

PRODUCT KEY FACTS

ChinaAMC Bloomberg China

Issuer: China Asset Management
(Hong Kong) Limited

Treasury + Policy Bank Bond Index

ETF

April 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 Prospectus.
You should not invest in this product based on this statement alone.*

Quick facts

Stock Code:	82813 – RMB counter 02813 – HKD counter 09813 – USD counter
Trading Lot Size:	10 Units
Manager:	China Asset Management (Hong Kong) Limited
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
PRC Custodian and Onshore Settlement Agent:	HSBC Bank (China) Company Limited
Investment Adviser:	China Asset Management Co. Ltd.
Ongoing charges over a year[#]:	0.28%
Tracking difference of the last calendar year^{##}:	-0.60%
Underlying Index:	Bloomberg China Treasury + Policy Bank Index
Trading Currency:	Renminbi (RMB) – RMB counter Hong Kong dollars (HKD) – HKD counter US dollars (USD) – USD counter
Base Currency:	Renminbi (RMB)
Distribution Policy:	Quarterly, subject to the Manager's discretion. The Manager intends to distribute income in January, April, July and October of each year to Unitholders having regard to the Sub-Fund's net income after fees and costs. Distributions will only be paid from net income after deduction of all fees and costs and no distributions will be paid out of or effectively out of the capital of the Sub-Fund. All Units (whether RMB, HKD or USD traded Units) will receive distributions in RMB only.
Financial Year End:	31 December
ETF Website:	http://www.chinaamc.com.hk/en/products/etf/bloomberg-china-treasury-policy-bank-bond-index/fund-details.html

[#] The ongoing charges figure is based on expenses for the year ended 31 December 2023, subject to a cap of 0.28% per annum (i.e. any expenses resulted in the ongoing charges figure exceeding 0.28% per annum will be borne by the Manager). 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 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.

What is this product?

ChinaAMC Bloomberg China Treasury + Policy Bank Bond Index ETF (the “**Sub-Fund**”) is a sub-fund of ChinaAMC Global ETF Series, an umbrella unit trust established under Hong Kong law. The Sub-Fund is a passively-managed ETF falling within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds issued by the SFC. Units of the Sub-Fund (the “**Units**”) are traded on The Stock Exchange of Hong Kong Limited (the “**SEHK**”) like stocks.

Objective and Investment Strategy

Objective

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Bloomberg China Treasury + Policy Bank Index (the “**Index**”). The Index aims to reflect the performance of the fixed rate RMB-denominated treasury bonds and policy bank bonds listed on the PRC inter-bank bond market.

Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager will use a representative sampling strategy by investing in a representative sample of RMB denominated and settled fixed-rate bonds issued by the Ministry of Finance (the “**MOF**”), the China Development Bank, the Agricultural Development Bank of China or the Export-Import Bank of China and distributed within Mainland China (“**Treasury Bonds and Policy Bank Bonds**”) in the Index that collectively reflects the investment characteristics of the Index. The Sub-Fund may or may not hold all of the Treasury Bonds and Policy Bank Bonds that are included in the Index, and may hold Treasury Bonds and Policy Bank Bonds which are not included in the Index, provided that these bonds collectively feature a high correlation with the Index. Up to 100% of the Net Asset Value (“**NAV**”) will be invested in Treasury Bonds and Policy Bank Bonds. Except cash and cash equivalent instruments, the Sub-Fund will not invest in securities other than Treasury Bonds and Policy Bank Bonds. Not more than 30% of the NAV may be invested in Government and other Public Securities (as defined in the Prospectus) of the same issue; and the Sub-Fund may invest all of its assets in Government and other Public Securities in at least 6 different issues.

The Sub-Fund will gain direct exposure to Treasury Bonds and Policy Bank Bonds by investing up to 100% of the NAV in the PRC inter-bank bond market under mutual bond market access between Hong Kong and Mainland China (“**Bond Connect**”) and the regime allowing foreign institutional investors to invest in the PRC inter-bank bond market (“**Foreign Access Regime**”). The Sub-Fund may also utilise other means as may be permitted by the relevant regulations from time to time.

As the Index comprises only Treasury Bonds and Policy Bank Bonds, there is no credit rating requirement for inclusion in the Index. The credit rating of the PRC government, China Development Bank, Export-Import Bank of China and Agricultural Development Bank of China as the issuers of Treasury Bonds and Policy Bank Bonds are A+ by Standard & Poor’s and A1 by Moody’s.

