFORMATION IN THIS SECTION HAS BEEN TAKEN “AS IS” FROM THE WEB-SITE (WWW.ISHARES.COM) MAINTAINED FOR THIS UNDERLYING ETF AND THE ISSUER SHALL NOT BE LIABLE FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS SECTION. BECAUSE THE PERFORMANCE OF THE UNDERLYING ETF DIRECTLY AFFECTS THE VALUE AND PRICE OF THE ETNS POTENTIAL INVESTORS SHOULD REVIEW INFORMATION ABOUT THE UNDERLYING ETF AVAILABLE AT THE WEB-SITE WWW.ISHARES.COM PRIOR TO PURCHASING ANY ETNS.

Overview

The return of ETNs is linked to the performance of the iShares MSCI China A ETF (Cboe BZX: CNYA) (the “**Underlying ETF**”).

Investment Objective

The Underlying ETF seeks to track the investment results of the MSCI China A Inclusion Index (the “**Index**”), which is designed to measure the equity market performance in the People’s Republic of China (“**China**” or the “**PRC**”), as represented by “A-shares” (as defined below) that are accessible through the Shanghai-Hong Kong Stock Connect program (“**Shanghai Connect**”) or the Shenzhen-Hong Kong Stock Connect program (“**Shenzhen Connect**,” and together with Shanghai Connect, “**Stock Connect**”). “A-shares” are equity securities of companies based in China that trade on the Shanghai Stock Exchange (“**SSE**”) and the Shenzhen Stock Exchange (“**SZSE**”).

Index

The Index is designed to track the inclusion of A-shares in the MSCI Emerging Markets Index over time and is constructed by MSCI, Inc. (the “**Index Provider**” or “**MSCI**”) by applying eligibility criteria for the MSCI Global Investable Market Indexes (“**GIMI**”), and then excluding A-shares suspended for trading for more than 50 days in the past 12 months and A-shares that are not accessible through Stock Connect. The Index is weighted by each issuer’s free float-adjusted market capitalization available to foreign investors. As of July 31, 2021, a significant portion of the Index is represented by securities of companies in the consumer staples and financials industries or sectors. The components of the Index are likely to change over time.

Fees and Expenses Attributable to Underlying ETF

The following table describes the fees and expenses that you will incur if you buy, hold and sell shares of the Underlying ETF. The investment advisory agreement between iShares Trust (the “**Trust**”) and BlackRock Fund Advisors (“**BFA**”) (the “**Investment Advisory Agreement**”) provides that BFA will pay all operating expenses of the Underlying ETF, except the management fees, interest expenses, taxes, expenses incurred with respect to the acquisition and disposition of portfolio securities and the execution of portfolio transactions, including brokerage commissions, distribution fees or expenses, litigation expenses and any extraordinary expenses.

Underlying ETF Annual Ordinary Operating Expenses

Annual Fund Operating Expenses (ongoing expenses that you pay each year as a percentage of the value of your investments)			
Management Fees	Distribution and Service (12b-1) Fees	Other Expenses*	Total Annual Fund Operating Expenses
0.60%	None	0.00%	0.60%

* The amount rounded to 0.00%.

Principal Investment Strategies

The Underlying ETF intends to invest in A-shares included in the Index primarily through Stock Connect. Stock Connect is a securities trading and clearing program with an aim to achieve mutual stock market access between the PRC and Hong Kong. Stock Connect was developed by Hong Kong Exchanges and Clearing Limited, the SSE (in the case of Shanghai Connect) or the SZSE (in the case of Shenzhen Connect), and China Securities Depository and Clearing Corporation Limited (“**CSDCC**”). Under Stock Connect, the Underlying ETF’s trading of eligible A-shares listed on the SSE or the

SZSE, as applicable, would be effectuated through its Hong Kong brokers. Trading through Stock Connect is subject to a daily quota (the “**Daily Quota**”), which limits the maximum net purchases under Stock Connect each day, and as such, buy orders for A-shares would be rejected once the Daily Quota is exceeded (although the Underlying ETF will be permitted to sell A-shares regardless of the Daily Quota balance). The Daily Quota is not specific to the Underlying ETF. From time to time, other stock exchanges in China may participate in Stock Connect, and A-shares listed and traded on such other stock exchanges and accessible through Stock Connect may be added to the Index, as determined by MSCI.

While the Underlying ETF seeks to invest in A-shares, the Underlying ETF occasionally may invest in other assets consistent with its investment strategies if it is not possible to acquire A-shares.

BFA uses a “passive” or indexing approach to try to achieve the Underlying ETF’s investment objective. Unlike many investment companies, the Underlying ETF does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. Indexing may eliminate the chance that the Underlying ETF will substantially outperform the Index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the Underlying ETF. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of an applicable index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of an applicable index. The Underlying ETF may or may not hold all of the securities in the Index.

The Underlying ETF generally will invest at least 80% of its assets in the component securities of its Index and in investments that have economic characteristics that are substantially identical to the component securities of its Index (i.e., depositary receipts representing securities of the Index) and may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Index, but which BFA believes will help the Underlying ETF track the Index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating investments not included in the Index. The Underlying ETF seeks to track the investment results of the Index before fees and expenses of the Underlying ETF. The Index is sponsored by MSCI, which is independent of the Underlying ETF and BFA. The Index Provider determines the composition and relative weightings of the securities in the Index and publishes information regarding the market value of the Index.

Industry Concentration Policy. The Underlying ETF will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities) and repurchase agreements collateralized by U.S. government securities are not considered to be issued by members of any industry.

Additional information about Underlying ETF

For more information about Underlying ETF, visit the website at www.ishares.com. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus of Underlying ETF; read and consider it carefully before investing.

