PRODUCT KEY FACTS

Issuer: CMS Asset Management (HK) Co., Limited

CMSAM(HK) Funds Series 1 OFC
CMS Hang Seng Tech Index ETF (Listed Class)
August 2025

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

Quick Facts

Stock code:	3423
Trading board lot size:	10 shares
Manager:	CMS Asset Management (HK) Co., Limited
Investment Adviser^:	CMB International Asset Management Limited ^ The Investment Adviser provides non-discretionary investment advice to the Manager and has no discretionary investment management function in respect of the Sub-Fund.
Custodian and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Administrator:	The Hongkong and Shanghai Banking Corporation Limited
Ongoing charges over a year#:	0.89%
Estimated annual tracking difference##:	-0.99%
Underlying Index:	Hang Seng TECH Index
Dealing frequency:	Daily
Base currency:	HKD
Trading currency:	Hong Kong dollars (HKD)
Distribution policy:	The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. All Shares of the Listed Class of Shares will receive distributions in the Base Currency (HKD) only. Distributions (if any) may be paid out of capital or effectively out of capital as well as income at the Manager's discretion. There is no guarantee of regular distribution nor the amount being distributed (if any).
Financial year end:	31 December
ETF website:	http://www.cmschina.com.hk/AM/FundProduct (This website has not been reviewed by the SFC)

This is only an estimate because the Sub-Fund is newly established. It represents the estimated ongoing expenses chargeable to the class over a 12-month period expressed as a percentage of the estimated average net asset value ("**Net Asset Value**") of the class over the same period. This figure may vary from year to year. The actual figure may be different from the estimated figure.

This is an estimated annual tracking difference. Investors should refer to the Sub-Fund's website for information on the actual tracking difference.

What is this product?

- CMS Hang Seng Tech Index ETF (the "**Sub-Fund**") is a sub-fund of CMSAM(HK) Funds Series 1 OFC (the "**Company**"), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds.
- The Sub-Fund is a passively managed index tracking exchange traded fund authorised under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds. The listed class of shares of the Sub-Fund (the "**Listed Class of Shares**") are listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**"). These Shares are traded on the SEHK like listed stocks.
- The Sub-Fund offers both Listed Class of Shares and unlisted classes of shares (the "**Unlisted Classes of Shares**"). This statement contains information about the offering of the Listed Class of Shares, and unless otherwise specified references to "Shares" in this statement shall refer to the "Listed Class of Shares". Investors should refer to a separate statement for the offering of Unlisted Classes of Shares.

Objective and investment strategy

Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng TECH Index (the "**Underlying Index**").

Strategy

In order to achieve the investment objective of the Sub-Fund, the Manager will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in Securities constituting the Underlying Index ("**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

Under exceptional circumstances (i.e. due to restrictions, suspensions of trading, limited availability of certain Index Securities), where it is not feasible to acquire certain securities which are constituents of the Underlying Index due to restrictions or limited availability and/or it is not cost efficient, by reference to the Sub-Fund's Net Asset Value, to use a full replication strategy, the Manager may also use a representative sampling strategy to invest in:

(i) A representative sample whose performance is closely correlated with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index; and/or

(ii) Other collective investment schemes (CIS). "CIS" means an exchange traded fund and/or an unlisted index tracking fund which tracks an index that has a high correlation with the Underlying Index. The Sub-Fund's ability to invest in other CIS may not exceed 10% of the Net Asset Value of the Sub-Fund and the Sub-Fund will not hold more than 10% of any units issued by any single CIS pursuant to the requirement of the UT Code.

In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

Prior notice will not be given to investors if the Manager switches from a full replication strategy to a representative sampling strategy in exceptional circumstances, or vice versa. If any nonconstituent of the Underlying Index is held in the portfolio, for reasons other than Index rebalancing and Index related corporate action, to enhance transparency the Manager will disclose the name and weighting of such non-constituent securities and other CIS on the Manager's website immediately after the purchase and it will be reported daily until its disposal.

Securities Lending Transactions

The Sub-Fund may enter into securities lending transactions for up to 50% of its Net Asset Value and the expected level of securities lending transactions is approximately 20% of the Sub-Fund's Net Asset Value. The Manager may, on behalf of the Sub-Fund, recall the securities lent out at any time. All securities lending transactions will only be carried out in the best interest of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral of 100% of the global valuation of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be subject to safekeeping by the Custodian or an agent appointed by the Custodian.

To the extent the Sub-Fund undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund.

Underlying Index

The Underlying Index is a free float adjusted market capitalisation weighted index the objective of which is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, ecommerce, digital or autonomous activities (with a 8% cap on individual non-foreign companies constituent, 4% cap on individual foreign companies constituent and 10% cap on aggregate foreign companies constituents).

The universe of securities of the Underlying Index includes securities of companies listed on the Main Board of the SEHK, but excludes secondary-listed Foreign Companies and investment companies listed under Chapter 21 of the SEHK's Main Board Listing Rules. "Foreign companies" are companies which are (i) incorporated outside Hong Kong; (ii) non-Mainland China companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Mainland China, or Taiwan.

It is compiled and managed by Hang Seng Indexes Company Limited ("**HSIL**"). The Manager and its connected persons are independent of HSIL.

The Underlying Index is a net total return index which means that the performance of the Underlying Index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Underlying Index is denominated and quoted in HKD.

The Underlying Index was launched on 27 July 2020 and had a base level of 3,000 on 31 December 2014. As of 28 January 2025, it had a total free-float market capitalisation of HKD 2,244.77 billion and 30 constituents.

