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This document is important and requires your immediate attention. If you are in any doubt about the contents of this Announcement, you should seek professional advice. Investment involves risks which may result in significant loss as there is no guarantee on investment returns.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.



CSOP ETF SERIES (the "Trust")

(a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

CSOP FTSE China A50 ETF

Stock Codes: 82822 (RMB counter) and 02822 (HKD counter)

CSOP SZSE ChiNext ETF

Stock Codes: 83147 (RMB counter) and 03147 (HKD counter)

CSOP MSCI China A Inclusion Index ETF

Stock Codes: 83149 (RMB counter) and 03149 (HKD counter)

ICBC CSOP S&P New China Sectors ETF

Stock Codes: 03167 (HKD counter), 83167 (RMB counter) and 9167 (USD counter)

CSOP Hong Kong Dollar Money Market ETF

Stock Codes of the listed class of Units: 03053 (HKD counter) and 83053 (RMB counter)

CSOP US Dollar Money Market ETF

Stock Codes of the listed class of Units: 03096 (HKD counter) and 9096 (USD counter)

CSOP CSI 500 ETF
Stock Codes: 83005 (RMB counter) and 03005 (HKD counter)

CSOP Hang Seng TECH Index ETF
Stock Codes: 03033

CSOP Yinhua CSI 5G Communications Theme ETF
Stock Codes: 03193

(each a "Sub-Fund", and collectively, the "Sub-Funds")

ANNOUNCEMENT

Change of Investment Objective and Strategy of the CSOP Hong Kong Dollar Money Market ETF and CSOP US Dollar Money Market ETF

Ancillary changes to the Trust Deed and Prospectus of the Trust and the Sub-Funds

CSOP Asset Management Limited (the "**Manager**"), the manager of the Trust and the Sub-Funds, hereby announces that:

- (1) from 15 June 2021 (the "**Effective Date**"), the investment strategy of the CSOP Hong Kong Dollar Money Market ETF (the "**HKD Money Market ETF**") and the CSOP US Dollar Money Market ETF (the "**USD Money Market ETF**", together the "**Money Market ETFs**") will be changed from a passive tracking investment strategy to an actively managed investment strategy. The investment objective of the Money Market ETFs will also change accordingly;
- (2) from the Effective Date, there will also be other changes to and/or elaboration on the investment strategy of the Money Market ETFs;
- (3) ancillary changes will be made to the trust deed of the Trust (the "**Trust Deed**") and the prospectus of the Trust (the "**Prospectus**") on the Effective Date to reflect the above changes to the Money Market ETFs. These changes do not have any substantive impact to Sub-Funds other than the Money Market ETFs.

Unless otherwise defined in this Announcement, capitalised terms used in this Announcement shall have the same meaning as defined in the Prospectus dated 14 April 2021.

Investors should exercise caution in dealing with the units of the Sub-Funds.

1. Change from a Passive Tracking Strategy to an Actively Managed Strategy in respect of the Money Market Funds

Currently, each of the Money Market ETFs adopts a passive tracking strategy to achieve its respective investment objective, which is to provide return that, before deduction of fees and expenses, closely correspond to the performance of the respective Benchmark, being: (i) 3-month HIBOR for the HKD Money Market ETF and (ii) FTSE 3-Month US Dollar Eurodeposit Index for the USD Money Market ETF.

From the Effective Date, each of the Money Market ETFs will adopt an actively managed investment strategy, to achieve its respective investment objective, which will be as follows:

- The investment objective of the HKD Money Market ETF is to invest in short-term deposits and high quality money market investments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates.
- The investment objective of the USD Money Market ETF is to invest in short-term deposits and high quality money market investments. It seeks to achieve a return in US Dollars in line with prevailing money market rates.

(collectively, the “**Active Management Change**”)

In other words, from the Effective Date, each of the Money Market ETFs will cease to seek to provide performance that correspond to the respective Benchmark. Please find below table for your easy reference:

	Current Investment Objective	Investment Objective from Effective Date
HKD Money Market ETF	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark, namely, the 3-month HIBOR.	To invest in short-term deposits and high quality money market investments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates.
USD Money Market ETF	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark, namely, the FTSE 3-Month US Dollar Eurodeposit Index.	To invest in short-term deposits and high quality money market investments. It seeks to achieve a return in US Dollars in line with prevailing money market rates.

