

- ***This is an exchange traded fund.***
- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Prospectus.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Stock codes:	3021
Trading lot size:	300 units
Fund Manager:	CSOP Asset Management Limited
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Underlying Index:	MSCI China and USA Internet Top 50 Equal Weighted Index
Base currency:	US dollars (“USD”)
Trading currency:	Hong Kong dollars (“HKD”)
Financial year end of this fund:	31 December
Dividend policy:	The Manager does not intend to make any distribution.
Ongoing charges over a year:	3.00% [#]
Tracking difference of the last calendar year:	-8.65% ^{##}
ETF Website:	www.csopasset.com/t50-etf

The ongoing charges figure has been capped at a maximum of 3.00% of the average Net Asset Value of the Sub-Fund since 15 January 2018. Any ongoing expenses of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund if such expense would result in the ongoing charges figure exceeding 3.00%. An increase or removal of the cap is subject to prior approval of the SFC and one month’s prior written notice to Unitholders.

This is the actual tracking difference of the last calendar year. Investors should refer to the ETF website for more up to date information on actual tracking difference.

What is this product?

The CSOP MSCI T50 ETF (the “**Sub-Fund**”) is a sub-fund of the CSOP ETF Series (“**Trust**”), which is an umbrella unit trust established under Hong Kong law. The Sub-Fund is a passively managed index tracking ETF authorised under 8.6 and Appendix I of the Code on Unit Trusts and Mutual Funds (the “**Code**”). The units of the Sub-Fund are traded on the Stock Exchange of Hong Kong Limited (the “**SEHK**”) like stocks.

Objectives and Investment Strategy

Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, MSCI China and USA Internet Top 50 Equal Weighted Index (the “**Underlying Index**”).

Investment Strategy

In order to achieve the investment objective of the Sub-Fund, the Manager will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in securities constituting the Underlying Index ("**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

The Sub-Fund may also invest not more than 5% of its NAV in securities other than Index Securities which have investment profile that aims to reflect the profile of the Underlying Index. The Sub-Fund may also invest not more than 5% of its NAV in money market funds and in cash deposits for cash management purpose.

The Sub-Fund will not invest in derivatives instruments (including structured deposits, products or instruments) for investment or hedging purposes. The Manager does not currently intend to enter into securities lending transactions and repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund.

Underlying Index

The Underlying Index is an equal weighted index compiled and published by MSCI, Inc. ("**MSCI**" or the "**Index Provider**"), which is designed to reflect the performance of the 50 largest internet software and services and internet retail entities selected by full market capitalisation listed on the SEHK, New York Stock Exchange ("**NYSE**"), NASDAQ Capital Market, NASDAQ Global Market, NASDAQ Global Select Market and NYSE Market LLC ("**NYSE MKT**"). Equal weight will be given for the top 50 issuers in the Underlying Index (i.e. 2% for each issuer) at each rebalancing.

The Underlying Index is a total net return index which means that the performance of the index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction. The Underlying Index is denominated and quoted in USD.

The Underlying Index was launched on 14 July 2014 and had a base level of 1000 on 29 May 2009. As at 20 April 2018, the Underlying Index had a total free-float market capitalisation of USD 3,472,113.41 million and 50 issuers.

Top 10 Issuers selected by Full Market Capitalisation

The issuers of the eligible securities are ranked by decreasing full market capitalisation and the top 50 issuers by full market capitalisation are then selected for inclusion in the Underlying Index. As at 20 April 2018, the 10 largest issuers (selected by full market capitalisation) of the Underlying Index represented about 24.54% of the Underlying Index and their respective weightings are listed below for reference purpose:

<u>Rank</u>	<u>Constituent Name</u>	<u>Stock Code</u>	<u>Relevant Exchange</u>	<u>Weighting (%)</u>
1	NUTANIX A	NTNX UW Equity	NASDAQ	3.12%
2	ETSY	ETSY UW Equity	NASDAQ	2.85%
3	TWILIO A	TWLO UN Equity	NYSE	2.48%
4	AUTOHOME ADR	ATHM UN Equity	NYSE	2.37%
5	NETFLIX	NFLX UW Equity	NASDAQ	2.34%
6	MOMO A ADR	MOMO UW Equity	NASDAQ	2.33%
7	STAMPS.COM	STMP UW Equity	NASDAQ	2.31%
8	GODADDY A	GDDY UN Equity	NYSE	2.27%
9	BOOKING HOLDINGS	BKNG UW Equity	NASDAQ	2.25%
10	MATCH GROUP	MTCH UW Equity	NASDAQ	2.23%

Source: MSCI

For details, please refer to the website of MSCI at: www.msci.com.