The constituents of the Underlying Index together with their respective weightings, the last closing index level, additional information and other important news of the Underlying Index can be found on the website https://www.hsi.com.hk/eng/indexes/allindexes/hstech (this website has not been reviewed by the SFC).

Bloomberg Index Code: HSTECHN

Use of derivatives / Investment in derivatives

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

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including as to 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. There is no assurance that the Sub-Fund will achieve its investment objective.

2. Passive investment risk

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

3. Equity market risk

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

4. Risks related to companies with a technology theme

- The Sub-Fund's investments are concentrated in companies with a technology theme. Many of the companies with a high business exposure to a technology theme have a relatively short operating history. Technology companies are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these companies. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences.
- The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- The Sub-Fund may be exposed to risks associated with different technology sectors and themes (including industries, consumer discretionary, healthcare, financials, information technology, internet (including mobile), fintech, cloud, e-commerce, digital or autonomous activities). A downturn in the business for companies in these sectors or themes may have adverse effects on the Sub-Fund.

5. Concentration risk

- The Sub-Fund's investments are concentrated in securities listed on the Hong Kong Stock Exchange of companies that are active in technology sector. This may result in greater volatility in the value of the Sub-Fund than more diverse portfolios which comprise broad-based global investments. 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 technology sector.
- The Underlying Index is subject to concentration risk as a result of tracking the performance of securities incorporated in, or with the majority of revenue derived from, or with a principal place of business in, the Greater China region. The Net Asset Value of the Sub-Fund is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund, as the Underlying Index is more susceptible to fluctuations in value resulting from adverse conditions in a single region.

6. Risks relating to securities lending transactions

- Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

7. Reliance on market makers 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 Shares and that at least one market maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity

in the market for the shares may be adversely affected if there is no or only one market maker for the Shares. There is also no guarantee that any market making activity will be effective.

8. Risks associated with differences in dealing arrangements between Listed and Unlisted Class of Shares

- Investors of Listed and Unlisted Classes are subject to different pricing and dealing arrangements. The Net Asset Value per Share 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 Shares are also different, subject to the applicable valuation point.
- Shares 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 Net Asset Value), while shares of the Unlisted Class are sold through intermediaries based on the dealing day-end Net Asset Value 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 Shares at Net Asset Value 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 Shares 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.

9. Tracking error risk

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

10. Trading risk

- The trading price of the units on the SEHK is driven by market factors such as the demand and supply of the units. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.
- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

11. Risk of early termination

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Underlying Index is no longer available for benchmarking or if the size of the Sub-Fund falls below HKD2,000,000. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

12. Distributions paid out of capital / effectively out of capital risk

- Payments 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. Any such distributions may result in an immediate reduction in the Net Asset Value per Share of the Sub-Fund and will reduce the capital available for future investment.

How has the Sub-Fund performed?

Since the Sub-Fund is newly established, there is insufficient data to provide a useful indication of past performance to investors.

Is there any guarantee?

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

What are the fees and charges?

Charges incurred when trading the Sub-Fund on the SEHK

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

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

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the Net Asset Value of the Sub-Fund which may affect the trading price.

Fee	Annual rate
Management fee*	Maximum: 3% p.a. of the Sub-Fund's Net Asset Value Current: 0.7% p.a. of the Sub-Fund's Net Asset Value
Custodian and Administration fee*	Maximum: 1% p.a. of the Sub-Fund's Net Asset Value Current: 0.0625% p.a. of the Sub-Fund's Net Asset Value, subject to an annual minimum fee of HKD19,550
Performance fee	Not applicable

* Please note that such a fee may be increased up to a permitted maximum rate by providing one month's prior notice to shareholders. Please refer to the "**FEES AND EXPENSES**" section of the Prospectus for details.

Other fees

You may have to pay other fees when dealing in Shares of the Sub-Fund. Please refer to the "**FEES AND EXPENSES**" section of the Prospectus for details.

Additional Information

The Manager will publish important news and information with respect to the Sub-Fund, in the English and Chinese languages (unless otherwise specified), on the Manager's website at http://www.cmschina.com.hk/en/AM/FundProduct (this website has not been reviewed by the SFC) including:

- the Prospectus and this product key facts statement (as revised from time to time);
- the latest audited annual and unaudited interim financial reports of the Sub-Fund (in English only);
- any public announcements made by the Manager in respect of the Sub-Fund, including information in relation to the Sub-Fund, notices of the suspension of the creation and redemption of Shares, the suspension of the calculation of Net Asset Value, changes in fees and charges and the suspension and resumption of trading of Shares;

- any notices relating to material changes to the Sub-Fund that may have an impact on its investors, including notices for material alterations or additions to the Prospectus or this product key facts statement or the Company's and/or the Sub-Fund's constitutive documents;
- the near real time indicative Net Asset Value per Share of the Sub-Fund (updated every 15 seconds throughout each dealing day in HKD) during normal trading hours on the SEHK;
- the last Net Asset Value of the Sub-Fund in HKD, and the last Net Asset Value per Share of the Sub-Fund in HKD (updated on a daily basis on each dealing day);
- the past performance information of the Sub-Fund;
- the full portfolio composition of the Sub-Fund (updated on a monthly basis within one month of the end of each month);
- the annual tracking difference and the tracking error of the Sub-Fund;
- the latest list of the participating dealers and market makers; and
- The composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period.

Important

If you are in doubt, you should seek professional advice.

Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or the Sub-Fund nor do they guarantee the commercial merits of the Company, the Sub-Fund or their performance. They do not mean the Company or the Sub-Fund are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.