Reasons for the Active Management Change

The reason for the Active Management Change is to enhance efficient portfolio management by allowing the Manager to have the ability to manage the Money Market ETFs, in view of a prolonged period of ultra-low interest rates maintained by the United States Federal Reserve in response to, among others, the COVID-19 pandemic. With an actively managed investment strategy, the Manager will also be able to control costs and expenses in a more effective manner, which it believes will benefit the investors.

Risk Factors

The Money Market ETFs will be subject to additional risks due to the active management feature, as summarised below:

- The Manager employs an actively managed investment strategy for the Money Market ETFs. The Money Market ETFs do not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager’s selection of investments, and/or the implementation of processes which may cause the Money Market ETFs to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

- On 15 June 2021, the investment strategy of the Money Market ETFs changed from a passive tracking investment strategy, tracking the respective Benchmark (the “**Former Benchmark**”), to an actively managed investment strategy, which means that Money Market ETFs no longer seek to track any index or benchmark (the “**Active Strategy**”). The rebalancing of assets held by the Money Market ETFs as a result of the change of investment strategy is anticipated to take place over a period of 30 trading days (the “**Rebalancing Period**”). During the Rebalancing Period, holdings of the Money Market ETFs will be rebalanced from constituents of the Former Benchmark to constituents that correspond to the Active Strategy. The Manager therefore considers there is a risk that each of the Money Market ETFs may fail to meet its objective as a result of the Manager’s selection of investments for the Money Market ETFs, and/or the implementation of processes which may cause the Money Market ETFs to underperform as compared to prevailing money market rates or other money market funds with a similar objective. Investors who deal with Units of the Money Market ETFs during the Rebalancing Period should exercise caution.
- As a result of the change of investment strategy, past performance of the Money Market ETFs prior to 15 June 2021 was achieved under circumstances which will no longer apply. Investors should exercise caution when considering the past performance of the Money Market ETFs prior to 15 June 2021.

2. Other Changes to Investment Strategy and Valuation Method of the HKD Money Market ETF

Other than the Active Management Change discussed above, there will also be the following changes to the investment strategy and valuation method of the HKD Money Market ETF (the “**Changes of HKD Money Market ETF**”) with effect from the Effective Date:

Current Investment Strategy	Investment Strategy from Effective Date
<p>The Manager will invest all, or substantially all, of the assets of the HKD Money Market ETF in Hong Kong Dollar-denominated and settled short-term deposits and certificates of deposits issued by Eligible Financial Institutions (including their group companies) (together the “Deposits”).</p>	<p>The Manager will invest all, or substantially all (i.e. at least 70%), of the assets of the HKD Money Market ETF in Hong Kong Dollar (“HKD”) -denominated and settled short-term deposits and short-term and high quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions, including debt securities, commercial papers, short-term notes, certificates of deposits and commercial bills. Short-term and high quality debt securities invested by the HKD Money Market ETF include but are not limited to government bonds and fixed and floating rate bonds, with the maximum level for up to 80% of the Net Asset Value of the HKD Money Market ETF (any debt securities invested with a remaining maturity of no more than 397 days, or two years in the case of Government and other Public Securities).</p> <p>HKD Money Market ETF will invest less than 30% of its Net Asset Value into non-HKD-denominated and settled short-term deposits and short-term and high quality money market instruments. The Manager may hedge any non-HKD-denominated and settled investments into HKD to manage any material currency risk.</p> <p>For debt securities issued by governments, quasi-governments, international organisations or financial institutions, the debt securities or their issuer must be rated investment grade or above by Fitch, Moody’s or S&P or other international credit rating agencies. A short-term debt security is considered investment grade if its credit rating is</p>

