Product Key Facts

CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product

CSOP Asset Management Limited **19 April 2024**

This is a two times inverse product. It is different from conventional exchange traded funds as it seeks two times inverse investment results relative to the Index and only on a Daily basis.

This product is not intended for holding longer than one day as the performance of this product over a longer period may deviate from and be uncorrelated to the two times inverse performance of the Index over the period. Such effect is more pronounced (1) on inverse products, and (2) when your holding period and/or the index volatility increase. As a result, you may suffer significant losses from this product.

This product is designed to be used for short term trading or hedging purposes, and is not intended for long term investment.

This product only targets sophisticated trading-oriented investors who understand the potential consequences of seeking Daily two times inverse results and the associated risks and constantly monitor the performance of their holdings on a Daily basis.

This is a product traded on the exchange.

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:	07505
Trading lot size:	100 Units
Manager:	CSOP Asset Management Limited 南方東英資產管理有限公司
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year#	3.00 % (0.012 %)

The ongoing charges figure represents the sum of the ongoing expenses chargeable to the Product expressed as a percentage of the Product's NAV. It does not include the swap fees as discussed herein. The Manager will cap the ongoing charges figure for the Product at a maximum of 3% p.a. ("OCF Cap"). This means that any expense of the Product (falling within the scope of ongoing expenses) incurred during this period will be borne by the Manager and will not be charged to the Product if such expense would result in the ongoing charges figure exceeding the OCF Cap.

* The annual average daily ongoing charges figure is equal to the ongoing charges figure over the year divided by the number of dealing days during that year. This figure may vary from year to year.

(annual average daily ongoing charges*):	
Annual average daily tracking difference##:	0.03%
Index:	Solactive US Large Oil & Gas Companies Index NTR (the "**Index**")
Base currency:	United States Dollar (USD)
Trading currency:	Hong Kong dollars (HKD)
Financial year end:	31 December
Dividend policy:	Annually in December subject to the Manager's discretion. Distributions may be paid out of capital or effectively out of capital. **All Units will receive distributions in the base currency (USD) only**.
Website:	https://www.csopasset.com/en/products/hk-olg-i (this website has not been reviewed by the SFC)

What is this product?

CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product (the "**Product**") is a sub-fund of CSOP Leveraged and Inverse Series, an umbrella unit trust established under Hong Kong law. Units of the Product (the "**Units**") are traded in HKD on The Stock Exchange of Hong Kong Limited (the "**SEHK**") like stocks. It is a swap-based product with an investment objective to provide Daily investment results, before fees and expenses, which closely correspond to two times inverse (-2x) of the Daily performance of the Index. It is denominated in USD. Creations and redemptions are in USD only.

Objective and investment strategy

Objective

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to two times inverse (-2x) of the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day**.

"**Daily**" in relation to the inverse performance of the Index or the performance of the Product, means the inverse performance of the Index or the performance of the Product (as the case may be) from the close of market of a given Business Day until the close of the market on the subsequent Business Day.

Strategy

The Manager intends to adopt a Swap-based synthetic replication strategy to achieve the investment objective of the Product, pursuant to which the Product will enter into more than one partially-funded Swap (which are over-the counter financial derivative instruments entered into with more than one Swap Counterparty) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Index (net of transaction costs).

No more than 50% of the Net Asset Value ("**NAV**") of the Product from time to time will be used as Initial Amount by way of cash and money market funds authorised by the SFC to acquire the Swaps. Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in the respective designated accounts, and the Swap Counterparty will have a security interest over the Initial Amount (and the

This is the actual tracking difference of the last calendar year. Investors should refer to the Product's website for more up to date information on the actual daily tracking difference and actual average daily tracking difference.

relevant accounts) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Not less than 40% of the NAV (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD, RMB or USD) and other HKD, RMB or USD denominated investment products, such as deposits with banks in Hong Kong and HKD, RMB or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds in accordance with the requirements of the Code on Unit Trusts and Mutual Funds (the "**Code**"). Yield in HKD, RMB or USD (as the case may be) from such cash and investment products will be used to meet the Product's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to the Unitholders in HKD, RMB or USD.