Bloomberg Index Code: M1CXCU50 / Reuters Index Code: .dMI060000ENUS

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. Investment risk

- The Sub-Fund is not principal guaranteed and your investments may suffer losses.
- It is not actively managed. Falls in the Underlying Index may result in a corresponding fall in the value of the Sub-Fund.

2. Risks associated with internet companies and internet related industries

- Companies in the internet industry may have a relatively short operating history and may face dramatic and unpredictable changes in growth rates and competition for the services of qualified personnel.
- Any errors, bugs or vulnerabilities that may be discovered in the code of an internet company after release may adversely affect the business and operating results of such company.
- Investments in this market may be subject to higher volatility and risks.

3. Concentration risk

- Concentrating its investment in the internet sector may result in greater volatility in the Sub-Fund than more diversified funds.
- The Sub-Fund primarily invests in securities listed in the US and Hong Kong markets, and may therefore be more volatile than a broad-based fund.

4. Risk relating to government intervention and changes in laws and regulations

- There may be substantial government intervention in the internet industry. The internet business is subject to complex laws and regulations which are subject to change and uncertainty. Compliance with the relevant laws and regulations can be costly.

5. Risks relating to the trading hours differences between the Hong Kong and US stock markets

- The Sub-Fund will invest in securities which are listed on certain stock exchanges in the US (“**US Securities**”). As the US stock markets may be open when units in the Sub-Fund are not priced, the value of the US Securities may change on days when investors will not be able to trade the Sub-Fund’s units.
- Differences in trading hours between the US stock exchanges and the SEHK may also lead to unavailability of the market prices of index constituents listed on US stock exchanges and the Underlying Index level. This may increase the level of premium/discount of the price of units of the Sub-Fund to its NAV.

6. US market risks

- The recent financial crisis and/or economic recession, decreasing US imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt pose concerns on the development of the US economy. This may have adverse impact on the US Securities in which the Sub-Fund invests. The Sub-Fund’s investment in the US Securities may also be subject to US taxes.

7. Risks relating to the Underlying Index

- The Underlying Index is an equal weighted index whereby all constituents within the Underlying Index have equal weight, regardless of their size at rebalancing. This is in contrast with a capitalisation weighted index whereby companies that have a larger market capitalisation carry more “weight” in the index than companies with smaller market capitalisation.
- Although the Underlying Index consists of the top 50 internet software and services and internet retail entities by full market capitalisation, since all constituents are held at equal weights regardless of their market cap, the Sub-Fund by tracking the Underlying Index (which is an equal weighted index) may have relatively large holdings in companies with relatively smaller market capitalisation than it would have held if the Underlying Index is a capitalisation weighted index. The smaller companies may therefore have more influence over the performance of the Underlying Index than would occur in a market-cap weighted index.

8. Large capitalisation company risk

- Returns on investments in securities of large companies could be less than the returns on investments in securities of small- and mid-sized companies. Since the Underlying Index consists of securities of the 50 largest internet software and services and internet retail entities by full market capitalisation listed on the Hong Kong and US stock exchanges, the Sub-Fund’s investments are concentrated in securities of large companies. Hence the returns may be less than the returns of funds that focus their investments in securities of small- and mid-sized companies.

9. Trading risk

- Retail investors can only trade units of the Sub-Fund on the SEHK. The trading price of the units may be different from the Sub-Fund’s NAV and even at a significant discount/premium to its NAV.

10. Risk of early termination

- The Manager or the Trustee may terminate the Trust or the Sub-Fund under certain circumstances. Investors should refer to section “**14.5 Termination of the Trust or a Sub-Fund**” in Part 1 of the Prospectus for further details.
- The index licence agreement between the Manager and MSCI is subject to an initial fixed term of one year, and can thereafter be renewed perpetually for a period of one year. There is no guarantee that the licence agreement shall not be terminated. Investors should refer to section “**10. Index Licence Agreement**” in Appendix 3 of Part 2 of the Prospectus for further details.
- The Sub-Fund may be terminated if the Underlying Index is discontinued and/or the licence agreement is terminated and the Manager is unable to identify a replacement index. The Sub-Fund may therefore be liquidated.
- Investors may suffer a loss when the Sub-Fund is terminated.

11. Liquidity risk and termination of market maker risk

- Units will be a new security and following listing on the SEHK, it is unlikely that the units will initially be widely held. In turn this may affect the liquidity and trading price of the units in the secondary market.
- Although it is a requirement that the Manager ensures that there will always be at least one market maker to the Sub-Fund, it is possible that no market maker is appointed. The liquidity for the units of the Sub-Fund may be affected if there is no market maker for the units.