	A-3 or higher by S&P or F3 or higher by Fitch or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer of such debt security.
The HKD Money Market ETF will invest primarily in Hong Kong. Other countries or regions in which the HKD Money Market ETF may invest in include, but are not limited to, Singapore, Australia and Korea.	There will be no specific geographical allocation of the country of issue of the debt securities or deposits, except that the HKD Money Market ETF will not invest more than 30% of its Net Asset Value in emerging markets. Countries or regions in which the HKD Money Market ETF may invest in include Hong Kong, the Mainland China, Japan, Korea, Australia, Canada, the United Kingdom, the European Union and the United States.
The HKD Money Market ETF will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not invest in a Deposit with a remaining maturity of more than 90 days. The HKD Money Market ETF will hold at least 10% daily liquid assets and at least 30% weekly liquid assets.	The HKD Money Market ETF will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities. The HKD Money Market ETF will hold at least 7.5% daily liquid assets and at least 15% weekly liquid assets.
The Manager has no intention to invest the HKD Money Market ETF in any financial derivative instruments (including structured deposits, products or instruments) for investment or hedging purposes, and will not enter into securities lending transactions, sale and repurchase transactions or reverse repurchase transactions and other similar over-the-counter transactions.	The HKD Money Market ETF may enter into sale and repurchase transactions for up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the HKD Money Market ETF under such transactions may not in aggregate exceed 10% of its Net Asset Value. Currently the Manager has no intention to invest the HKD Money Market ETF in any financial derivative instruments (including structured deposits, products or instruments) for investment or hedging purposes, and will not enter into securities lending transactions or reverse repurchase transactions and other similar over-the-counter transactions.
Current Valuation Method	Valuation Method from Effective Date
The Net Asset Value of the HKD Money Market ETF is calculated using the amortised cost method.	The Net Asset Value of the HKD Money Market ETF will be calculated using the fair value approach, which has been consulted with the auditor of the HKD Money Market ETF.

Reasons for the Changes of HKD Money Market ETF

The reason for the Changes of HKD Money Market ETF is to allow more flexibility in the investments of the HKD Money Market ETF, which the Manager believes is beneficial to the performance of the HKD Money Market ETF and in the best interest of the investors in the current market circumstances with ultra-low interest rates. In particular, the change of investment strategy (i.e. the extension of the maturity of the debt securities from 90 days to 397 days) is to allow more flexibility in the investments. However, given lower residual maturity is expected for amortised cost method, the Manager considered that the

HKD Money Market ETF is not suitable to use the amortised cost method in the current market circumstances.

Risk Factors

The HKD Money Market ETF will be subject to additional risks associated with debts securities and sale and repurchase transactions, as summarised below:

Risks associated with debt securities

- *Short-term debt instruments risk:* As the HKD Money Market ETF invests in short-term debt instruments with short maturities, the turnover rates of the HKD Money Market ETF's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term debt instruments may also increase which in turn may have a negative impact on the Net Asset Value of the HKD Money Market ETF.
- *Credit/counterparty risk:* The HKD Money Market ETF is exposed to the credit/default risk of issuers of the debt securities that it may invest in.
- *Interest rate risk:* Investment in the HKD Money Market ETF is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- *Sovereign debt risk:* The HKD Money Market ETF's investment in debt instruments issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the HKD Money Market ETF to participate in restructuring such debts. The HKD Money Market ETF may suffer significant losses when there is a default of sovereign debt issuers.
- *Credit rating risk and downgrading risk:* Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the HKD Money Market ETF may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- *Valuation risk:* Valuation of the HKD Money Market ETF's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the HKD Money Market ETF.

Risks relating to sale and repurchase agreements

- In the event of the failure of the counterparty with which collateral has been placed, the HKD Money Market ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

3. Other Changes to Investment Strategy of the USD Money Market ETF

Other than the Active Management Change discussed above, there will also be the following changes to the investment strategy of the USD Money Market ETF (the “**Changes of USD Money Market ETF**”) with effect from the Effective Date:

Current Investment Strategy	Investment Strategy from Effective Date
<p>The Manager will invest all, or substantially all, of the assets of the USD Money Market ETF in US Dollar-denominated and settled short-term deposits and money market instruments issued by Eligible Financial Institutions (including their group companies), including debt securities (issued by governments, quasi-governments, international organisations and financial institutions), commercial papers, certificates of deposits and commercial bills.</p>	<p>The Manager will invest all, or substantially all (i.e. at least 70%), of the assets of the USD Money Market ETF in US Dollar (“USD”) -denominated and settled short-term deposits and short-term and high quality money market instruments issued by Eligible Financial Institutions (including their group companies), including debt securities (issued by governments, quasi-governments, international organisations and financial institutions), commercial papers, short-term notes, certificates of deposits and commercial bills. Short-term and high quality debt securities invested by the USD Money Market ETF include but are not limited to government bonds and fixed and floating rate bonds, with the maximum level for up to 80% of the Net Asset Value of the USD Money Market ETF (any debt securities invested with a remaining maturity of no more than 397 days, or two years in the case of Government and other Public Securities).</p> <p>The USD Money Market ETF will invest less than 30% of its Net Asset Value into non-USD-denominated and settled short-term deposits and short-term and high quality money market instruments. The Manager may hedge any non-USD-denominated and settled investments into USD to manage any material currency risk.</p> <p>There is no specific geographical allocation of the country of issue of the debt securities or deposits, except that the USD Money Market ETF will not invest more than 30% of its Net Asset Value in emerging markets. Countries or regions in which the USD Money Market ETF may invest in include Hong Kong, the Mainland China, Japan, Korea, Australia, Canada, the United Kingdom, the European Union and the United States.</p>

