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FUBON ETF SERIES OFC

(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong))

(the "Company")

Fubon ICE FactSet Taiwan Core Semiconductor Index ETF

Stock Code: 3076

Fubon FTSE Taiwan RIC Capped Index ETF

Stock Code: 3021

Fubon Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporations) High Dividend Yield Index ETF

Stock Code: 3190

(collectively, the "Sub-Funds")

ANNOUNCEMENT

Addition of Unlisted Classes to the Sub-Funds, Change of Underlying Index of Fubon ICE FactSet Taiwan Core Semiconductor Index ETF (the "Semiconductor ETF") and Other Changes

Dear Shareholders,

Fubon Fund Management (Hong Kong) Limited (the “**Manager**”), the manager of the Company and the Sub-Funds, wishes to inform Shareholders of the following changes relating to the Company and the Sub-Funds which will take effect on 20 June 2024 (the “**Effective Date**”), unless specified otherwise.

A. Addition of Unlisted Classes to the Sub-Funds

In order to provide investors with an additional channel to invest in the Sub-Funds and subscribe to and redeem from the Sub-Funds at their Net Asset Value, the following unlisted classes of Shares (the “**Unlisted Classes**”) will be established on the Effective Date for the following Sub-Funds:

Sub-Funds	New Unlisted Classes
Fubon ICE FactSet Taiwan Core Semiconductor Index ETF	• Class I (HKD) Acc Shares
Fubon FTSE Taiwan RIC Capped Index ETF	• Class I (USD) Acc Shares
Fubon Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporations) High Dividend Yield Index ETF	• Class A (HKD) Dist Shares
	• Class A (USD) Dist Shares

The investment objective, underlying index, investment strategy and underlying investments of each of the Sub-Funds will not change as a result of the addition of the Unlisted Classes (save for a change of underlying Index of the Semiconductor ETF as set out in section B below). Other than the additional risks in relating to the differences in dealing arrangements between Listed Class and Unlisted Classes as disclosed in the product key facts statements (“**KFS**”) of the Sub-Funds, there will be no material change to the risk profile of the Sub-Funds and their existing classes. The addition of the Unlisted Classes to the Sub-Funds will not materially prejudice the rights or interests of the existing Shareholders of the Sub-Funds. It does not require Shareholders’ approval pursuant to the Instrument and applicable Laws and Regulations.

The Manager expects the addition of the Unlisted Classes for the Sub-Funds will increase the size of Sub-Funds respectively. Through each of the Unlisted Classes, subscriptions to and redemptions from each of the Sub-Funds may be made by investors at their respective Net Asset Value. Save as otherwise mentioned above, there will not be other change to the operation and/or manner in which the Sub-Funds are being managed and there will be no other effect on existing Shareholders in the Sub-Funds. There is no change in the fee level or cost in managing the existing classes of the Sub-Funds following the addition of the Unlisted Classes.

On or around the Effective Date, the prospectus of the Company (the “**Prospectus**”) will be updated to reflect the similarities and differences between the listed class of Shares (the “**Listed Class**”) and the Unlisted Classes of the Sub-Funds. The existing KFS of the Listed Class of each of the Sub-Funds will be updated, and a separate set of KFS will be issued in respect of the Unlisted Classes of the Sub-Funds. Investors should note that the dealing arrangements, issue / subscription and redemption prices, fee structure, and Net Asset Value of the foregoing Unlisted Classes will be different. Please refer to the revised Prospectus (in particular the Appendices for respective Sub-Funds) for further information, which will include a comparison of the similarities and differences between the Listed Class and the Unlisted Classes.

B. Change of Underlying Index of the Semiconductor ETF

The underlying Index of the Semiconductor ETF will change from ICE® FactSet® Taiwan Core Semiconductor Index (Gross Total Return) (the “**Current Index**”) to ICE® FactSet® Taiwan Core Semiconductor 10% OTC Capped Index (Net Total Return) (the “**New Index**”). The change will commence from the start of trading on the Effective Date. The re-balancing to the constituents of the New Index is anticipated to take place over a period of two (2) trading days starting from the Effective Date, ending on 24 June 2024 at the latest. For further details on the re-balancing process, please refer to sub-section (ii) below.

- (i) Information about the New Index and comparison between the Current Index and the New Index

Same as the Current Index, the New Index is calculated and published by ICE Data Indices, LLC (the “**Index Provider**”). The Current Index and the New Index have substantially the same investment universe and calculation methodology, except that, for the New Index, the cumulative weight of securities listed on the Main Board of the Taipei Exchange (“**TPEX**”) is capped at 10% (the “**OTC Securities Cap**”) (while there is no such limit for the Current Index).