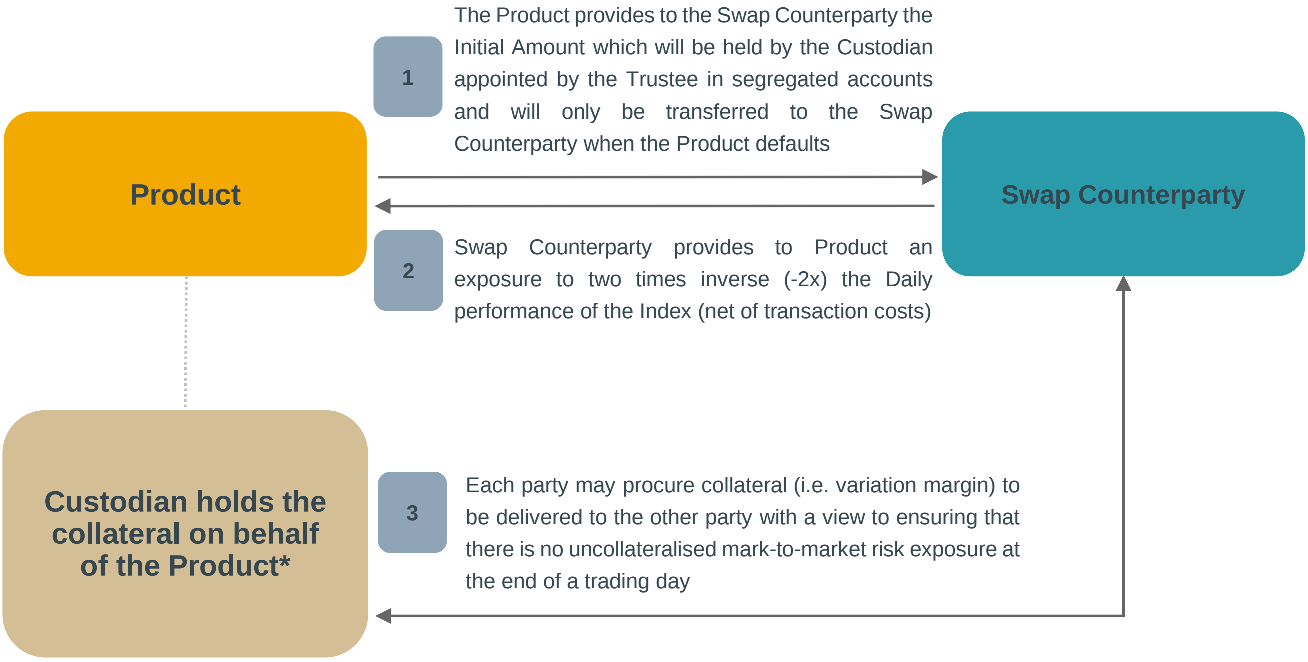
No more than 10% of the NAV may be invested in collective investment scheme which may be eligible schemes (as defined by the SFC) or authorised by the SFC or non-eligible scheme and not authorised by the SFC (such as ETFs listed on stock exchanges in the US) in accordance with all the applicable requirements of the Code. Any investments in ETFs will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code. For the avoidance of doubt, the Product's investment in money market funds mentioned in the preceding paragraph is not subject to this limit but the Product will invest no more than 10% in money market funds which are non-eligible schemes and not authorised by the SFC. All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code.

The Manager has no current intention to enter into any securities lending, repurchase and reverse repurchase or similar transactions in respect of the Product.

To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to USD250,000 (or currency equivalent) will be applicable.

The diagram below shows how the swap-based synthetic replication investment strategy works:



** The Initial Amount will be held by the Custodian in segregated accounts subject to security interest.*

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

The Product's net derivative exposure to financial derivative instruments will not exceed -202% of its Net Asset Value (i) at the time of Daily rebalancing of the Product, (ii) between Daily rebalancing, unless due to market movements

Swap Fees

The Product will bear the swap fees, which includes all costs associated with Swap transactions and are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's cost of financing the underlying hedge.

If the swap fees is a positive figure, then it denotes the fee that the Product pays to the Swap Counterparties, and may result in a negative impact on the tracking difference of the Product. On the contrary, if the swap fees is a negative figure, the Swap Counterparties will pay to the Product and may lead to a positive impact on the tracking difference of the Product. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. The Product shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Product is 50bps* per transaction on the notional amount of the Swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the NAV and the performance of the Product, and may result in higher tracking error.