The Sub-Fund may also invest not more than 10% of its NAV in money market instruments and in cash deposits for cash management purpose. Such investments may be in denominated in RMB or HKD, and may be onshore or offshore. The money market instruments include certificates of deposit, treasury bills, commercial papers and money market funds either managed by third party, or by the Manager itself or its Connected Persons.

There is no current intention for the Sub-Fund to (i) invest in any financial derivatives (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, (ii) invest in urban Investment bonds (城投債), (iii) invest in structured products or instruments, structured deposits, asset backed securities, asset backed commercial papers and mortgage backed securities, or (iv) enter into securities lending, sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions, but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, the Manager will seek the prior approval of the SFC (if required) and provide at least one month’s prior notice to Unitholders before engaging in any such investments.

Index

The Index is a total return index (meaning that the performance of the Index is performance of the index constituents on the basis that any dividends or distributions are reinvested) and a free float adjusted market capitalisation weighted index that is sponsored by Bloomberg Index Services Limited (the “**Index Provider**”). The Index Provider is responsible for the calculation and dissemination of the Index. The Index aims to reflect the performance of the fixed rate RMB-denominated Treasury Bonds and Policy Bank Bonds listed on the PRC inter-bank bond market.

The inception date of the Index was 1 January 2004 and the Index had a base level of 100 on 31 December 2003. As 10 April 2024, the Index had a market capitalisation of RMB 43.37 trillion and 332 constituents.

The Manager (and its Connected Persons) is independent of the Index Provider.

You can obtain the most updated list of the constituents of the Index, their respective weightings, additional information concerning the Index (including Index fact sheets, methodology, end of day Index levels and Index performance) and other important news from the website of the Index Provider at www.bloombergindices.com (the contents of which has not been reviewed by the SFC). The Index (which is maintained by the Index Provider) is calculated and disseminated in RMB after market close of each working day and is available globally via information vendors Bloomberg and Reuters. The end of day Index is available on the website of the Index Provider.

Vendor Code

Bloomberg Code: I32561CN

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.

1. Investment risk

- The Sub-Fund’s investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

2. Risks associated with PRC inter-bank bond market and Bond Connect

- Investing in the PRC inter-bank bond market via Bond Connect and/or Foreign Access Regime is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the PRC inter-bank bond market via Foreign Access Regime and/or Bond Connect are subject to change which may have potential retrospective effect.
- In the event that the relevant PRC authorities suspend account opening or trading on the PRC inter-bank bond market or trading through Bond Connect, the Sub-Fund’s ability to invest in the PRC inter-bank bond market will be adversely affected. Where a suspension in the trading through Bond Connect is effected, the Sub-Fund’s will have to increase its reliance on the Foreign Access Regime, and its ability to achieve its investment objective could be negatively affected.

3. Risk associated with debt securities

- *Credit / Counterparty risk:* The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities that the Sub-Fund may invest in.
- *Interest rate risk:* Investment in the Sub-Fund 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.
- *Volatility and liquidity risk:* The debt securities in PRC markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

- *Downgrading risk:* The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. There is no assurance that the Treasury Bonds and Policy Bank Bonds invested by the Sub-Fund or the issuer of the Treasury Bonds and Policy Bank Bonds will continue to have an investment grade rating or continue to be rated.
 - *Sovereign debt risk:* The Sub-Fund's investment in securities issued by the MOF may be exposed to political, social and economic risks. In adverse situations, the sovereign issuer may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuer.
 - *Valuation risk:* Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Sub-Fund.
 - *Credit rating 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.
 - *Credit rating agency risk:* The credit appraisal system in Mainland China and the rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.
- 4. Operational and settlement risk**
- The Sub-Fund may be exposed to risks associated with settlement procedures and default of counterparties on the PRC inter-bank bond market. All trades settled through China Central Depository and Clearing Co., Ltd are on delivery versus payment basis, i.e. the Sub-Fund will only pay the counterparty upon receipt of the securities. If a counterparty defaults in delivering the securities, the trade may be cancelled and this may adversely affect the value of the Sub-Fund.
- 5. RMB currency and conversion risks**
- RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD or USD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.
 - Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- 6. Concentration risks / PRC market risks**
- The Index tracks the performance of a single geographical region, namely the PRC and is concentrated in bonds of a few issuers. The NAV of the Sub-Fund is therefore likely to be more volatile than a more broad-based fund, such as a global bond fund, as the Index is more susceptible to fluctuations in value resulting from adverse changes in the financial condition of the PRC government and changes in economic or political conditions which affect the PRC.
 - Investments in the PRC may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
 - The Sub-Fund is relatively concentrated in a limited number of debt securities. The Sub-Fund is likely to be more volatile than a fund tracking an index with a greater number of constituents, as the adverse performance of a constituent will have a greater impact on the value of the Sub-Fund.
- 7. PRC tax risk**
- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via the Sub-Fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect its value.
 - After careful consideration of the Manager's assessment and having taken and considered independent professional tax advice, the Sub-Fund does not currently make provision on the