Further, while the Semiconductor ETF currently tracks the gross total return version of the Current Index, the Semiconductor ETF will track the net total return version of the New Index after the Effective Date.

Please refer to Appendix 1 to this Announcement which sets out a comparison of the key features and differences of the Current Index and the New Index.

The Manager believes that the change of the Index of the Semiconductor ETF (which will reduce the Semiconductor ETF’s investment in securities listed on the TPEX that are traded over-the-counter) will allow the Semiconductor ETF to achieve higher liquidity and better performance and to better reflect the net of tax return of the Index. On the other hand, the investment scopes of the two indices are highly correlated; the Manager is therefore of the view that the New Index is suitable in pursuing the investment objective of the Semiconductor ETF.

Investors should note that there is no guarantee of (i) the correlation of the two indices in future and (ii) the return of the Semiconductor ETF after the change of Index.

Save and except that the Semiconductor ETF will track the New Index from the Effective Date, the investment objective and policy of the Semiconductor ETF (in particular, the Semiconductor ETF’s nature to track the performance of its underlying Index) will remain unchanged. Other than the change of Index, there are no effects on existing investors starting on the Effective Date. Save as otherwise described above, the Index change (i) will not result in any other changes in the operation and/or manner in which the Semiconductor ETFs being managed, (ii) will not result in any other change in features of or risk applicable to the Semiconductor ETF; (iii) will not result in any change in the fee level or cost in managing the Semiconductor ETF, and (iv) will not materially prejudice any of the rights or interests of the existing Shareholders of the Semiconductor ETF.

Notwithstanding the Index change, the name and stock short name of the Semiconductor ETF will remain unchanged. For the avoidance of doubt, there will be no change to the stock code, the trading lot size and the ISIN of the Semiconductor ETF despite the Index change on the Effective Date.

(ii) Re-balancing process

The re-balancing of securities held by the Semiconductor ETF from constituents of the Current Index to constituents of the New Index will commence on the Effective Date and is anticipated to take place over a period of two (2) trading days (the “**Re-balancing Period**”). During the Re-balancing Period, the tracking error and tracking difference of the Semiconductor ETF may be higher than its historical level. Investors should note that after the Re-balancing Period, there is no guarantee that the tracking error and tracking difference of the Semiconductor ETF will be similar to that before the Index change.

The Manager does not expect that the re-balancing will have any material impact on the market.

The risks involved during the Re-balancing Period are as follows:

1. *Risk related to the Re-balancing Period*

During the Re-balancing Period, which is anticipated to take place over a period of two (2) trading days, holdings of the Semiconductor ETF will be re-balanced from constituents of the Current Index to constituents of the New Index. Although there is a high degree of correlation between the Current Index and New Index, the Manager considers there is a risk that the tracking error and the tracking difference of the Semiconductor ETF during the Re-balancing Period may increase. Investors who deal in Shares of the Semiconductor ETF during the Re-balancing Period should exercise caution.

2. *Past performance risk*

As a result of the Index change, the past performance of the Semiconductor ETF prior to the Effective Date is achieved under circumstances which will no longer apply from the Effective Date. Investors should exercise caution when considering the past performance of the Semiconductor ETF prior to the Effective Date.

C. Costs

The legal and administrative costs incurred in connection with the addition of Unlisted Classes of the Sub-Funds set out in section A above are approximately USD20,000 which will be borne by the Unlisted Classes of the Sub-Funds in proportion to the Sub-Funds' respective Net Asset Value and will be amortised over the first five financial years of the establishment of the Unlisted Classes (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

The legal and administrative costs, as well as the transaction costs incurred in re-balancing the portfolio of the Semiconductor ETF in connection with the Index change set out in section B above are approximately USD10,000 which will be borne by the Semiconductor ETF.

D. Other Miscellaneous Updates

The Prospectus and (where applicable) the KFS of the Sub-Funds will also be updated to reflect other miscellaneous, clarificatory, administrative, editorial and general information updates changes, including removal of obsolete disclosures.

E. General

Unless otherwise stated, all capitalised terms in this Announcement shall have the same meaning as in the Prospectus dated 22 December 2023.

The changes described in this Announcement do not require Shareholders' approval.

The revised Prospectus and KFS of the Listed Class of the Sub-Funds, as well as the KFS of the Unlisted Classes of the Sub-Funds, will be available for inspection free of charge at the Manager's office at the address below during office hours, and will also be available on the Manager's website at <https://www.fubonetf.com.hk>¹ and the HKEX's website at www.hkex.com.hk on or around 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 +852 3918 3288 or visit our office at Unit D, 19/F, Lee & Man Commercial Center, 169 Electric Road, Hong Kong.

