# Product Key Facts
# CSOP RMB Money Market ETF

## CSOP Asset Management Limited

**18 July 2025**

- ***This is an active 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

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|---|---|
| **Stock code:** | 83122 RMB counter<br>03122 HKD counter |
| **Trading lot size:** | 10 Units in RMB counter<br>10 Units in HKD counter |
| **Manager and QFI Holder:** | CSOP Asset Management Limited<br>南方東英資產管理有限公司 |
| **Trustee and Registrar:** | HSBC Institutional Trust Services (Asia) Limited |
| **Custodian:** | The Hongkong and Shanghai Banking Corporation Limited |
| **PRC Custodian:** | HSBC Bank (China) Company Limited |
| **Ongoing charges over a year:** | 0.55%[#] |
| **Base currency:** | Renminbi (RMB) |
| **Trading currencies:** | Renminbi-RMB counter<br>HKD – HKD counter |
| **Financial year end:** | 31 December |
| **Dividend policy:** | Annually at Manager's discretion. The Manager currently intends to distribute in December of each year. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed.<br>The Manager may, at its discretion, pay dividend out of or effectively out of capital. **All Units (whether RMB or HKD traded Units) will receive distributions in RMB only.** |
| **Sub-Fund Website:** | http://www.csopasset.com/en/products/rmb-money-market-etf |

*# The ongoing charges figure is based on expenses for the year ended 31 December 2024. This figure may vary from year to year.*

## 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 CSOP ETF Series II. The Listed Class of Units of the CSOP RMB Money Market ETF (the "**Sub-Fund**") are traded on The Stock Exchange of Hong Kong Limited (the "**SEHK**") like listed stocks. The fund is an actively managed exchange traded fund under Chapters 8.2 and 8.10 of the Code on Unit Trusts and Mutual Funds.

**The Sub-Fund offers both listed class of Units (the "Listed Class of Units") and unlisted classes of Units (together the "Unlisted Class of Units"). This statement contains information about the offering of the Listed Class of Units, and unless otherwise specified references to "Units" in this statement shall refer to the "Listed Class of Units". Investors should refer to a separate statement for the offering of Unlisted Class of Units.**

**Investors should note that purchase of a Unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. The Sub-Fund does not have a constant net asset value ("NAV"). The Manager has no obligation to redeem units at the offer value.**

## Objectives and investment strategy

***Objective***

The investment objective of the Sub-Fund is to invest in short-term deposits and high quality money market investments. The Sub-Fund seeks to achieve a return in RMB in line with prevailing money market rates.

***Strategy***

In order to achieve the investment objective of the Sub-Fund, the Manager will invest all, or substantially all (i.e. at least 70%), of the assets of the Sub-Fund in RMB-denominated and settled short-term deposits and short-term and high quality money market instruments which are issued by governments, quasi-governments, international organisations, corporates and financial institutions, including onshore and offshore debt securities, RMB denominated and settled fixed-rate bonds issued by the Ministry of Finance of the PRC mainland, the China Development Bank, the Agricultural Development Bank of China or the Export-Import Bank of China and distributed within the PRC mainland (the "**Treasury Bonds and Policy Bank Bonds**"), commercial papers, super and short-term commercial paper, short-term notes, certificates of deposits and commercial bills. Short-term and high quality debt securities invested by the Sub-Fund include but are not limited to government bonds and fixed and floating rate bonds, with the maximum level for up to 80% of the Net Asset Value of the Sub-Fund (any debt securities invested with a remaining maturity of no more than 397 days, or two years in the case of Government and other Public Securities).

The Sub-Fund will invest less than 30% of its Net Asset Value into non-RMB-denominated and settled short-term deposits and short-term and high quality money market instruments. The Manager may hedge any non-RMB-denominated and settled investments into RMB to manage any material currency risk.

The Sub-Fund intends to invest up to 100% of its NAV in the onshore money market instruments (including debt securities) through the QFI status of the Manager and the PRC mainland inter-bank bond market under the mutual bond market access between Hong Kong and Mainland China ("**Bond Connect**"). The Sub-Fund will invest primarily in RMB-denominated instruments.