gross realised and unrealised capital gains derived from the disposal of Treasury Bonds and Policy Bank Bonds, but the Manager reserves the right to provide for the withholding tax and value-added tax on gross realised and unrealised capital gains derived from investments in Treasury Bonds and Policy Bank Bonds, where applicable.

- In light of Caishui [2018] No. 108 on tax treatment for Foreign Institutional Investors (“FIIs”) investing in China bond market dated 7 November 2018 released by the Ministry of Finance of the People’s Republic of China (“MoF”) and the State Administration of Taxation (“SAT”) on 22 November 2018. The Sub-Fund does not currently make provision for Mainland WHT, VAT and other surtaxes on VAT on the bond interest income received by the Sub-Fund from 7 November 2018, up to and including 6 November 2021.
- It is possible that the applicable tax laws may be changed, that the PRC tax authorities may hold a different view as to the enforcement of the PRC withholding tax collection on capital gains. In such case the Sub-Fund will bear the actual tax liabilities as no tax provision has been made. This may have an adverse impact to the Sub-Fund’s NAV. In this case, existing and subsequent investors will be disadvantaged as they bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment.

8. Distribution risks

- Dividend distributions are not guaranteed and are subject to the discretion of the Manager. Therefore, investors may not receive any dividends from the Sub-Fund, notwithstanding that the Sub-Fund may receive interest income from the Treasury Bonds and Policy Bank Bonds it holds.
- Unitholders will receive distributions in the base currency (RMB) only. In the event that a Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from RMB to HKD or USD, and bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

9. Passive investments risk

- The Sub-Fund is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

10. Trading risk

- The trading price of the units on the SEHK is driven by market factors such as the demand and supply of the units. Therefore, the units may trade at a substantial premium or discount to the NAV.
- 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 NAV per unit when buying units on the SEHK, and may receive less than the NAV per unit when selling units on the SEHK.

11. Tracking error risk

- The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

12. Trading difference risks

- As the PRC inter-bank bond market may be open when units in the Sub-Fund are not priced, the value of the Treasury Bonds and Policy Bank in the Sub-Fund’s portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund’s units. Differences in trading hours between the PRC inter-bank bond market and the SEHK may also increase the level of premium or discount of the unit price to its NAV.

13. Reliance on market makers risks

- Although the Manager will use its best endeavours to put in place arrangements so that at least one market maker will maintain a market for the units traded on each counter and that at least one market maker for each counter gives not less than 3 months’ notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market

for the units may be adversely affected if there is no or only one market maker for the units traded on a counter. There is also no guarantee that any market making activity will be effective.

14. Multi counter risks

- If there is a suspension of the inter-counter transfer of units between the counters and/or any limitation on the level of services by brokers and CCASS participants, unitholders will only be able to trade their units in one counter only, which may inhibit or delay an investor dealing. The market price of units traded in each counter may deviate significantly. As such, investors may pay more or receive less when buying or selling units traded on one counter on the SEHK than in respect of units traded on another counter and vice versa.