ISSUER/SPC

iX China Equities SPC Limited, a special purpose company incorporated under the laws of the AIFC on 14 December 2021 (under the initial name of Portfolio 2 SPC Limited and renamed to its current name on May 18, 2022) and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017). The LEI (Legal Entity Identifier) code of the SPC is 25490075WME5J60TLP29. The SPC passed the necessary resolutions by virtue of which the ETNs have been created.

In addition to incorporating the SPC, AIX FM incorporated a number of special purpose companies in the AIFC in previous years. Each special purpose company issued/or expected to issue exchange traded notes linked to the performance of various foreign and domestic funds where such notes are intended to be listed and traded on the Stock Exchange.

Main business purpose

iX China Equities SPC Limited is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable ETN holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Legal form

iX China Equities SPC Limited is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the board of directors of the Astana Financial Services Authority.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the SPC on 14 December 2021.

Articles of association of the SPC

The articles of association of the SPC provide that the purpose of the SPC is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (d) any other activity approved in writing by the Registrar of Companies of the AIFC;
- (e) any activity ancillary to an activity mentioned in paragraphs (a) to (d); and

any other lawful activity for which companies may be incorporated under the Companies Regulations.

In addition, in accordance with the articles of association of the SPC, the SPC shall be entitled to own and/or hold only those assets which are permitted to be owned or held under this Prospectus (as this Prospectus may be amended from time to time).

Board of Directors

AIX FM, a wholly-owned subsidiary of AIX, shall act as the sole director and secretary of the SPC. The appointment of AIX FM, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

AIX FM and its board of directors are described in the Section below headed “Management Company” on pages 37 to 38 of this Prospectus.

Financial position

Assets

As of the date of this Prospectus, the assets of the SPC are represented by cash in the amount equal to its share capital. In addition, on or about the date of this Prospectus the SPC will receive the Shares and the cash from the Initial Purchaser in exchange for the ETNs pursuant to and in accordance with the Subscription Agreement.

Liabilities

As of the date of this Prospectus, the SPC has no liabilities, except expected liabilities regarding the delivery of the ETNs to the Initial Purchaser under the Subscription Agreement.

Share capital

As of the date of this Prospectus, the share capital of the SPC is represented by one (1) share in the amount of one (1) US Dollar.

Profit and loss statement

As of the date of this Prospectus, the profit and loss statements of the SPC reflect no income and no expenses.

Prospects of the Issuer

The SPC is a special purpose vehicle with a passive investment strategy and the asset classes in which it can invest are limited. Investments by the ETN holders will be used by the SPC to purchase Permitted Assets only. Accordingly, the prospects of the SPC are fully dependent on the market demand for its ETNs and the performance of the Underlying ETF.

Auditor

The SPC has appointed IAC Russell Bedford A+ Partners LLP as its Auditor. In accordance with the Agreement No. 35 dated May 27, 2022 to conduct an audit, IAC Russell Bedford A+ Partners LLP will perform the function of the external auditor of the SPC for the 2022 financial year. The audited financial statements prepared in accordance with IFRS will be published on the website of the Stock Exchange at www.aix.kz each year not later than the end of May.

Management Company

The SPC has appointed AIX FM, a wholly-owned subsidiary of AIX, as the Management Company, as described in this Prospectus on this page. AIX FM and/or its affiliates are responsible for the provision of certain services and have a right to receive the management fee pursuant to the Management Agreement and as described on this and the next pages of this Prospectus.

The SPC will be run operationally by the Management Company under the Management Agreement. The Management Company will outsource some of its functions from AIX.

Details of the Management Agreement

Under the Management Agreement, the Management Company will provide, supply and render such management, administrative and operational support services as are necessary to provide to the SPC and, as more specifically described below:

- administer and supervise all the finances of the business, including payroll, taxes, accounting, bookkeeping, record keeping, managing or accounts payable, and accounts receivable, accounting and management of dividends received, calculation and distribution of coupons payable, banking, operations with securities issued or owned by the SPC, financial records and reporting functions as they pertain to the business of the SPC. The Management Company shall prepare and maintain the accounting records of the business according to IFRS principles and shall provide the SPC with monthly financial reports including but not limited to cash flow statements, income statements, balance sheets and other reports and information as may be requested by the SPC from time to time;
- supervise and control the purchase of all materials and supplies, and acquire, lease, dispose of and repair equipment and facilities necessary to provide safe and adequate service to the business of the SPC;
- manage all costs and all pricing on a customer-by-customer basis, estimate all costs on new contracts, bid on and enter into new contracts, and control all costs for contracts in progress;
- provide legal services, including commence, defend and control all legal actions, arbitrations, investigations and proceedings that arise due to events occurring in connection with the business of the SPC during the term of the

Management Agreement;

- provide IT services, including maintenance of IT systems, disaster recovery, data backup, creation of websites and their further maintenance;
- provide the SPC with office or storage space sufficient to maintain the SPC's files, including utilities and telecoms;
- review operational procedures, internal audit inspections, and compliance;
- publish the NAV (and related components) on a daily basis;
- develop the marketing strategy of the SPC and prepare appropriate marketing and promotional materials;
- review all sales and marketing materials for compliance with applicable laws and conditions of any applicable order, and file such materials with the financial services authority when necessary or appropriate;
- manage bank accounts of the SPC, including making/receiving any payments from such bank accounts;
- provide access to bank accounts of the Management Company, obtain statements of account and carry out any actions required to keep bank accounts;
- to exclusively receive and process all orders for purchases of the Creation Amount of ETNs issued by the SPC from the Initial Purchaser and/or Authorised Participant;
- to exclusively receive and process all orders for disposal of Redemption Amounts of ETNs issued by the SPC from the Initial Purchaser and/or Authorised Participant; and
- provide any other services necessary for the functioning of the SPC.