The Manager will adopt an actively managed investment strategy and will construct the portfolio of the Sub-Fund from time to time based on the following criteria to assess whether a money market instrument or deposits is of high quality:

1. Credit rating: First, the Manager will screen the instruments based on the credit rating of the instruments or their issuers. The Sub-Fund will only invest in debt securities rated investment grade or above. For the purposes of the Sub-Fund, investment grade is defined as below based on the original maturity of a debt security:

   A short-term debt security is considered investment grade if its credit rating is A-3 or higher by S&P or F3 or higher by Fitch or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies or rated A-1 or above by a Mainland China credit rating agency. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply.

   A long-term debt security is considered investment grade if its credit rating is Baa3 or BBB- or above by an internationally recognised credit rating agency (such as Fitch's, Moody's and Standard & Poor's) or rated AA+ or above assigned by any PRC mainland domestic credit rating agency. For the Treasury Bonds and Policy Bank Bonds, there is no additional credit rating requirement. The credit rating of the issuers of the Treasury Bonds and Policy Bank Bonds, namely the PRC mainland government, China Development Bank, Export-Import Bank of China and Agricultural Development Bank of China are A+ by Standard & Poor's and A1 by Moody's. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply. For the avoidance of doubt, the Sub-Fund does not intend to invest in debt securities with a long term to maturity remaining at the time of investment. The

long-term credit ratings will be considered where the Sub-Fund invests in debt securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out below) at the time of purchase by the Sub-Fund.

2. Liquidity: Investments that satisfy the credit rating requirements will be assessed based on liquidity. The Manager will assess the liquidity of the instruments based on historical liquidity of similar money market instruments, by assessing the days to liquidate for such instruments. Only instruments or deposits with high liquidity will be included in the portfolio of the Sub-Fund.

3. Target maturity: Out of investments that fulfil the criteria on credit rating and liquidity, the portfolio will be constructed out of investments with an average maturity close to (but not exceeding) 60 days.

The Sub-Fund shall also comply with the following investment restrictions:

(a) the Sub-Fund must maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities as defined in the Prospectus.
(b) the aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the total NAV of the Sub-Fund except: (i) where the entity is a substantial financial institution (as defined in the Code) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other Public Securities, up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size; and
(c) the Manager may borrow up to 10% of its total NAV of the Sub-Fund on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

The Manager may also invest up to 10% of the NAV in money market funds which are either authorised by the SFC or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. PRC mainland money market funds invested by the Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and weighted average life not exceeding 120 days, and its expected exposure shall be approximately 5% of its Net Asset Value, subject to a maximum of 10% of its Net Asset Value.

The Sub-Fund may invest up to 15% of its Net Asset Value in asset backed commercial papers ("ABCP"). ABCP are typically issued by a bank or other financial institution. They are backed by physical assets such as trade receivables, and are generally used for short-term financing needs. The Manager will select short term and high quality ABCP, using the same criteria as set out above for selection of money market instruments.

The Sub-Fund may enter into sale and repurchase transactions for up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its Net Asset Value.

It is the intention of the Manager to sell the securities for cash equal to the market value of the securities provided to the counterparty, subject to appropriate haircut. Cash obtained in sale and repurchase transactions will be used for meeting redemption requests or defraying operating expenses, but will not be re-invested.

The Sub-Fund may also enter into reverse repurchase transactions, and its expected exposure to such transactions shall be between 0% to 20% of its Net Asset Value, subject to a maximum of 20% of its Net Asset Value, provided that the aggregate amount of cash provided to the same counterparty may not exceed 15% of its Net Asset Value. Reverse repurchase transactions are transactions where the Sub-Fund buys securities such as bonds using cash and simultaneously agrees to sell such securities back to the counterparty at a pre-determined future date for a pre-determined price. A reverse

repurchase transaction is economically similar to secured lending, with the counterparty of the Sub-Fund submitting securities as collateral for the cash that it borrows from the Sub-Fund.

Collateral received may only be cash and high quality money market investments subject to the credit quality, maturity and liquidity requirements set out above. The weighted average maturity and weighted average life of the collateral, together with other investments made by the Sub-Fund in accordance with the investment strategy set out herein, shall not exceed the limits set out above.

A counterparty to the sale and repurchase transactions and/or reverse repurchase transactions entered into by the Sub-Fund will be a financial institution subject to ongoing prudential regulation and supervision. It will be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's), or any other equivalent ratings by recognised credit rating agencies, or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. Subject to the above, there is no requirement on its country or region of origin.

