

# Product Key Facts

CHINAAMC ASIA HIGH DIVIDEND ETF

China Asset Management (Hong Kong) Limited

March 2024

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

## Quick facts

<b>Stock code:</b>	3145
<b>Trading lot size:</b>	200 Units
<b>Manager:</b>	China Asset Management (Hong Kong) Limited
<b>Investment Delegate:</b>	Mackenzie Financial Corporation – Canada (external delegation)
<b>Trustee:</b>	State Street Trust (HK) Limited
<b>Registrar:</b>	Tricor Investor Services Limited
<b>Ongoing charges over a year:</b>	0.45% #
<b>Tracking difference of the last calendar year:</b>	-0.81%##
<b>Index:</b>	NASDAQ Asia ex Japan Dividend Achievers™ Index
<b>Base currency:</b>	HKD
<b>Trading currency:</b>	HKD
<b>Financial year end:</b>	31 December
<b>Dividend policy:</b>	The Manager intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). There is no guarantee of regular distribution payments, or the amount being distributed. There is no current intention to make distribution out of capital or effectively out of capital.
<b>ETF website:</b>	<a href="http://www.chinaamc.com.hk">www.chinaamc.com.hk</a> ###

# The ongoing charges figure is based on expenses for the year ended 31 December 2023. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average net asset value.

## This is the actual tracking difference of the calendar year ended 31 December 2023. Investors should refer to the website of the Sub-Fund for more up-to-date information on actual tracking difference.

### This website has not been reviewed by the SFC.

## What is this product?

This is a fund constituted in the form of a unit trust established under Hong Kong law and is a sub-fund of the ChinaAMC Global ETF Series II. The Units of the ChinaAMC Asia High Dividend ETF (the “**Sub-Fund**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Units are traded on the SEHK like listed stocks. The fund is a passively managed index tracking exchange traded fund falling under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds.

## Objective and Investment Strategy

### Objective

The Sub-Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the NASDAQ Asia ex Japan Dividend Achievers™ Index (the “**Index**”).

### Strategy

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy.

When the Sub-Fund adopts the replication strategy, it will invest in substantially all the Index securities constituting the Index in substantially the same weightings (i.e. proportions) as these Index securities have in the Index.

When the Sub-Fund adopts the representative sampling strategy, it will invest, either directly or indirectly, in securities comprised in the Index, or in securities that are not included in its Index, but which the Manager believes will help the Sub-Fund achieve its investment objective.

The Sub-Fund may invest not more than 10% of its net asset value in other physical exchange traded funds (“**ETFs**”) to gain exposure to the performance of the Index.

Investors should note that the Manager may switch between the full replication and representative sampling strategies without notice to investors and in its absolute discretion.

The Sub-Fund currently does not intend to:

- (a) engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions; or
- (b) invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes).

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments, prior approval shall be obtained from the SFC (if so required) and no less than 1 month’s prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in the Prospectus.

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the

investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund's investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

## Index

The Index is a float adjusted modified market capitalisation weighted index comprising accepted securities with at least three consecutive years of increasing annual regular dividend payments from a universe of components that are determined to be Hong Kong, Singapore, mainland China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan and Thailand.

To be eligible for inclusion in the Index, a security must meet the following additional criteria:

- (a) it must have a minimum float adjusted market capitalisation of USD200 million;
- (b) it must have a minimum three-month average daily dollar trading value of USD500,000;
- (c) it must have at least three consecutive years of increasing annual regular dividend based on ex-date;
- (d) it must have a Dividend Sustainability score greater than 80 as calculated by NASDAQ OMX Group, Inc.;
- (e) it must rank within the top 70% of components by yield of the total constituents at time of review, or within the top 80% of components by yield at time of review if they were in the Index in the prior period;
- (f) it must be included in the NASDAQ Asia Pacific Ex-Japan Index;
- (g) it must not be classified as New Zealand or Australia by NASDAQ OMX Group, Inc.;
- (h) it must not be classified as a "B" share if a security is classified as mainland China by NASDAQ OMX Group, Inc.;
- (i) it must not be classified as real estate investment trust by the Industry Classification Benchmark (ICB);
- (j) it must not have met foreign ownership restriction limitations;
- (k) if an issuer has multiple securities, the security with the highest three-month average daily dollar trading volume;
- (l) it may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
- (m) it may not be issued by an issuer currently in bankruptcy proceeding.

The Index was launched on 13 January 2014 and had a base level of 1,000.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

As at 26 February 2024, the Index had a total market capitalisation of HKD 5.66 trillion and 136 constituents out of the eligible Asian markets defined by the Index.

The Index is denominated in HKD.

The Manager (and each of its Connected Persons) is independent of The NASDAQ OMX Group, Inc., the Index Provider.