In addition to the services mentioned above, the Management Company has a right to act on behalf of the SPC, including, but not limited to:

- the execution and signature of any agreements with third parties, including but not limited to custodians, auditors, brokers, Authorised Participants, etc., as well as supplemental agreements thereto;
- sending payment orders on behalf of the SPC to banks, custodians, brokerage companies, Authorised Participants and other third parties; and
- receiving any information related to the activity of the SPC from any third party.

In exchange for the services to be provided by the Management Company, the SPC shall pay to the Management Company a management fee (the “**Management Fee**”), which will be accrued on a daily basis based on the NAV of the previous day and to be paid monthly by the SPC, as described in detail in this Prospectus on pages 13 to 14.

The Management Company may change the Management Fee, provided that the Total Expense Ratio may not exceed 0.5 percent per annum, as provided for in this Prospectus on pages 13 to 14.

In addition, the Management Company may, but is under no obligation to, pay any operational fees at its own expense, with or without reimbursement from the SPC as described in this Prospectus on page 14. If at any time the Total Expense Ratio exceeds 1.0 percent per annum, the Management Company has a right, but no obligation, to reimburse the SPC for such shortfalls, as described in this Prospectus on page 14.

The Management Company

AIX FM, a private company limited by shares, incorporated the SPC. AIX FM is the SPC's sole shareholder. AIX FM was incorporated by the AIFC as a private company on 2 October 2019 with an initial share capital of US\$1,500,000. Nothing contained in this Prospectus, and nothing done pursuant to this Prospectus shall constitute nor be construed as a guarantee or commitment, express or implied, with respect to the use of AIX FM's share capital to support the activities of the SPC. As of the date of this Prospectus, AIX, is the sole shareholder of AIX FM.

The sole shareholder of the Management Company

AIX is the sole shareholder of AIX FM. The following entities are the shareholders of AIX: Astana International Financial Centre Authority JSC (68.43%), Shanghai Stock Exchange (21.18%), Nasdaq Technology AB (2.71%), China-Kazakhstan Production Capacity Cooperation Fund Co., Ltd. (4.22%) and Goldman Sachs International (3.46%).

The majority shareholder of AIX, Astana International Financial Centre Authority JSC, is a joint stock company incorporated under the Kazakhstan legislation and its legal status is defined in Article 11 of the Constitutional Statute of the Republic of Kazakhstan “On the Astana International Financial Centre” No. 438-V ZRK, dated 7 December 2015.

As of the date of this Prospectus, the SPC has signed or is about to sign the following agreements with AIX FM and other affiliated entities:

- the Management Agreement with AIX FM;
- the agreement with the AIX Registrar for keeping the register of ETNs;
- the Subscription Agreement with Astana International Exchange Market Liquidity Services Limited; and
- the Authorised Participant Agreement with Astana International Exchange Market Liquidity Services Limited.

Only Director of the Management Company

AIX FM must have at least one Director. Mr. Zharas Mussabekov as a sole Director of AIX FM was appointed by a resolution of the sole shareholder of AIX FM dated May 05, 2021. The business address of the Director of AIX FM is: Mangilik EI, building 55/19, block C 3.4. Nur-Sultan, Kazakhstan.

There is no potential or current conflict of interests between the personal interests of the director of AIX FM and that of the duties such director owes to the Issuer or the business interests of the Issuer. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which the director of AIX FM was or is currently their director.

The Issuer has not established any committees or sub-committees (including in respect of audit, nomination or remuneration) of the board of directors of AIX FM as of the date of this Prospectus.

Zharas Mussabekov has over 10 years of experience in financial services and led the Fund Operations division at AIX. Previously he led the Treasury Department at the Kazakhstan Temir Zholy National Company JSC. Mr. Mussabekov also worked in the Baiterek National Management Holding JSC at corporate finance and was involved in raising funds from the National Fund and the Republican budget. As an employee of the Development Bank of Kazakhstan JSC (“Bank”), he participated in the Bank’s borrowings at debt capital markets and worked at the Bank’s Treasury. Zharas started his career as an auditor at Deloitte in financial services industry. He has the degree of a Bachelor of Finance at L.N. Gumilyov Eurasian National University.

Ultimate Holding Company

AIX, being a sole shareholder of AIX FM, is the ultimate holding company for the SPCs.

The board of directors of AIX comprises of:

- Timothy Bennett - Chairman of the Board;
- Nurlan Kussainov – Director;
- Hao Fu – Director;
- Janet Heckman – Independent Director;
- Patrick O’Brien – Independent Director; and
- Renat Bekturov – CEO of AIX

Timothy Bennett was appointed as a Chairman of the Board of AIX in May 2021. Before this appointment, he was CEO of AIX (from May 2018) and CEO of NZX, the operator of New Zealand’s securities and derivatives markets and provider of trading, post-trade and data services. Mr. Bennet led NZX through a period of significant organizational and regulatory change, including the replacement and upgrading of NZX’s trading and clearing systems, and the launch of 23 ETF’s through NZX Funds Management. Prior to joining NZX, Mr. Bennett was a Partner with Oliver Wyman and the Boston Consulting Group in Asia. Mr. Bennett has an MBA from the Wharton School, University of Pennsylvania and a B.C.A from Victoria University of Wellington.