Reasons for the Changes of USD Money Market ETF

The reason for the Changes of USD Money Market ETF is to make further elaboration on the investment strategy and to allow more flexibility in the investments of the USD Money Market ETF, which the Manager believes is beneficial to the performance of the USD Money Market ETF and in the best interest of the investors in the current market circumstances with ultra-low interest rates.

4. Impact on the Money Market ETFs

Other than as outlined above, the changes described in this Announcement are not expected to affect the operation of the Money Market ETFs and/or manner in which the Money Market ETFs are being managed, nor will existing investors be affected as a result. It is noted that:

- the management fee for the Money Market ETFs will remain unchanged;
- the Manager does not expect the ongoing charges figures of the Money Market ETFs will change significantly due to the change in investment objective and strategy. The Manager will continue to monitor the ongoing charges figures of the Money Market ETFs and update the disclosure as appropriate, in accordance with SFC guidance;
- as the Money Market ETFs will cease to provide performance that corresponds to the respective Benchmark, tracking difference information will be removed from the KFS from the Effective Date. Historical tracking difference and tracking error information will continue to be shown on the Manager's website; and
- information relating to past performance of the Money Market ETFs will continue to be shown in the respective KFS. Investors should however note that due to the change in investment objective and strategy, the circumstances under which performance prior to the Effective Date was achieved will no longer apply.

Other than the additional risks disclosed above, there will not be any material change or increase in the overall risk profile of the Money Market ETFs following the changes described in this Announcement.

The changes described in this Announcement do not require Unitholders' approval. The Manager considered that the changes described in this announcement are not materially prejudicial to existing investors' rights or interests.

Costs associated with the change will be borne by the Money Market ETFs pro-rata to their respective Net Asset Value as at the Effective Date. These costs are estimated to be not more than HKD150,000 in total. These costs are not expected to be material to the Money Market ETFs, and hence are not expected to pose any material impact to the respective Net Asset Value of the Money Market ETFs nor any significant adverse impact to Unitholders.

5. Ancillary Changes to the Trust Deed and Prospectus

On the Effective Date, certain changes will be made to the Trust Deed and Prospectus to cater for the Active Management Change as described above. These changes do not have any substantive impact to Sub-Funds other than the Money Market ETFs. The investment objective, underlying index and investment strategy of each of the Sub-Funds other than the Money Market ETFs remain unchanged.

6. General

The Prospectus and the KFS of each Money Market ETF will be amended on the Effective Date to reflect the above changes and to remove information about the respective Benchmark.

The Prospectus and KFS of each Money Market ETF will be published on the Manager's website at www.csopasset.com (this website has not been reviewed by the SFC) and SEHK's website at www.hkex.com.hk from the Effective Date. Copies of the constitutive documents will be available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the office of the Manager (see address below) and copies thereof may be obtained from the Manager upon the payment of a reasonable fee from the Effective Date.

If you have any queries or require further information in relation to any aspect of this Announcement, please contact the Manager at 2801-2803 Two Exchange Square, 8 Connaught Place, Central, Hong Kong or its Customer Service Hotline at (852) 3406 5688.

By Order of the Board
CSOP Asset Management Limited
 Chief Executive Officer
 Ding Chen

14 May 2021

As of the date of this Announcement, the board of directors of the Manager comprises 7 Directors namely, Mr. Zhou Yi, Ms. Ding Chen, Mr. Zhang Gaobo, Mr. Yang Xiaosong, Mr. Cai Zhongping, Mr. Liu Zhiwei and Ms. Liu Xiuyan.