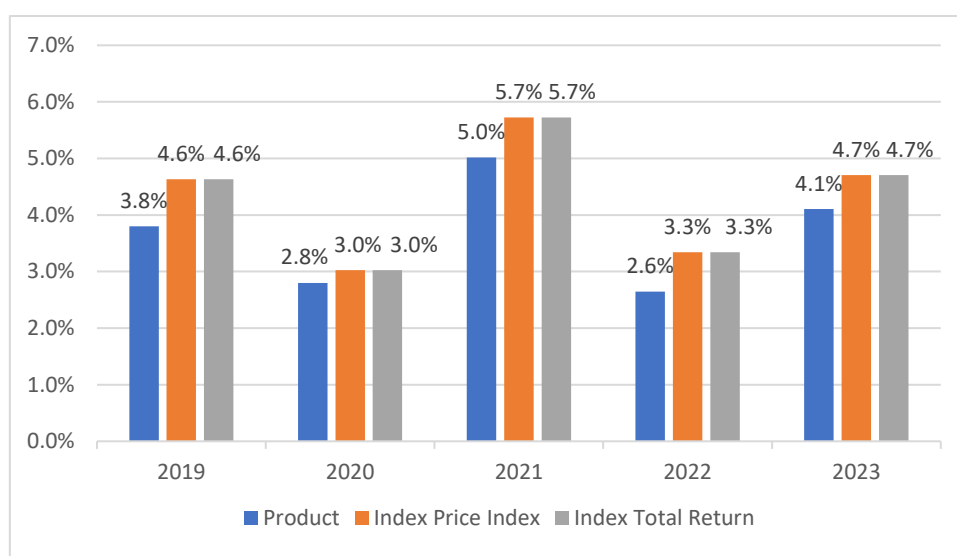
15. Currency risk

- The Sub-Fund has units traded in HKD and USD in addition to its base currency (RMB). Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the base currency and the relevant trading currency when trading units in the secondary market.

16. 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 size of the Sub-Fund falls below HK\$150 million. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

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 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 RMB 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: Bloomberg China Treasury + Policy Bank Bond Index.
- Launch date: 6 June 2018.

Is there any guarantee?

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

What are the fees and charges?

Charges incurred by you when trading the Sub-Fund on the SEHK

Fees	What you pay
Brokerage fee	Market rates
Transaction levy	0.0027% ¹
Financial Reporting Council (“FRC”) transaction levy	0.00015% ²
SEHK trading fee	0.00565% ³
Stamp duty	Nil
Inter-counter transfer	HKD5 ⁴

1. Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
2. FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
3. Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
4. HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer between one counter and the other counter. Investors should check with their brokers regarding any additional fees.

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.

	Annual rate (as a % NAV)
Management fee** The Sub-Fund pays a management fee to the Manager.	0.15%
Trustee’s fee* The Sub-Fund pays a trustee’s fee to the Trustee.	0.08% per annum for the first RMB500 million of the NAV and 0.06% per annum for the remaining balance of the NAV Subject to a monthly minimum of RMB38,000
Performance fee	Nil
Administration fee	Nil

* Please note that these fees may be increased up to a permitted maximum on giving 1 month’s notice to unitholders. Please refer to the section of the prospectus entitled “Fees and Expenses” for further details of the fees and charges payable and the permitted maximum of such fees 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.

Additional information

The Manager will publish important news and information with respect to the Sub-Fund (including in respect of the Index), both in the English and in the Chinese languages, on the Manager’s website

at <http://www.chinaamc.com.hk/en/products/etf/bloomberg-china-treasury-policy-bank-bond-index/fund-details.html> (this website is not reviewed by the SFC) including:

- (a) the Prospectus and this statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual audited accounts and half-yearly unaudited reports (in English only);
- (c) any notices relating to material changes to the Sub-Fund which may have an impact on its investors, such as material alterations or additions to this 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 the Index and notice of suspension of creations and redemptions of Units, suspension of the calculation of its NAV, changes in its fees and suspension and resumption of trading;
- (e) the tracking difference and tracking error of the Sub-Fund;
- (f) the last NAV of the Sub-Fund (in RMB only) and the last NAV per Unit of the Sub-Fund (in RMB, HKD and USD);
- (g) the near real time indicative NAV per Unit updated every 15 seconds throughout each Dealing Day in RMB, HKD and USD;
- (h) the full portfolio information of the Sub-Fund (updated on a daily basis);
- (i) the latest list of the Participating Dealers and Market Makers;

The near real time indicative NAV per Unit in HKD and USD are indicative and for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services with ICE's real time FX rate. The last NAV per Unit in HKD is indicative and for reference only and is calculated using the last NAV per Unit in RMB multiplied by an assumed foreign exchange rate using the Tokyo Composite 3:00 p.m. Tokyo time (2:00 p.m. Hong Kong time) mid rate quoted by Bloomberg for offshore RMB (CNH) as of the same Dealing Day. The last NAV per Unit in USD is indicative and for reference purpose only and is calculated using the last NAV per Unit in RMB multiplied by an assumed foreign exchange rate for USD quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The last NAV per unit in RMB will not be updated when the interbank bond market is closed, the change to indicative NAV per Unit in HKD and USD (if any) during such period is solely due to the change in the foreign exchange rate.

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.