Daily rebalancing

The Product as an inverse product will rebalance its position on a day when the underlying stock market(s) of the US (the "**US Stock Market(s)**") and SEHK is open for trading (i.e. a Business Day). At or around the close of the trading of the US Stock Market(s) on each Business Day, the Product will seek to rebalance its portfolio, by decreasing exposure in response to the Index's two times inverse (-2x) Daily gains or increasing exposure in response to the Index's two times inverse (-2x) Daily losses, so that its Daily inverse exposure ratio (i.e. two times inverse (-2x)) to the Index is consistent with the Product's investment objective.

Index

The Index is a net total return free-float market capitalisation index compiled and published by Solactive AG (the "**Index Provider**"). The Manager and its connected persons are independent of the Index Provider. The Index is a net total return index representing US listed securities from the oil and gas sectors that have the highest free float market capitalisation. The top 15 securities in the index universe based on free-float market capitalisation are selected. The Index is an equal weighted index on each selection day of Index constituents (i.e. being 10 business days prior to the Index rebalance day, which will take place semi-annually in June and December (each a "Selection Day")). Between each Selection Day, the weightings of the Index constituents may fluctuate and therefore may not be equal-weighted.

A net return index reflects the reinvestment of dividends, net of withholding taxes, from the underlying securities. The Index is denominated and quoted in USD.

The Index was launched on 6 July 2022 and had an initial level of 1,000 on 16 June 2017. As of 22 March 2024, the Index had a total market capitalisation of USD 1.53 trillion and 15 constituents.

You can obtain most updated list of the constituents of the Index, their respective weightings and other additional information of the Index from the website of the Index Provider at: https://www.solactive.com/indices/?index=DE000SL0GJT2#detail (this website has not been reviewed by the SFC).

Bloomberg Index Code: SOULOGCN Index

Use of derivatives / investment in derivatives

The Product's net derivative exposure may be more than 100% of the Product's Net Asset Value.

What are the key risks?

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

1. Investment risk

- The Product is a derivative product and is not suitable for all investors. There is no guarantee of the repayment of principal. Therefore, your investment in the Product may suffer substantial or total losses.

2. Inverse performance risk

- The Product tracks the two times inverse performance of the Index on a Daily basis, using leverage to achieve a Daily return equivalent to twice the inverse performance of the Index. Both gains and losses will be magnified and in the two times inverse (-2x) direction of the Daily performance of the Index. Should the value of the underlying securities of the Index increase, it could have a magnified negative effect on the performance of the Product. Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments.

3. Leverage risk

- The Product will utilise leverage to achieve a Daily return equivalent to minus two times (-2x) the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Product in certain circumstances including a bull market will be substantially more than a fund that does not employ leverage. For example, the Index could increase by more than 50% on a particular day and this may result in the total loss of the investors' investment in the Product. Such total loss of investment could occur in a relatively short period of time if there is a material market movement.

4. Long term holding risks

- **The Product is not suitable for holding longer than one day** as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from two times the inverse performance of the Index over that same period (e.g. the loss may be more than two times the increase in the Index). This effect may be more pronounced for longer holding periods and in products with larger leverage factor and/or inverse exposure. Investors should not expect the actual percentage return of investing in the Product to be equal to two times the inverse percentage change in the Index for periods of longer than one day.
- The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. With higher Index volatility, the deviation of the Product's performance from the two times inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected.
- As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat. Investors in the Product should actively manage and monitor their investments, as frequently as daily.
- The table below illustrates the potential investment outcomes of holding the Product for a period longer than one day in a volatile market. For example, where an investor has invested in the Product on day 0 and the index falls by 2% in total at the end of day 4, the Product would have an accumulated loss of 7.8%, instead of a 4% gain which is -2x the accumulative return of the index.