Nurlan Kussainov has extensive work experience; he held the position of Deputy Chairman of the National Bank of Kazakhstan for two years, headed the Development Bank of Kazakhstan, worked as a managing partner in the Al Falah Partners direct investment fund, headed the “Center for Marketing and Analytical Research” JSC, was an adviser to the Minister of Economy and Budget Planning of the Republic of Kazakhstan, and led a special group of the Ministry of Industry and Trade of the Republic of Kazakhstan on accession to the World Trade Organization in Geneva. He graduated from the Kazakh State Academy of Management and Stanford Business School.

Hao Fu is a Vice Chair of the Global Business Committee, Shanghai Stock Exchange. Dr. Fu holds Ph.D. in Finance from Fudan University, and Master's degree in Economics, Bachelor's degree in International Trade from Sichuan University, China. He serves as the Managing Director of the Global Business Development Department and Leader of the Free Trade Zone Trading Platform Preparation team of the Shanghai Stock Exchange. Dr. Fu has received awards for Shanghai Financial Leading Talent (2017) and Shanghai Financial Innovative Figure (2014).

Janet Heckman was the Managing Director for the Southern and Eastern Mediterranean (SEMED) Region at the European Bank for Reconstruction and Development (EBRD) from February 2017 until December 2019. Based in Cairo, she was also the Country Head for Egypt. Mrs. Heckman joined the EBRD in Almaty in July 2012 from Citi as Director, Head of Kazakhstan and was appointed as an independent Air Astana Board Director in 2019. During her long career at Citi, she spent time as EMEA Corporate and Investment Managing Director and held a number of field roles across EMEA, and was responsible for Global Relationship Banking across CEMEA. Mrs. Heckman holds a Master's of Science in Foreign Service with distinction from Georgetown University, Washington, D.C. and a BA in History from Kenyon College, Ohio. She also studied at the American University of Beirut, Lebanon.

Patrick O'Brien is the founding partner of Blizzard Partners Limited, a UK-based investment and advisory boutique with interests in the UK and Asia. Patrick currently sits on the Advisory Boards of a number of Companies & Funds. Prior to that, he spent over six years as a Partner of ADM Capital LLP based in London. Patrick joined ADM Capital from UBS Investment Bank which he left after 21 years, most recently as the Head of European Debt Capital Markets responsible for 33 financing and risk management activities of the bank in Europe. His investment experience includes early stage, growth, and opportunistic investment, taking both majority and minority positions across a wide range of sectors including Technology, Consumer, Healthcare, Agriculture, manufacturing, Renewable Energy, Leisure, Real Estate, Transportation, and Education. Patrick has an LLB(Hons) from University College London.

Renat Bekturov is an ex-CFO of AIX. Previously held a position as the Head of Asset management development department of AIFC Authority. He has over 10 years of experience in the financial services industry. Prior to joining AIFCA, he was head of Treasury at the National Investment Corporation of the National Bank of Kazakhstan. Mr. Bekturov also worked at the Development Bank of Kazakhstan and was involved in a number of the landmark debt capital market transactions, such as the first Sukuk issue in the CIS region. Renat is a member of the Presidential Youth Personnel Reserve. Renat holds an MSc degree in Banking and Finance with Distinction from the University of Leicester and is a CFA Charter holder.

The business address of all members of the board of directors of AIX is: 55/19 Mangilik El st., block C 3.4. Nur-Sultan, Kazakhstan.

Additional information

Investments Information

(a) the Issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the Prospectus – not applicable; the Issuer has been established recently and has no investments as of the date of the Prospectus.

(b) description, (including the amount) of the Issuer's principal investments for the period referred to in (a) - not applicable; the Issuer has been established recently and has no investments as of the date of the Prospectus.

(c) a description of the Issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external) – the Issuer is planning to hold Permitted

Assets only, including Shares, being foreign securities. Financing of acquisition of Shares will be carried out for expense of funds attracted via issuance of ETNs.

Actual and proposed business activities

A detailed description of the actual and proposed principal operations of the Issuer including:

- (a) *the history of the Issuer* – the Issuer has been incorporated on 14 December 2021 and has no history of operations.
- (b) *a description of the principal activities and business of the Issuer* - Principal activity of the Issuer – issuance of the Exchange Traded Notes.
- (c) *a description of important events in the development of the Issuer's business* – the Issuer has been established recently and there were no important events in the development of the Issuer's business till the date of this Prospectus.
- (d) *a description of, and key factors relating to, the nature of the Issuer's operations and its principal activities, specifying the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information* - Principal activity of the Issuer – issuance of the Exchange Traded Notes as described in the Prospectus; historical information is unavailable.
- (e) *an indication of any significant new products and/or services that have been introduced by the Issuer and, to the extent the development of new products or services have been publicly disclosed, the status of the development* – the Issuer is planning to issue Exchange Traded Notes that will be offered to trading on AIX.
- (f) *a description of the principal markets in which the Issuer operates, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information* – not applicable, the Issuer has no principal markets as of the date of the Prospectus.
- (g) *if material to the Issuer's business or profitability, a summary of the extent to which the Issuer is dependent on any patents or licences, industrial, commercial or financial contracts or new manufacturing processes* – not applicable, the Issuer does not need patents or licenses; and has no material contracts or new manufacturing processes.
- (h) *the basis for any statement made by the Issuer regarding its competitive position* - not applicable, the Issuer has not made any statements regarding its competitive position.
- (i) *where the information given under this item has been influenced by exceptional factors, a statement about that fact* – No influence from any factors affected the information provided in this Prospectus.
- (j) *where the Issuer belongs to a Group, relevant material information as specified above in relation to the Group's activities* – a relevant material information about the Issuer's group provided above on pages 33 to 37 of this Prospectus.