All the revenues arising from such transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions, will be returned to the Sub-Fund.

The Sub-Fund may utilise financial derivative instruments (including interest rate swaps and currency swaps) for the purpose of hedging only.

There is no current intention for the Sub-Fund to (a) invest in any financial derivative instruments for non-hedging (i.e. investment) purposes; (b) invest in structured products or instruments, structured deposits, instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt); or (c) engage in securities lending 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, prior approval shall be obtained from the SFC (if required) and no less than 1 month's prior notice will be given to the Unitholders.

## 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. ***Active investment management risk***

- The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the Sub-Fund will be based on the Manager's view of market conditions and international investment trends and environment. The Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

3. ***Interest Rate Risk***

- The Sub-Fund seeks to achieve a return in RMB in line with prevailing money market rates. 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. The factors influencing interest rates include, amongst other things, monetary policy, fiscal policy and inflation. If the prevailing money market rates become negative, the Sub-Fund may suffer a loss. Moreover, if the prevailing interest rate is at a low level, the Sub-Fund may also produce a negative return over a

given period of time, as ongoing charges of the Sub-Fund may be higher than the interests received by the Sub-Fund.

***4. Risks associated with Bank Deposits***

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

***5. Debt Securities Investments Risk***

- *Short-term debt instruments risk*: As the Sub-Fund invests in short-term debt instruments with short maturities, the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term debt instruments may also increase which in turn may have a negative impact on the NAV of the Sub-Fund. The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.
- *Liquidity Risk:* The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for bonds is not guaranteed. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly. There can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they wish to.
- *Issuer Counterparty/Sovereign Debt Risk*: The Sub-Fund is exposed to the credit/insolvency risk of issuer of the bonds that the Sub-Fund may invest in. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The Sub-Fund's recourse against a defaulting sovereign is limited. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.
- *Credit Downgrade and Credit Rating 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. The Manager may or may not be able to dispose of the debt instruments that are being downgraded. 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 the Mainland and the rating methodologies employed in the Mainland 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.
- *Operational and Settlement Risk*: To the extent that Sub-Fund transacts in the inter-bank bond market in the PRC mainland, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. If a counterparty defaults in delivering the securities, the trade may be cancelled and this may adversely affect the value of the Sub-Fund. Any transaction via exchange markets may also be subject to settlement delays.
- *Valuation Risk*: Valuation of the 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 fund.

**6. *RMB Currency Risks***

- RMB is not a freely convertible currency as it is subject to foreign exchange control and restrictions of the PRC mainland government. Any devaluation of the RMB could adversely affect the value of investors' investments in the Sub-Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB. 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. Under exceptional circumstances, payment of redemption and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

***7. PRC Mainland Investment Risk and Concentration Risk***

- Investing in the PRC mainland, involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, social, tax, economic, foreign exchange, liquidity and regulatory risks; exchange rate fluctuations and exchange control; less developed settlement system; governmental interference; the risk of nationalisation and expropriation of assets, and custody risk and high volatility risk. The Sub-Fund will invest primarily in RMB-denominated and settled short-term deposits, and short-term and high quality money market instruments including debt securities. The Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC mainland market.

***8. QFI Regime Related Risks***

- The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principals and profits) in the PRC mainland, which are subject to change, which may have potential retrospective effect.
- The Sub-Fund may suffer substantial losses if the approval of the QFI is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading the relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including the RQFII custodian/brokers) is bankrupt / in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

***9. Bond Connect Risk***

- The relevant rules and regulations on Bond Connect are subject to change which may have potential retrospective effect. Where a suspension in the trading through Bond Connect is effected, the Sub-Fund's ability to invest in or access the PRC mainland market will be adversely affected. In such event, the Sub-Fund will have to increase its reliance on the QFI regime, and its ability to achieve its investment objective could be negatively affected.

***10. PRC Mainland Tax Risk***

- There are risks and uncertainties associated with the current PRC mainland tax laws, regulations and practice in respect of capital gains realised by QFIs on investments in the PRC mainland (which may have retrospective effect). After careful consideration of the Manager's assessment and having taken and considered independent professional tax advice and in accordance with such advice, the Manager decided that no withholding provision will be made on the gross unrealised and realised capital gains derived from disposal of PRC mainland Securities.
- It is possible that the applicable tax laws may be changed, that the PRC mainland tax authorities may hold a different view as to the enforcement of the PRC mainland 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 in the Sub-Fund.