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of The NASDAQ OMX Group, Inc. at <https://www.nasdaq.com/solutions/nasdaq-global-index-policies>. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

## Use of derivatives / investment in derivatives

The Sub-Fund will not use derivatives for any purposes.

## What are the key risks?

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

### High Dividend Yield Securities Risk

- The Sub-Fund invests in high dividend yield securities which may offer a higher rate of dividend yield. However, high dividend yield securities are subject to risks that the dividend could be reduced or abolished, or the risks that the value of the securities could decline or have lower-than average potential for price appreciation.

### Emerging Market Risk

- The Sub-Fund invests in a number of Asian emerging markets. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

### Risk Relating to Investment in Other ETFs

- The Sub-Fund may be subject to a higher tracking error than other funds which do not invest in collective investment scheme due to its strategy of investing in the other ETFs as a result of, amongst other things, the tracking error of the other ETFs.
- The Sub-Fund may be adversely affected by any trading suspension of the other ETFs.

### Management Risk

- Because there can be no guarantee that the Sub-Fund's performance is identical to that of the Index, it is subject to management risk. This is the risk that the Manager's and the Investment Delegate's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager and the Investment Delegate (as a delegate of the Manager) have absolute discretion to exercise Unitholders' rights with respect to securities comprising the Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Sub-Fund being achieved.

### Reliance on the Investment Delegate Risk

- The Manager has delegated the exercise of investment discretion for the Sub-Fund to the Investment Delegate. Unitholders must rely on the Investment Delegate in

implementing the investment strategies and the performance of the Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Investment Delegate or any of its key personnel, as well as any significant interruption of the Investment Delegate's business operations or in the extreme case of the insolvency of the Investment Delegate, the trustee may not find successor managers/investment delegates with the requisite skills, qualifications and the new appointment may not be on equivalent terms or of similar quality. The occurrence of any of these events may have an adverse impact on the Sub-Fund's performance and thus the value of your investment.

#### Tracking Error Risk

- The Sub-Fund may use representative sampling strategy. It is therefore possible that the Sub-Fund may be subject to a greater risk of tracking error, which is the risk that its performance may not track that of the Index accurately. Other factors such as fees and expenses, and inability to rebalance the Sub-Fund's holdings in response to changes to the Index may also cause tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

#### Investment Risk

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal. Therefore your investment in the Sub-Fund may suffer losses.

#### Foreign Exchange Risk

- An investment in the Sub-Fund may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in currencies other than the base currency of the Sub-Fund (which is the HKD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the Sub-Fund.

#### Passive Investment Risk

- The Sub-Fund is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the Sub-Fund will also decrease in value. Investors may suffer significant losses accordingly.

#### Trading Risk

- Generally, retail investors can only buy or sell Units on the SEHK. The trading price of the Units on the SEHK is subject to market forces and may trade at a substantial premium or discount to the net asset value per Unit.
- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the net asset value per Unit when buying Units on the SEHK, and may receive less than the net asset value per Unit when selling Units on the SEHK.

#### Reliance on Market Makers Risk

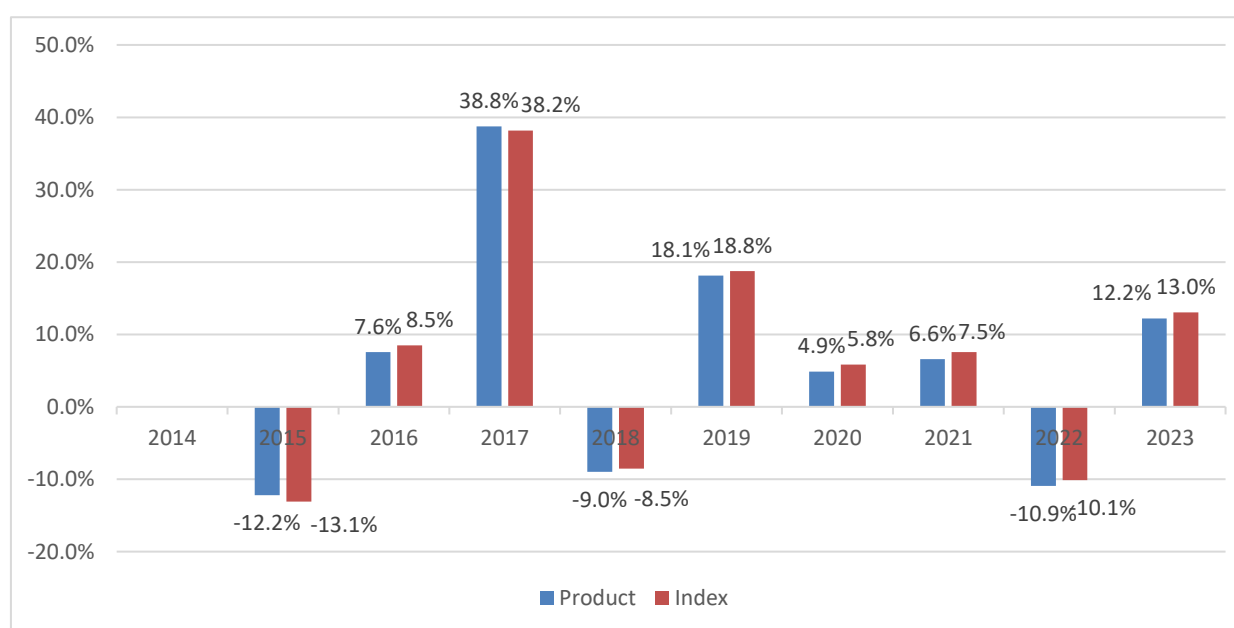
- Although the Manager ensures that at least one market maker will maintain a market for the Units of the Sub-Fund, it should be noted that liquidity in the market for the Units may be adversely affected if there is no market maker for the Units of the Sub-Fund. The Manager will seek to mitigate this risk by ensuring at least one market maker for the Units of the Sub-Fund gives not less than 3 months' notice prior to terminating market