**Fubon Fund Management (Hong Kong) Limited
as Manager of the Company and the Sub-Funds**

20 May 2024

¹ This website has not been reviewed by the SFC.

APPENDIX 1

Comparison of the Key Features and Differences between the Current Index and the New Index

	Current Index	New Index
General Information on the Index	<p>The Index is a rules-based equity benchmark designed to track the performance of Taiwan companies listed on either on the Taiwan Stock Exchange (“TWSE”) or the Main Board of the Taipei Exchange (“TPEX”)² that are involved in the semiconductor industry. It is a modified float-adjusted, market capitalisation weighted index, which is compiled utilising Revere Business Industry Classification System (“RBICS”) and Revere Hierarchy classifications licensed from FactSet Research Systems Inc.</p> <p>RBICS offers a single-sector mapping of about 48,000 of the world’s most liquid and publicly-traded companies based on their primary lines of business. It uses revenues as the key factor in determining a company’s primary line of business, by mapping a company to the sector from which it derives 50% or more of its revenues.</p> <p>Revere Hierarchy is an industry classification system built from the bottom-up, where the lowest hierarchical levels capture companies’ products and services. It has a variable-depth structure that can range from three to twelve levels of increasing granularity. In general, companies with a more technologically sophisticated industry or products have a greater level of depth.</p>	
Version of Index Tracked	<p style="text-align: center;">Gross total return</p> <p><i>[Note: A gross total return index calculates the performance of the Index constituents on the basis that any dividends or distributions are reinvested gross of any taxes that may apply.]</i></p>	<p style="text-align: center;">Net total return</p> <p><i>[Note: A net total return index calculates the performance of the Index constituents on the basis that any dividends or distributions are reinvested after deduction of any taxes that may apply.]</i></p>
Base Level (Date)	100.00 on 24 October 2014	
Launch Date	19 November 2020	2 June 2022
Number of Constituents³	30	30
Market Capitalisation³	TWD 74.03 trillion	TWD 74.40 trillion
Starting Universe	Common stocks of companies that are listed on either the TWSE or the General Stock Board of the TPEX.	Common stocks of companies that are listed on either the TWSE or the General Stock Board of the TPEX. <u>Preferred securities that have characteristics resembling that of equity securities like common stocks are also included in the starting universe if they meet the listing exchange criteria.</u>
Constituent Selection, Index Calculation and Reconstitution	Same for both the Current Index and the New Index – please refer to Appendix 1 of the Prospectus of the Company for further details.	

² For clarity, the General Stock Board of the TPEX (as referred to in the Index rules of the Current Index) is the same as the Main Board of the TPEX (as referred to in the Index rules of the New Index).

³ as at 30 April 2024.

Index Weight Adjustment	<p>At the semi-annual Index reconstitutions, constituent weights are determined by dividing their individual security-level float adjusted market capitalisation by the total float-adjusted market capitalisation of all constituents as of the Reference Date. These weights are then capped in the following order:</p> <ol style="list-style-type: none"> the weight of the constituent with the largest security-level float-adjusted market capitalisation is capped at 25%, with any excess amount redistributed among the remaining securities on a pro-rata basis; and all other securities are capped at 6%, with any excess amount redistributed among the remaining securities on a pro-rata basis, subject to the aforementioned caps. 	<p>At the semi-annual Index reconstitutions, constituent weights are determined by dividing their individual security-level float adjusted market capitalisation by the total float-adjusted market capitalisation of all constituents as of the Reference Date. These weights are then capped in the following order:</p> <ol style="list-style-type: none"> the weight of the constituent with the largest security-level float-adjusted market capitalisation is capped at 25%, with any excess amount redistributed among the remaining securities on a pro-rata basis, <u>subject to the 25% cap</u>; all other securities are capped at 6%, with any excess amount redistributed among the remaining securities on a pro-rata basis, subject to the aforementioned caps; <u>the cumulative weight of securities listed on the TPEX is capped at 10%, with any excess amounts redistributed among the securities listed on the TWSE on a pro-rata basis, subject to the 25% and 6% caps above.</u>
Index Code	ICEFSTST (Gross Total Return)	ICFSTSCN (Net Total Return)
Website	<p>The most updated list of the constituents of the Index and their respective weightings, additional information including the index methodology from the website of the Index Provider at https://www.theice.com/market-data/indices/equity-indices/funds,¹ and the closing level of the Index from the website of the Index Provider at https://www.nyse.com/quote/index/ICEFSTS.¹</p>	<p>The most updated list of the constituents of the Index and their respective weightings, the last closing level of the Index, additional information including the index methodology, news and announcements of the Index from the website of the Index Provider at https://indices.ice.com¹.</p>