Significant factors affecting income/operations

- (a) *Information regarding significant factors, including unusual or infrequent events or new developments, which are materially affecting or may likely to so affect the Issuer's income from operations, indicating the extent to which income was so affected* – not applicable, the Issuer's income depends on the size of its assets only.
- (b) *Where the financial statements disclose material changes in net sales or revenues, a narrative discussion of the reasons for such changes* - not applicable, the Issuer's financial statements has no income as of the date of this Prospectus.

(c) Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations - not applicable, the Issuer has no income.

Production and sales trends

(a) Information about the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Prospectus – not applicable, the Issuer has been incorporated recently.

(b) If:

(i) there has been no material adverse change relating to the information referred to in (a) since the date of its last published financial statements, a statement to that effect – not applicable.

(ii) the Issuer is not in a position to make such a statement, details of the material adverse change – not applicable.

(c) Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the past 12 months – There are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects, known to the Issuer as

of the date of the Prospectus.

Constitution

A summary of the provisions of the constitution of the Issuer including:

- (a) a description of the Issuer's objectives and purpose and where they can be found in the constitution – for a brief description of the Issuer's objectives, purposes and its Articles of Association please refer to the page 33 of the Prospectus.*
- (b) a summary of any provisions of the constitution with respect to its Directors and any Person involved in the senior management of the Issuer including the members of the administrative, management and supervisory bodies – the information about the management of the Issuer is provided on pages 33 to 37 of this Prospectus;*
- (c) a description of the rights, preferences and restrictions attaching to each class of the existing Securities – the Issuer has one share issued and owned by the Management Company as described in this Prospectus;*
- (d) a description of what action is necessary to change the rights of holders of the Securities, indicating where the conditions are more significant than is required by any law applicable to the Issuer; - not applicable.*
- (e) a description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of holders of Securities are called including the conditions of admission to the meeting – not applicable, the Issuer has one shareholder;*
- (f) a brief description of any provision of the constitution that would have an effect of delaying, deferring or preventing a change in control of the Issuer;- not applicable.*
- (g) an indication whether there are any provisions in the constitution, governing the ownership threshold above which shareholder ownership must be disclosed; - not applicable*
- (h) a description of the conditions imposed by the constitution governing changes in the capital, where such conditions are more stringent than is required by law applicable to the Issuer – not applicable.*

Group Structure

All material information about the group, the ultimate holding company and the management of the Issuer is described above, on pages 33 to 37 of the Prospectus. The Issuer has no subsidiaries as of the date of this Prospectus.

Property, plant and equipment

Information about: (a) existing material fixed assets, including any leased properties, and any major encumbrances in respect of such assets – not applicable, the Issuer has no fixed assets as of the date of this Prospectus;

(b) planned acquisition of material fixed assets, including leased properties, and any major encumbrances in respect to those assets – not applicable, the Issuer is planning no acquisition of any fixed assets;

and (c) a description of any environmental issues that may affect the Issuer's utilisation of the assets referred to in (a) and (b) – not applicable.

Material contracts

Information about material contracts of the Issuer including a summary of each material contract (to the extent not disclosed above), other than contracts entered into in the ordinary course of business, to which the Issuer or any member of the Group is a party, for the two years immediately preceding publication of the Prospectus – the Issuer entered into the following material contracts: the Authorised Participant Agreement, Initial Purchase Agreement, the Management Agreement and the Subscription Agreement. Brief summaries of these material contracts were provided above.

(b) a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or

entitlement which is material to the Group as at the date of the Registration Document – not applicable, there are no such contracts.

Capital resources

(a) Information about the capital resources of the Issuer including: (i) the short and long term capital resources – not applicable, the Issuer doesn't need any capital resources;

(ii) an explanation of, the sources and amounts of, and a narrative description of, the cash flows – the cash flows for the Issuer derives from the operations on ongoing placements as described in this Prospectus; amounts of such cash flows will depend on the demand for ETNs issued;

(iii) the borrowing requirements and funding structure; - the Issuer doesn't plan any borrowings, its funding structure is described in this Prospectus.

(iv) any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, its operations – not applicable.

(b) Information regarding the anticipated sources of funds needed to fulfil commitments relating to (i) any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon; and (ii) any principal future investments to which the Board or the senior management of the Issuer have already made firm commitments – not applicable.

Share capital

(a) The amount of issued share capital, and for each class of share capital: (i) the number of Shares authorised; (ii) the number of Shares, issued and fully paid, and issued but not fully paid; (iii) the par value per Share, or that the Shares have no par value - The amount of issued share capital is described on page 34 of the Prospectus.

(iv) a reconciliation of the number of Shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, a statement to that effect – the number of shares in the Issuer owned by the Management Company did not change during 2021 financial year.

(b) If there are Shares not representing capital, the number and main characteristics of such Shares. (c) The number, book value and face value of Shares in the Issuer held by or on behalf of the Issuer itself or by Subsidiaries of the Issuer. (d) The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription. (e) Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital. (f) Historical information about the share capital highlighting any changes for the period covered by the historical financial information – not applicable.

Options

If any options or other rights granted in respect of Shares in the Issuer to any Person, a summary of the total of any such options, along with an estimate of the number of Shares which would be created, if such rights were to be exercised – not applicable, there are no options granted in respect of shares in the Issuer.

Management of the Issuer

(b) The nature of any family or business relationship between any of the Key Persons – there are no family or business relationships between any of the Key Persons.

(e) Information about any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any Key Person was selected as a Director or senior manager of the Issuer – not applicable, there are no such arrangements or understandings.

(f) Details relating to any restrictions agreed by a Key Person on the disposal within a certain period of time of his holdings in the Issuer's Securities – not applicable, there are no agreed restrictions.