	Day 0	Day 1	Day 2	Day 3	Day 4
Underlying index level	100.0	90.0 (down 10%)	99.0 (up 10%)	108.9 (up 10%)	98.0 (down 10%)
NAV per unit of the product	$100.0	$120.0 (up 20%)	$96.0 (down 20%)	$76.8 (down 20%)	$92.2 (up 20%)
The product's target exposure to underlying index at day-end	$-200.0	$-240.0	$-192.0	$-153.6	$-184.3
Cumulative return (underlying index) multiplied by minus two		*+20.0%*	*+2.0%*	*-17.8%*	*+4.0%*
Cumulative return (product)		*+20.0%*	*-4.0%*	*-23.2%*	*-7.8%*
Difference		**0.0%**	**-6.0%**	**-5.4%**	**-11.8%**

5. Risks associated with oil and gas sectors

- The Index comprises stocks of companies in the oil and gas sectors. Prices for oil and gas will have a direct impact on the business and revenue of oil and gas companies. Prices for oil and gas are highly volatile and may fluctuate widely and may be affected by numerous events or factors such as production and sale, complex interaction of supply and demand of oil and gas, weather, inventory level, pandemic like Covid-19, war, speculator's activities, behaviour and control of the resources' exporting countries, economic activity of significant user country and other financial market factors. Sudden and dramatic changes in the oil and gas markets may occur and prices for oil or gas may rise significantly or drop to zero or negative value within a short period of time. The exposure of the Product is concentrated in the oil and gas market, it is more susceptible to the effects of oil and gas price volatility than more diversified funds.

6. Synthetic replication and counterparty risk

- *Under collateralisation risk:* The Manager seeks to mitigate the counterparty risks by fully collateralising all Swap Counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the Product may suffer significant losses. Any loss would result in a reduction in the NAV of the Product and impair the ability of the Product to achieve its investment objective.

  The Product may suffer significant losses if the Swap Counterparty fails to perform its obligations under the Swap. The value of the collateral assets may be affected by market events and may diverge substantially from the inverse performance of the Index, which may cause the Product's exposure to the Swap Counterparty to be under-collateralised and therefore result in significant losses.
- *Default risk:* The Product seeks to obtain the required exposure through more than one Swap with more than

one Swap Counterparty. The Product is therefore exposed to counterparty risk and default risk of the Swap Counterparties and may suffer significant losses if a swap counterparty fails to perform its obligations. Derivative instruments are susceptible to price fluctuations and higher volatility, which may result in large bid and offer spreads with no active secondary market. The Product may suffer losses potentially equal to the full value of the financial derivatives.

- *Intra-day counterparty risk:* The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+2 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.

- *Early termination of Swaps risk:* In some circumstances, a Swap Counterparty can terminate the swap agreements early which may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterpart(ies).

- *Increase of swap fees risk:* The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees.

- *Capacity limit risk:* The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Index for the Product. Accordingly, the Product's exposure to the Index may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the NAV of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the NAV per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

7. Inverse product vs short selling risk

- Investing in the Product is different from taking a short position. Because of rebalancing, the return profile of the Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.

8. Unconventional return pattern risk

- Risk investment outcome of the Product is the opposite of conventional investment funds, and any gains and losses will be magnified by approximately two times. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.

9. New Index risk

- The Index is a new index. The Product may be riskier than other products tracking more established indices with longer operating history.

10.Equal weighted index risk

- The Index is an equal weighted index whereby the Index constituents will have the same weightings on each Selection Day (but not between each Selection Day) regardless of its size or market capitalisation based on the methodology of the Index. The Product by tracking the Index the Index may have relatively large holdings in Index constituents with relatively smaller market capitalisation than it would have held if tracking a market capitalisation weighted index, leading to higher risks and potential underperformance.

11. Concentration risks

- The Product's exposure is concentrated in a specific geographical location (i.e. the US) and sectors (i.e. oil and gas). The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US oil and gas markets.

12. Risk of rebalancing activities

- There is no assurance that the Product can rebalance its portfolio on a Daily basis to achieve its investment objective. Market disruption, regulatory restrictions, extreme market volatility or capacity limit of the swap counterparty(ies) may adversely affect the Product's ability to rebalance its portfolio.

13. Liquidity risk

- The rebalancing activities of the Product typically take place near the end of trading of the underlying US Stock Market(s) to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

14. Intraday investment risk

- The Product is normally rebalanced at or around the close of trading of the underlying US Stock Market(s) on each Business Day. As such, return for investors that invest for period less than a full trading day will generally be greater than or less than two times (2x) the inverse investment exposure to the Index, depending upon the movement of the Index from the end of one trading day until the time of purchase.