***11. RMB Trading and Settlement of Units Risks***

- Not all stockbrokers or custodians may be ready and be able to carry out trading of the RMB traded Units and settlement in RMB. The limited availability of RMB outside of the PRC mainland may also affect the liquidity and trading price of the RMB traded Units.

***12. Dual Counter Risks***

- The market price on the SEHK of Units traded in HKD and of Units traded in RMB may deviate significantly due to different factors, such as market liquidity, supply and demand in each counter and the exchange rate between the RMB and the HKD (in both the onshore and the offshore markets). As such investors may pay more or receive less when buying or selling Units traded in HKD on the SEHK than in respect of Units traded in RMB and vice versa.
- Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in RMB only.

As such, investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

- Not all brokers and CCASS participants may be familiar with and able to buy Units in one counter and to sell Units in the other or to trade both counters at the same time. This may inhibit or delay an investor dealing in both HKD traded Units and RMB traded Units and may mean an investor can only trade in one currency.

***13. Differences in dealing arrangements between Listed and Unlisted Class of Units risk***

- Investors of Listed and Unlisted Classes are subject to different pricing and dealing arrangements. The NAV per Unit of each of the Listed and Unlisted Classes may be different due to different fees and cost applicable to each Class. The dealing deadlines in respect of the Listed and Unlisted Class of Units are also different, subject to the applicable valuation point.
- Units of the Listed Class are traded on the stock exchange on an intraday basis at the prevailing market price (which may diverge from the corresponding NAV), while Units of the Unlisted Class are sold through intermediaries based on the dealing day-end NAV and are dealt at a single valuation point with no access to intraday liquidity in an open market. Depending on market conditions, investors of the Listed Class may be at an advantage or disadvantage compared to investors of the Unlisted Class.
- In a stressed market scenario, investors of the Unlisted Class could redeem their Units at NAV while investors of the Listed Class could not and may have to exit the Sub-Fund at a significant discount. On the other hand, investors of the Listed Class could sell their Units on the secondary market during the day thereby crystallising their positions while investors of the Unlisted Class could not do so in a timely manner until the end of the day.

***14. Trading Risk***

- Generally, retail investors can only buy or sell Units on SEHK. The trading price of the Units on SEHK is subject to market forces such as demand and supply of the Units and may trade at a substantial premium or discount to the NAV 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 NAV per Unit when buying Units on the SEHK, and may receive less than the NAV per Unit when selling Units on the SEHK.

***15. Reliance on Market Maker Risks***

- Although the Manager will use its best endeavours to put in place arrangements so that at least 1 market maker will maintain a market for Units traded in each counter and that at least 1 market maker for each counter gives not less than 3 months' prior notice before termination of relevant market making under the market maker agreement, liquidity in the market for the Units may be adversely affected if there is no market maker for the RMB and the HKD traded Units. It is possible that there is only 1 market maker to each counter or the Manager may not be able to engage a substitute market maker within the termination notice period of the market maker, and there is also no guarantee that any market making activity will be effective.
- There may be less interest by potential market makers making a market in Units denominated and traded in RMB. Any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Units.

***16. Dividends Payable out of Capital Risk***

- The Manager may, at its discretion, pay dividends out of capital. The Manager may also, at its discretion, pay dividends out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividends out of the capital. Payment of dividends out of capital or effectively out of the 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 of the NAV per Unit.

***17. Termination Risk***

- The Sub-Fund may be terminated early under certain circumstances, for example, if the size of the Sub-Fund falls below RMB150 million. Investors should refer to "Termination" in the Prospectus for further details. Investors may not be able to recover their investments and may suffer a loss when the Sub-Fund is terminated.

***18. Risks relating to repurchase agreements***

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

***19. Risks relating to reverse repurchase agreements***

- In the event of the failure of the counterparty with which cash has been placed, the Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements. The Sub-Fund may also be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral.

**20. *Risks associated with asset backed commercial papers***

- The Sub-Fund invests in asset backed commercial papers which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other money market instruments. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

***21. Risks of investing in other money market funds***

- The Sub-Fund may invest in other money market funds, but does not have control of the investments of these underlying funds and there is no assurance that the investment objective and strategy of these underlying funds will be successfully achieved which may have a negative impact on the Net Asset Value of the Sub-Fund.