Other information relating to key Persons

(a) For the last completed financial year of the Issuer, information relating to each Key Person about: (i) the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such Persons by the Issuer and its Subsidiaries for services in all capacities to the Issuer and its Subsidiaries; and (ii) the total amounts set aside or accrued by the Issuer or its Subsidiaries to provide pension, retirement or similar benefits – not applicable, the Issuer has not paid or set aside or accrued any remuneration or benefits to any Key Person.

(b) For the last completed financial year of the Issuer: (i) the date of expiration of the current term of office, if applicable, and the period during which the Person has served in that office of each Key Person specified in (a)(i) – (iii); (ii) information about any service contracts with a Key Person and the Issuer or any of its Subsidiaries providing for benefits upon termination of employment, and if there are no such contracts, a statement to that effect – not applicable, the Issuer has no service contract that provides any benefits to the Key Persons upon termination of employment.

Information about Employees

Not applicable, the Issuer has no employees.

Corporate governance

The Issuer is not in full compliance with corporate governance principles under the AIFC Market Rules. The Issuer has a single director and secretary being AIX FM Limited. This corporate arrangement is permitted under the AIFC Special Purpose Companies Rules and was set forth due to the limited nature of the operations of the Issuer at the initial stage.

Historical financial information about the Issuer

Not applicable since the Issuer has been established on 14 December 2021.

Connected Persons

The Issuer has been incorporated in the form of a special purpose company with AIX FM acting as a corporate Director. Details of persons controlling the Issuer are described on pages 33 to 37 of the Prospectus.

Research and development

Where material, a description of the Issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on Issuer-sponsored research and development activities – not applicable, the Issuer has no research or development policies.

Legal and other proceedings against the Issuer

As of the date of the Prospectus, there are no current or prior governmental, legal or arbitration proceedings or disputes (including any such proceedings which are pending or threatened of which the Issuer is aware) against the Issuer, which may have, or have had a significant impact on the Issuer and/or its group's financial position or profitability.

Documents for inspection

Following documents in originals are open for inspection during the usual business hours at the address of the Issuer at 55/19 Mangilik El st., block C 3.4. Nur-Sultan, Kazakhstan:

- (a) Articles of Association of the Issuer;
- (b) this Prospectus;
- (c) External Report.

Reasons for the offer

ETNs are offered to the potential investors; net proceeds of the issue of the Notes will be used by the Issuer for investments in the Permitted Assets only.

The estimated net amount of the proceeds is equal to the Initial Placement.

The creditworthiness of the Issuer

Information about the creditworthiness of the Issuer (earnings coverage ratio; any relevant credit ratings; any other risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes, statement of capitalization and indebtedness) – not applicable.

An estimate of the total expenses related to the admission to trading

The Issuer will pay the fees of AIX related to the listing and admission to trading of ETNs.

TAXATION

The following is a general description of certain material tax considerations relating to the Notes under Kazakhstan tax legislation. This summary is based upon the Constitutional Statute of the Republic of Kazakhstan “On the Astana International Financial Centre” No. 438-V ZRK, dated of 7 December 2015, the Tax Code of the Republic of Kazakhstan and income tax conventions (treaties) in effect at the date of this Prospectus. Legislative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set out in this Prospectus. Any such changes or interpretations may be retroactive and could affect the tax consequences of ownership of the Notes by noteholders. This summary does not purport to be a legal opinion or contain a complete analysis of all tax considerations relating to the Notes. For the purpose of this Prospectus, the Issuer has not reviewed any tax legislation of any country other than the tax legislation of Kazakhstan.

Prospective investors in the Notes should consult their tax advisers as to which countries’ tax laws could be relevant to their acquiring, holding and disposing of the Notes and receiving any amounts in connection with the Notes and the consequences of such actions under the tax laws of those countries.

If an ETN holder intends to purchase and/or purchases the ETNs as provided for in this Prospectus such ETN holder should consult with their tax advisers regarding any tax consequences of such receipt, holding and subsequent sale of the ETNs under applicable tax legislation. Such ETN holders may also consider reviewing the prospectus issued in connection with the Shares (as may be supplemented from time to time) and which is available at <https://www.ishares.com>.

The information and analysis contained within this Section are limited to taxation issues under the tax legislation of Kazakhstan, and prospective investors should not apply any information or analysis set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

In addition, prospective investors should note that an appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Prospective investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Republic of Kazakhstan Taxation

The following is a general summary of Kazakhstan tax consequences as of the date of this Prospectus in relation to the sale or transfer of the Notes. It is not exhaustive, and purchasers are urged to consult their professional advisers as to the tax consequences to them of holding or transferring Notes.

Capital gains

Individuals and legal entities are exempt from individual and corporate income tax on capital gains mentioned above if the Notes are included as at the date of accrual in the official list of AIX.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR PURCHASER. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT HIS (HER) OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE PURCHASER’S OWN CIRCUMSTANCES.

Taxation of the SPC in the Republic of Kazakhstan

The SPC may be subject to a corporate income tax at a 20 percent rate in case the taxable income arises based on the Kazakhstan tax legislation.

Withholding tax in respect of dividends and distributions to be received by the SPC

Dividends, interest and capital gains (if any) that the SPC receives with respect to Shares owned by the SPC may be subject to taxes, including withholding taxes, in other countries. It is anticipated that the SPC may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Kazakhstan and such countries.

If this position changes in the future and the application of a lower rate results in repayment to the SPC, the NAV will not be re-stated and the benefit will be allocated to the existing ETN holders rateably at the time of the repayment.