15. Currency and conversion risks

- The Product may need to use currency other than the base currency as set out in the relevant ISDA Credit Support Annex for collateral and independent amount posting purpose. The Product may enter into currency contract to hedge the currency risk but the currency exposure is linked to marked-to-market value of the Swaps. This may bring additional cost and currency risk for the Product. A portion of the Sub-Fund's investments are denominated in HKD or RMB, therefore foreign exchange risk exists between the Base Currency (i.e. USD) and the underlying investments currency. Also, the Sub-Fund's Base Currency is in USD but the Units are traded in HKD. The NAV of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between USD and HKD. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between HKD and the Base Currency when trading Units in the secondary market.

16. USD distributions risk

- Unitholders will receive distributions in the base currency (USD) only. In the event that a Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from USD to HKD, 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.

17. Distributions risk

- Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment and may result in an immediate reduction in the NAV per Unit.

18. Passive investments risk

- The Product is not "actively managed" and the Manager will not adopt any temporary defensive position when the Index moves in an unfavourable direction. In such circumstances, Units of the Product will also decrease in value.

19. Trading risks

- The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. 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.

20.Reliance on market maker risk

- 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 and gives not less than three months' notice prior to termination of the market making arrangement, liquidity in the market for the Units may be adversely affected if there is only one market maker for the Units. There is also no guarantee that any market making activity will be effective.

21. Tracking error and correlation risks

- The Product may be subject to tracking error risk, which is the risk that its performance may not track that of the two times inverse (-2x) Daily performance of the Index exactly. This tracking error may result from the investment strategy used, liquidity of the market and fees and expenses as well as costs of using FDIs and the correlation between the performance of the Product and the two times inverse (-2x) Daily performance of the Index may be reduced. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication of the two times inverse performance of the Index at any time, including on an intra-day basis.

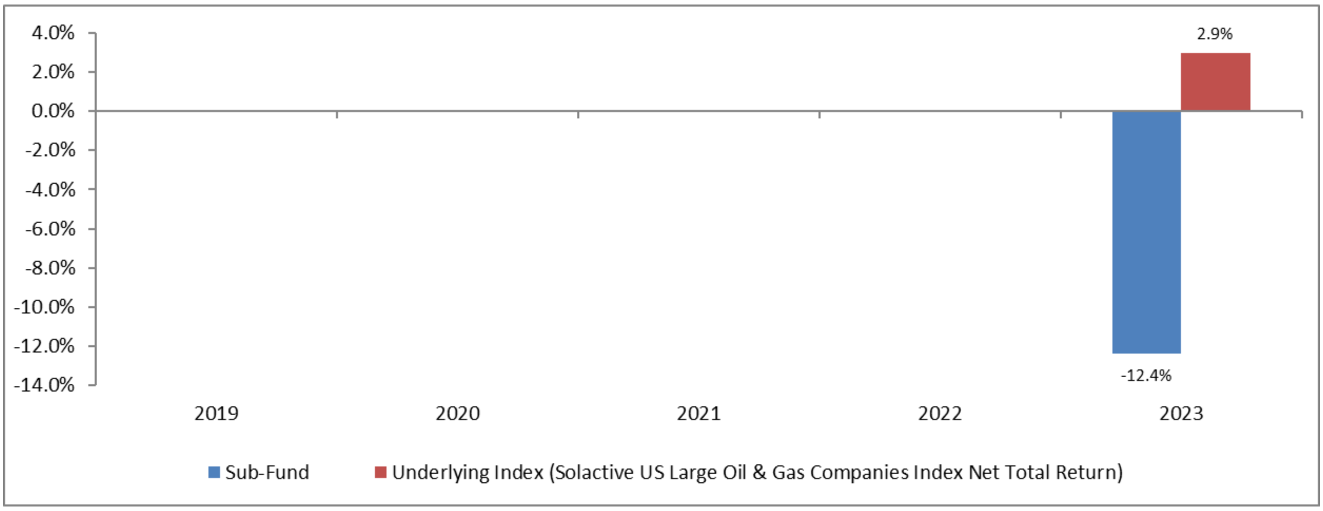
22. Volatility risk

- Prices of the Product may be more volatile than conventional ETFs because of the daily rebalancing activities and the leverage effect.