making. It is possible that there is only one SEHK market maker to the Sub-Fund, or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

#### Early Termination Risk

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the aggregate net asset value of all the Units of the Sub-Fund is less than HKD100 million. Investors should refer to “Termination” in the Prospectus for further details. Investors may suffer a loss when the Sub-Fund is terminated.

#### How has the fund performed?



Note: Since 28 May 2021, the Manager of the Fund changed from BMO Global Asset Management (Asia) Limited to China Asset Management (Hong Kong) Limited and the investment management function of the Fund has been delegated to Mackenzie Financial Corporation. The performance of the Fund prior to 2021 was achieved under circumstances that no longer apply.

- 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 dividends reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year shown. Performance data is calculated in HKD including ongoing charges and excluding expenses payable by investors on the SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Underlying Index: NASDAQ Asia ex Japan Dividend Achievers™ Index
- Sub-Fund launch date: 13 November 2014

## 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 fund on the SEHK

<u>Fee</u>	<u>What you pay</u>
Brokerage fee	Market rates
Transaction levy	0.0027% <sup>1</sup>
Financial Reporting Council (“FRC”) transaction levy	0.00015% <sup>2</sup>
Trading fee	0.00565% <sup>3</sup>
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 net asset value of the Sub-Fund which may affect the trading price.

	<u>Annual rate (as a % of net asset value)</u>
Management Fee**	0.45% per annum
Trustee Fee	Included in the management fee
Registrar Fee	Included in the management fee
Performance Fee	Nil
Administration Fee	Included in the management fee
Other Ongoing Costs	Please refer to the Prospectus for details of ongoing costs payable by the Sub-Fund

\* The current fees in respect of the Sub-Fund payable to the Manager as described above may be increased on notice to Unitholders, subject to the permitted maximum rates. Please refer to the section headed “Fees and Expenses” in the Prospectus for further details of the fees and charges payable and the permitted maximum rates of such fee allowed as well as other ongoing expenses that may be borne by the Sub-Fund.

# Where the Sub-Fund invests in funds which are managed by the Manager or its connected persons (the “underlying funds”), the Manager will procure that the underlying fund(s) will not charge any management fee in order to ensure no double-charging of management fees.

### Other fees

You may have to pay other fees when dealing in the Units of the Sub-Fund. Please refer to the Prospectus for details of other fees and expenses applicable to the creation or redemption, or dealing in Units. You should also check with your intermediaries on the payment process including the currency that you should use for settling such fees and how they set the exchange

<sup>1</sup> Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>2</sup> FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>3</sup> Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

rate to be used if any currency conversion is required in the transaction.

## Additional Information

You can find the following information in respect of the Sub-Fund at the following website at [www.chinaamc.com.hk](http://www.chinaamc.com.hk) (this website has not been reviewed by the SFC).

- (a) the Prospectus and this product key facts statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual audited accounts and interim half yearly unaudited report (in English only);
- (c) any notices for material alterations or additions to the Prospectus or the Sub-Fund's constitutive documents;
- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and Index, notices of the suspension of the calculation of the net asset value, changes in fees and the suspension and resumption of trading;
- (e) the near-real time indicative net asset value per Unit updated every 15 seconds during trading hours throughout each Dealing Day in HKD;
- (f) the last net asset value and the last net asset value per Unit of the Sub-Fund in HKD (updated on a daily basis);
- (g) the full holdings of the Sub-Fund (updated on a daily basis);
- (h) the latest list of the Participating Dealers and Market Makers; and
- (i) the tracking difference and tracking error of the Sub-Fund.

Real-time updates about the Index can be obtained through other financial data vendors. Additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) can be obtained via the Manager's website and the Index Provider's website (neither of which, nor any other website referred to in this statement or the Prospectus, has been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

Please refer to the Prospectus for details.

## 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.