IMPORTANT NOTICE

IMPORTANT: You must read the following. The following applies to this Prospectus, and you are therefore advised to read this page carefully before accessing or making any other use of this Prospectus. In accessing this Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the SPC as a result of such access.

This Prospectus has been prepared solely in connection with the proposed offering to certain institutional, professional and retail investors of the securities described herein (the “Notes” or “ETNs”).

NOTHING IN THIS DOCUMENT AND (OR) ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO, EXCEPT AS EXPRESSLY DESCRIBED HEREIN. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES LAWS OF ANY JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, TO, OR FOR THE ACCOUNT OR BENEFIT OF ANY PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS DOCUMENT AND (OR) TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THIS PROSPECTUS.

Confirmation of your representation: This Prospectus is being sent to you at your request and, by accessing this Prospectus, you shall be deemed to have represented to the Issuer that you consent to the delivery of this Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, the offering shall be deemed to be made by such a licensed broker or dealer on behalf of the Issuer in such jurisdiction.

This Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Issuer or any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer.

GENERAL PROVISIONS

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE TERMS OF THE NOTES AND THE OFFERING AND THE INFORMATION ABOUT THE UNDERLYING ETF (AVAILABLE AT [HTTPS://WWW.ISHARES.COM](https://www.ishares.com)), INCLUDING THE MERITS AND THE RISKS INVOLVED.

THE NOTES ARE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS. AN INVESTMENT IN THE NOTES IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF ALL OR PART OF THE INVESTMENT.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, that there has been no adverse change in the financial position of the Issuer since the date hereof or that the information contained herein or any other information supplied in connection with the Notes is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. Laws in certain jurisdictions may restrict the distribution of this Prospectus and the offer and sale of the Notes. Persons into whose possession this Prospectus or any of the Notes are delivered must inform themselves about and observe any such restrictions. Each prospective investor of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Prospectus. In addition, each prospective investor must obtain any consent, approval or permission required under the regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Notes. The Issuer shall not have any responsibility for obtaining such consent, approval or permission. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorised or is unlawful.

No action is being taken to permit a public offering of the Notes or the distribution of this Prospectus (in any form) in any jurisdiction where action would be required for such purposes.

The contents of this Prospectus should not be construed as legal, financial, business or tax advice. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of the Notes. Prospective investors should be aware that they might be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

Recipients of this Prospectus are authorised to use it solely for the purpose of considering an investment in the Notes and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Notes. In making an investment decision, prospective investors must rely upon their own examination of the Issuer and the Notes and the terms of this Prospectus, including the risks involved.

The language of this Prospectus is English.

The Notes have not been recommended by or approved by the any federal or state securities commission or regulatory authority in any jurisdiction, nor has any such commission or regulatory authority passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the relevant jurisdiction.

ENFORCEABILITY OF CIVIL LIABILITIES AND CERTAIN LEGAL MATTERS

Enforceability of Civil Liabilities

The Issuer is a special purpose company registered under the AIFC law and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017) and certain of its officers and directors and certain other persons referred to in this Prospectus are residents of Kazakhstan. Some of the assets of the Issuer are located in Kazakhstan. As a result, subject to the following paragraph, it may not be possible: (i) to effect service of process upon the Issuer or any such person outside Kazakhstan; (ii) to enforce against any of them, in courts of jurisdictions other than Kazakhstan, judgments obtained in such courts that are predicated upon the laws of such other jurisdictions; or (iii) to enforce against any of them, in Kazakhstan courts, judgments obtained in jurisdictions other than Kazakhstan.

Kazakhstan's courts will not enforce any judgment obtained in a court established in a country other than Kazakhstan unless (i) there is in effect a treaty between such country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty or (ii) there is an actual reciprocity (i.e., the particular judge is satisfied that there is an evidence that judgments obtained in Kazakhstan are enforceable (or were actually enforced) in such other country). For example, there is no such treaty in effect between Kazakhstan and the United Kingdom or the United States; and existence of an actual reciprocity in the United Kingdom or the United States could be difficult or even impossible to prove. However, Kazakhstan is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "Convention") and, accordingly, an arbitral award rendered in a country which is also a party to the Convention should be recognised and enforceable in Kazakhstan provided the conditions to recognition and enforcement set out in the Convention and the laws of Kazakhstan are met.

GOVERNING LAW

The Notes (including the agreement between the SPC and the ETN holders relating to arbitration provided for in the paragraph headed “Arbitration” below), and any non-contractual obligations arising out of or in connection with the Notes, are governed by, and shall be construed in accordance with, the Acting Law of the AIFC.

ARBITRATION

Any claim, dispute, controversy or difference of whatever nature arising under, out of or in connection with the Notes (including a claim, dispute, controversy or difference regarding validity, interpretation, performance, breach or termination of any Notes or any non-contractual obligations arising out of or in connection with the Notes) (a “**Dispute**”), shall be referred to and finally settled by arbitration administered by the International Arbitration Centre of the Astana International Financial Centre (“**IAC**”) in accordance with the IAC Arbitration and Mediation Rules (the “**Rules**”) in force on the date on which the Request for Arbitration is filed with the Registrar of the IAC. The Rules shall be deemed to be incorporated by reference into this Prospectus.

The seat of arbitration shall be Nur-Sultan, the Republic of Kazakhstan, and the language of arbitration shall be English.

In this paragraph:

“**Joinder Order**” means an order by a Tribunal that a Primary Dispute and a Linked Dispute be resolved in the same arbitral proceedings, including a decision of the Tribunal to consolidate a newly commenced arbitration with a pending arbitration.

“**Linked Dispute**” means any Dispute and/or any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, in which a Request for Arbitration (as defined in the Rules) is served after a Request for Arbitration (as defined in the Rules) has been served in respect of a Primary Dispute.