***22. Risks of financial derivative instruments and collateral***

- The Manager may only invest in FDIs for hedging purposes, subject to the investment restrictions as set out in Schedule 1 applicable to the Sub-Fund. These instruments can be highly volatile and expose investors to increased risk of loss. There is no guarantee that the use of FDIs for hedging purposes will be effective. Exposure to FDI may lead to a high risk of substantial loss by the Sub-Fund.
- There are risks associated with management of collateral and re-investment of collateral. In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Sub-Fund's exposure to such counterparty to be under-collateralised. If the Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

***23. Rebalancing Risk***

- On 7 March 2022, the investment strategy of the Sub-Fund changed from a passive tracking investment strategy, tracking the 7-Day Fixing Repo Rate (the "Former Benchmark") to an actively managed investment strategy, which means that Sub-Fund no longer seeks to track any index or benchmark (the "Active Strategy"). The rebalancing of assets held by the Sub-Fund as a result of the change of investment strategy is anticipated to take place over a period of 15 trading days (the "Rebalancing Period"). During the Rebalancing Period, holdings of the Sub-Fund will be rebalanced from constituents of the Former Benchmark to constituents that correspond to the Active Strategy. The Manager therefore considers there is a risk that Sub-Fund may fail to meet its objective as a result of the Manager's selection of investments for the Sub-Fund, and/or the

implementation of processes which may cause the Sub-Fund to underperform as compared to prevailing money market rates or other money market funds with a similar objective. Investors who deal with Units of the Sub-Fund during the Rebalancing Period should exercise caution.

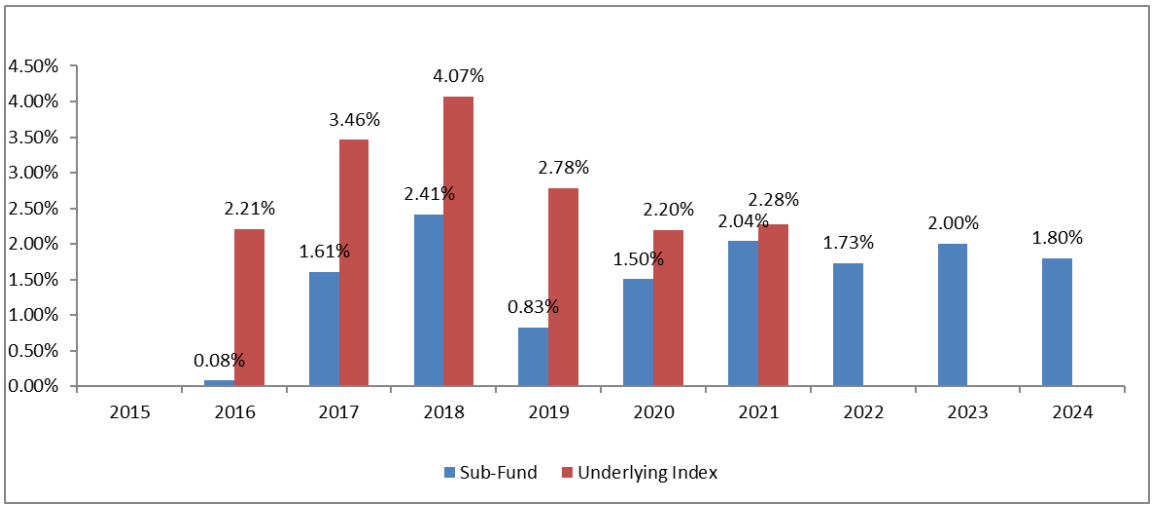
***24. Past Performance Risk***

- As a result of the change of investment strategy, past performance of the Sub-Fund prior to 7 March 2022 was achieved under circumstances which will no longer apply. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 7 March 2022.

## Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's NAV.

## How has the fund performed?




Note: With effect from 7 March 2022, the investment strategy of the Sub-Fund changed from a passively managed strategy tracking the former benchmark to an actively managed strategy, and the Sub-Fund no longer seeks to track any index or benchmark. As a result of the change of investment strategy, past performance of the Sub-Fund prior to 7 March 2022 was achieved under circumstances which no longer apply. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 7 March 2022.