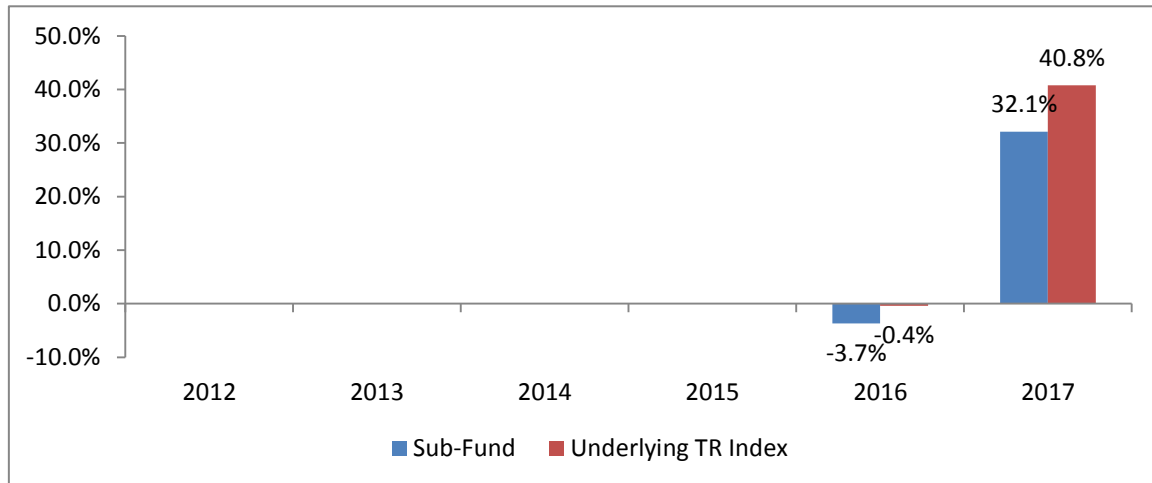
12. Tracking error risk

- Due to the Sub-Fund’s fees and expenses, market liquidity, imperfect correlation of returns between the Sub-Fund’s assets and the Index Securities and the investment strategy adopted, the Sub-Fund’s returns may deviate from that of the Underlying Index.

13. Passive Investments

- The Sub-Fund is not actively managed. The Sub-Fund invests in the Index Securities and/or Non-Index Securities included in or reflecting its Underlying Index regardless of their investment merit. The Manager does not attempt to select securities individually or to take defensive positions in declining markets. Accordingly, the lack of discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund means that falls in the related Underlying Index are expected to result in a corresponding fall in the value of the Sub-Fund.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding your trading costs on SEHK.
- Fund launch date: 28 January 2015

Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

Charges incurred when trading the Sub-Fund on SEHK

Fee	What you pay
Brokerage fee	At market rates ¹
Transaction levy	0.0027% ²
Trading fee	0.005% ³
Stamp duty	Nil

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the NAV of the Sub-Fund which may affect the trading price.

¹ The brokerage fee is payable in the currency decided by the intermediaries used by the buyer and the seller.

² Transaction levy of 0.0027% of the trading price of the units, payable by each of the buyer and the seller.

³ Trading fee of 0.005% of the trading price of the units, payable by each of the buyer and the seller.

	<u>Annual rate (as a % of the fund's NAV)</u>
Management Fee*	0.99% per annum
Trustee Fee	Included in the Management Fee
Registrar Fee	Included in the Management Fee
Performance Fee	Nil
Administration Fee	Nil
Other Ongoing costs	Please refer to Part 2 of the Prospectus for details of ongoing costs payable by the Sub-Fund

* Please note that the fee may be increased up to a permitted maximum amount by providing one month's prior notice to unitholders. Please refer to the section headed "**Fees and Charges**" in Part 1 of the Prospectus for details.

Additional Information

The Manager will publish important news and information in respect of the Sub-Fund (including in respect of the Underlying Index), both in English and Chinese language at the website www.csopasset.com/t50-etf, including:

- the Prospectus (as amended and supplemented from time to time);
- the latest Product Key Facts Statements;
- the latest annual and semi-annual financial reports in English;
- any public announcements made by the Sub-Fund, including information in relation to the relevant Sub-Fund and the Underlying Index, notices of the suspension of the calculation of NAV, changes in fees and charges, the suspension and resumption of trading of units;
- notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the offering documents and constitutive documents of the Sub-Fund;
- the near real-time estimated NAV per unit of the Sub-Fund during normal trading hours on the SEHK;
- the last closing NAV of the Sub-Fund and the last closing NAV per unit of the Sub-Fund, which in respect of a dealing day will be published by 12:00 pm, mid-day (Hong Kong time) on the day following the relevant dealing day;
- the composition of the Sub-Fund (updated on a daily basis); and
- the latest list of participating dealers and market makers.

Important

- If you are in doubt, you should seek professional advice.
- The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.