“**Primary Dispute**” means any Dispute and/or any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, in which a Request for Arbitration (as defined in the Rules) has been served before a Request for Arbitration (as defined in the Rules) has been served in relation to any Linked Dispute.

“**Tribunal**” means any arbitral tribunal appointed under this paragraph.

(i) Any party to both a Primary Dispute and a Linked Dispute may apply to the Tribunal appointed in relation to the Primary Dispute for a Joinder Order in relation to any Linked Dispute.

(ii) The applicant for a Joinder Order must promptly notify all parties to the Primary Dispute and the Linked Dispute of any application under point (i) above.

(iii) The Tribunal appointed in relation to the Primary Dispute may, if it considers it just, make a Joinder Order on hearing an application brought under point (i) above. In determining whether to make a Joinder Order, the Tribunal must take account of:

- (A) the likelihood and consequences of inconsistent decisions if joinder or consolidation is not ordered;
- (B) any failure on the part of the party seeking joinder or consolidation to make a timely application; and
- (C) the likely consequences of joinder or consolidation in terms of cost and time.

(iv) If the Tribunal makes a Joinder Order:

- (A) it will immediately, to the exclusion of any other Tribunal, have jurisdiction to resolve finally the Linked Dispute in addition to its jurisdiction in relation to the Primary Dispute;
- (B) it must order that notice of the Joinder Order and its effect be given immediately to any arbitrator(s) already appointed in relation to the Linked Dispute and to all parties to the Linked Dispute and to all parties to the Primary Dispute; and

(C) any appointment of an arbitrator in relation to the Linked Dispute before the date of the Joinder Order will terminate immediately and that arbitrator will be deemed to be functus officio with effect from the date of the Joinder Order. Such termination is without prejudice to:

- (1) the validity of any act done, or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (2) his entitlement to be paid his proper fees and disbursements; and
- (3) the date when any claim or defense was raised for the purpose of applying any limitation bar or any similar rule or provision.

(D) it may also give any other directions it considers appropriate to:

- (1) give effect to the Joinder Order and make provisions for any costs which may result from it (including costs in any arbitration terminated as a result of the Joinder Order); and
- (2) ensure the proper organisation of the arbitration proceedings and the proper formulation and resolution of the issues between the parties.

(v) If a Tribunal appointed in respect of a Primary Dispute hereunder makes a Joinder Order which confers on that Tribunal jurisdiction to resolve a Linked Dispute arising hereunder, that Joinder Order and the award of that Tribunal will bind the parties to the Primary Dispute and the Linked Dispute being heard by that Tribunal.

(vi) For the avoidance of doubt, where a Tribunal is appointed under this paragraph, the whole of its award (including any part relating to a Linked Dispute) is deemed for the purposes of the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958 to be contemplated by this paragraph.

(vii) Each of the Issuer and the ETN holders waives any objection, on the basis of a Joinder Order, to the validity and/or enforcement of any arbitral award made by a Tribunal following any Joinder Order.

RIGHTS OF THIRD PARTIES

No third party (i.e., a party other than the SPC and the ETN holder) shall have any right to enforce any term or condition of this Prospectus in relation to the Notes, including any rights under Part 10 (Rights of Third Parties) of the AIFC Contract Regulations (the AIFC Regulations No. 3 of 2017).

BINDING NATURE OF THE PROSPECTUS

ETN holders hereby agree, by acquiring any ETNs, whether directly, through a brokerage company or otherwise whatsoever, to be bound by the terms and conditions of this Prospectus and this Prospectus constitutes a binding contract between the SPC and each ETN holder.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Issuer's control and all of which are based on its current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "forecasts", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates", the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer concerning, among other things, the results of operations, financial condition, prospects, growth, strategies, capital expenditure and development plans of the Issuer and the industries in which the Issuer operates.

These forward-looking statements and other statements contained in this Prospectus regarding the matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved and actual events or results may differ materially as a result of risks and uncertainties facing the Issuer. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this Prospectus speak only as at the date of this Prospectus. The Issuer expressly disclaims any obligation or undertaking to update the forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in the events, conditions or circumstances on which such statements are based.

All subsequent written and oral forward-looking statements attributable to the Issuer and those acting on behalf of the Issuer are expressly qualified in their entirety by this Section. Before making an investment decision, prospective investor should specifically consider the factors identified in this Prospectus that could cause actual results to differ.

None of the Issuer or its management can give any assurance as to the future accuracy of the opinions set out in this Prospectus or as to the actual occurrence of any predicted developments.

RESPONSIBILITY STATEMENT

Subject to the following paragraph, the Issuer, having made all the reasonable enquiries, accepts responsibility for this Prospectus (in accordance with Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules №FR0003 of 2017) and confirms that this Prospectus complies with the requirements set out in Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules №FR0003 of 2017 and contains all information which is material in the context of the issue of the Notes, that the information contained in this Prospectus is correct to the best of its knowledge and that no material facts or circumstances have been omitted. The information in the Section “Underlying ETF” has been taken “as is” from the web-site <https://www.ishares.com/> maintained for the Underlying ETF and the Issuer shall not be liable for the accuracy or completeness of the information contained in that Section. Because the performance of the Underlying ETF directly affects the value and price of the ETNs potential investors should review information about the Underlying ETF available at the web-site <https://www.ishares.com> prior to purchasing any ETNs. The Issuer confirms that such information has been accurately reproduced and is able to ascertain from the information published on the above-mentioned sources that no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of information is identified where used. The Issuer accepts responsibility for correctly extracting such information from the sources and confirms that such information has been correctly extracted from those sources.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any ETNs shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.