- 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 Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB including 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.
- Former benchmark (prior to 7 March 2022): 7-Day Fixing Repo Rate (Please also note that prior to 9 October 2019, the underlying index of the Sub-Fund was FTSE Chinese Government and Policy Bank Bond 0-1 Year Select Index.)
- Fund launch date: 20 January 2015

## Is there any guarantee?

Like most funds, this 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 of the Units on the SEHK

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

[1] *Transaction levy of 0.0027% of the price of the Units payable by each of the buyer and the seller.*
[2] *AFRC 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 price of the Units, payable by each of the buyer and the seller.*

### Ongoing fees payable by the Sub-Fund in respect of the Units

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the NAV of the relevant Units of the Sub-Fund which may affect the trading price.

| | **Annual rate (as a % of NAV of the Units)** |
|---|---|
| **Management Fee*** | 0.49% of NAV calculated daily |
| **Trustee and Custodian Fee** | Included in the Management Fee (inclusive of fees payable to the Custodian and the PRC Custodian) |
| **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 |

* *Please note that the Management Fee may be increased up to a permitted maximum amount by providing 1 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 on-going expenses that may be borne by the Sub-Fund.*

### 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 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 http://www.csopasset.com/en/products/rmb-money-market-etf (the content of which has not been reviewed by the SFC).

(a) the Prospectus and this product key fact 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 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, notices of the suspension of the calculation of the NAV, changes in fees and the suspension and resumption of the issue, creations and redemptions of Units;
(e) the near real time indicative NAV per Unit updated every 15 seconds throughout each Dealing Day in RMB and in HKD;
(f) the last NAV of the Sub-Fund in RMB and the last NAV per Unit of the Sub- Fund in RMB and in HKD;
(g) full portfolio information of the Sub-Fund (updated on a monthly basis);
(h) the past performance information of other classes offered to Hong Kong investors;
(i) the latest list of the Participating Dealers and Market Makers; and

(j) the compositions of dividends (i.e. the amounts of dividends paid and the percentages of dividends paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months.

The near real time indicative NAV per Unit in HKD, under (e) above, and the last NAV per Unit in HKD, under (f) above, are indicative and for reference only. The near real time indicative NAV per Unit in HKD is updated during SEHK trading hours. The near real time indicative NAV per unit in HKD uses a real time HKD:RMB foreign exchange rate – it is calculated using the near real time indicative NAV per Unit in RMB multiplied by a real time HKD:CNH foreign exchange rate sourced by Solactive AG when the SEHK is open for trading.

Since the indicative NAV per Unit in RMB will not be updated when the inter-bank bond market, Shanghai Stock Exchange or Shenzhen Stock Exchange is closed the change to the estimated NAV per Unit in HKD (if any) 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 RMB multiplied by assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) on that Dealing Day.

Please refer to the Prospectus for details.

In respect of the Listed Class of Units:
- the dealing period in respect of each dealing day for a creation application or redemption application commences at 9:00 a.m. (Hong Kong time) on the immediately preceding dealing day and ends at the dealing deadline at 4:00 p.m. (Hong Kong time) on the immediately preceding dealing day*; and
- a secondary market investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

The valuation point is at approximately 11:00 am (Hong Kong time) on the applicable valuation day (which coincides with each dealing day).

* Investors should note that creation and redemption applications for Listed Class of Units received during the dealing period in respect of a dealing day ("Day T") (i.e. between 9:00 a.m. to 4:00 p.m. (Hong Kong time) on the immediately preceding dealing day ("Day T-1")) will be processed at the NAV per Unit of the Listed Class of Units of Day T, which is determined at the valuation point on Day T. For example:
- a creation or redemption application for Listed Class of Units received at or before 4:00 p.m. (Hong Kong time) on Day T-1 will be processed at the NAV per Unit of the Listed Class of Units of Day T; and
- a creation or redemption application for Listed Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. after the dealing deadline of Day T for such class (i.e. 4:00 p.m. (Hong Kong time) on Day T-1), will be processed on the next dealing day (i.e. Day T+1) at the NAV per Unit of Listed Class of Units of Day T+1.

Before placing your subscription orders or redemption request, please check with the Participating Dealer its internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).

## 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.