23. Termination risk

- The Product may be terminated early under certain circumstances, for example, where there is no market maker, the Index is no longer available for benchmarking or if the size of the Product falls below USD20 million. Investors may not be able to recover their investments and suffer a loss when the Product is terminated.

How has the Product 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 Product increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD taking into account ongoing charges and excluding your trading costs on SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 23 November 2022.

Is there any guarantee?

The Product 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 when trading the Product on the SEHK

Fee	What you pay
Brokerage fee	Market rate
Transaction levy	0.0027%[1] of the trading price
Trading fee	0.00565%[2] of the trading price
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[3]
Stamp duty	Nil

[1] *Transaction levy of 0.0027% of the trading price of the Units payable by each of the buyer and the seller.*
[2] *Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.*
[3] *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

Ongoing fees payable by the Product

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

	Annual rate (as a % of NAV)
Management fee*	1.60%
Trustee fee	Included in the management fee
Performance fee	Nil
Administration fee	Included in the management fee

** Please note that the management 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 Expenses" in the Prospectus for further details of the fees and charges payable and the permitted maximum of such fee allowed, as well as other ongoing expenses that may be borne by the Product.*

Other fees

You may have to pay other fees when dealing in the Units of the Product. Please refer to the Prospectus for details.

Additional information

The Manager will publish important news and information with respect to the Product (including in respect of the Index), in the English and Chinese languages (unless otherwise specified), on the Manager's website at https://www.csopasset.com/en/products/hk-olg-i (which has not been reviewed or approved by the SFC) including:

(a) the Prospectus and this statement (as revised from time to time);

(b) the latest annual accounts and half-yearly unaudited report (in English only);

(c) any notices relating to material changes to the Product which may have an impact on Unitholders such as material alterations or additions to the Prospectus or the Product's constitutive documents;

(d) any public announcements made by the Product, including information with regard to the Product and Index, notices of the suspension of the calculation of the NAV, suspension of creation and redemption of Units, changes in fees, and the suspension and resumption of trading;

(e) the near real time indicative NAV per Unit updated every 15 seconds during SEHK trading hours in HKD;

(f) the last NAV of the Product in USD and the last NAV per Unit in USD and in HKD;

(g) the past performance information of the Product;

(h) the daily tracking difference, the average daily tracking difference and the tracking error of the Product;

(i) full portfolio information of the Product (updated on a Daily basis);

(j) the Product's gross and net exposure to each Swap Counterparty;

(k) pictorial presentation of collateral information by way of pie charts (updated on a weekly basis) showing the following (if applicable): a) a breakdown by asset type, e.g. equity, bond and cash and cash equivalents; b) for equity, further breakdown by (1) primary listing (i.e. stock exchanges), (2) index constituents, and (3) sector; c) for bond, further breakdown by (1) types of bonds, (2) countries of issuers/guarantors, and (3) credit rating;

(l) top 10 holdings in the collateral (including name, percentage of the Product's NAV, type, primary listing for equities, country of issuers, credit rating if applicable) (updated on a weekly basis);

(m) the latest list of Swap Counterparties (including hyperlinks to the websites of Swap Counterparties and their guarantors (if applicable)) (updated on a weekly basis);

(n) a "performance simulator" which allows investors to select a historical time period and simulate the performance of the Product vis-à-vis the Index during that period based on historical data;

(o) the latest list of the participating dealers and market makers; and

(p) compositions of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for a rolling 12-month period.

The near real time indicative NAV per unit in HKD and the last NAV per unit in HKD are indicative and for reference purposes only. The near real time indicative NAV per unit in HKD is updated every 15 seconds during SEHK trading hours. The near real time indicative NAV per unit in HKD uses a real time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. Since the indicative NAV per Unit in USD will not be updated when the underlying US Stock Market(s) is closed, any change in the indicative NAV per Unit in HKD during such period is solely due to the change in the foreign exchange rate.

The last NAV per unit in HKD is calculated using the last NAV per unit in USD multiplied by an assumed foreign exchange rate using the HKD:USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last NAV per unit in USD and the indicative last NAV per unit in HKD will not be updated when the underlying US Stock Market(s) is closed.

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.