PRODUCT KEY FACTS

E Fund (HK) FTSE AI Select Index ETF

A sub-fund established under the E Fund ETFs Trust

Issuer: E Fund Management (Hong Kong) Co., Limited 22 September 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:	03489 – HKD counter 09489 – USD counter 83489 – RMB counter
Trading lot size:	100 Units – HKD counter 100 Units – USD counter 100 Units – RMB counter
Manager:	E Fund Management (Hong Kong) Co., Limited
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
Underlying Index:	FTSE Custom Global AI Select Index (net total return)
Base currency:	Hong Kong dollar (HKD)
Trading currency:	Hong Kong dollars (HKD) – HKD counter United States dollars (USD) – USD counter Renminbi (RMB) – RMB counter
Distribution policy:	The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. Distributions on all Units (whether HKD, USD, or RMB traded Units), if any, will be in HKD only. Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager's discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.
Financial year end of this fund:	31 December
Ongoing charges over a year#:	0.90 % # As the Sub-Fund (as defined below) is newly set up, this figure is a best estimate only and represents the sum of the estimated ongoing charges over a 12-month period, expressed as a percentage of the estimated

	average Net Asset Value ("**NAV**") over the same period. It may be different upon actual operation of the Sub-Fund and may vary from year to year. As the Sub-Fund adopts a single management fee structure, the estimated ongoing charges of the Sub-Fund will be equal to the amount of the single management fee, which is capped at 0.90% of the average NAV of the Sub-Fund until further notice. Any ongoing expenses exceeding 0.90% of the average Net Asset Value of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund. For the avoidance of doubt, the single management fee does not include brokerage and transaction costs and swap fees. Please refer to the section headed "Ongoing fees payable by the Sub-Fund" below and the Prospectus for further details.
Estimated annual tracking difference+:	Estimated to be -1.40% + This is an estimated annual tracking difference. Investors should refer to the ETF website for more up to date information on actual tracking difference.
ETF Website:	https://www.efunds.com.hk/products/48/info/ (the contents of this website have not been reviewed by the SFC)

What is this product?

E Fund (HK) FTSE AI Select Index ETF (the "**Sub-Fund**") is a sub-fund of E Fund ETFs Trust, an umbrella unit trust established under Hong Kong law. The Sub-Fund is a passively-managed ETF falling within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission (the "**SFC**"). Units of the Sub-Fund (the "**Units**") are traded on The Stock Exchange of Hong Kong Limited (the "**SEHK**") like stocks.

Objective and Investment Strategy

Objective

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Custom Global AI Select Index (the "**Index**").

Strategy

In seeking to achieve the Sub-Fund's investment objective, the Manager will either use a full replication strategy or a representative sampling strategy as the Manager believes to be appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of the investors. The Sub-Fund may switch between the full replication strategy and the representative sampling strategy in its absolute discretion without prior notice to investors.

In pursuing the full replication strategy, the Manager will invest in substantially all securities constituting the Index (the "**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index.

In pursuing the representative sampling strategy, the Manager may:

(i) invest in a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index;

(ii) invest less than 30% of the Sub-Fund's NAV in collective investment schemes ("**CIS**"), each being either an exchange traded fund or an unlisted index tracking fund which tracks an index that has a high correlation with the Index. Such CIS may be authorised by the SFC, eligible schemes under Chapter 7.11A of the Code, or non-eligible schemes. For the avoidance of doubt, the Sub-Fund's aggregate investment in non-eligible schemes and not authorised by the SFC may not exceed 10% of the NAV of the Sub-Fund; and/or

(iii) invest in financial derivative instruments including futures and swaps with less than 30% of the Sub-Fund's NAV for investment and hedging purposes, where the Manager believes such

investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund.

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.

Other investments

The Sub-Fund may invest in money market funds (subject to the investment restrictions as set out in Chapter 7 of the Code), and in cash deposits and cash equivalents for cash management purposes, up to 5% of its NAV.

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its NAV, and is able to recall the securities lent out at any time. As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Custodian.

The Manager does not currently intend to enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund. The Manager will seek prior approval of the SFC (to the extent required under applicable regulatory requirements) and provide at least one month's prior notice to Unitholders before the Manager engages in any such transactions.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in the Prospectus.

Index

The Index is designed to represent the performance of 50 companies focused on artificial intelligence computing power, large language model (LLM), and transformation and enhancement of existing software business through artificial intelligence technology.

The eligible securities of the FTSE Custom Global AI Select Index must be constituents of (i) the eligible Hong Kong listed stocks of FTSE Southbound Stock Connect All Cap Index; (ii) the eligible US listed stocks of FTSE Global All Cap plus US Executive Order Exclusions Index and (iii) the following single securities: Taiwan Semiconductor Manufacturing ADR, ASML Holding ADR, and Arm Holdings ADR (the "**ADR Components**") (collectively, the "**Index Universe**"). The constituents will then be subject to the business activities screening set out in the index methodology of the Index as described in Appendix of the Sub-Fund to the Prospectus.

Following the business activities screening, the top 30 eligible securities fulfilled the selection criteria for the FTSE Southbound Stock Connect All Cap Index with the highest investable market cap are selected (the "**Hong Kong Listed Stock Components**"). The top 20 eligible securities which are the ADR components or securities fulfilled selection criteria for the FTSE Global All Cap Plus US Executive Order Exclusions Index with the highest investable market cap are selected (the "**US Listed Stock Components**").

All constituents in the Index are subject to a 7% capping on a semi-annually basis (March and September). Additionally, the overall index weighting allocation of the Index will be split between (i) Hong Kong Listed Stock Components and (ii) US Listed Stock Components, at 65% and 35%, respectively.

The Index is a net total return index, which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Index is free float adjusted market capitalisation weighted index, whereby the weights of Index constituents are based on their investable market capitalisations. The Index is denominated and quoted in HKD. The Index is reviewed semi-annually in March and September (each a "**review month**").

The Index is compiled and published by FTSE International Limited (the "**Index Provider**"). The Manager (and each of its Connected Persons) are independent of the Index Provider.

The Index was launched in 27 September 2024 and had a base level of 1,000 on 19 September 2022. As of 24 March 2025, the Index had a total market capitalisation of approximately HKD 152.96 trillion and 50 constituents.

The constituents of the Index together with their respective weightings and additional information of the Index are published at the website of the Index Provider at https://www.lseg.com/en/ftse-russell/indices/custom-global-ai-select-index (this website has not been reviewed by the SFC).

Bloomberg Code: GPEFM002

Use of derivatives / investment in derivatives

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

What are the key risks?

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

1. **Investment risk**

- Investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in the Sub-Fund's assets. Accordingly, there is a risk that you may not recoup the original amount invested in the Sub-Fund or may lose a substantial part or all of your investment.

2. **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.

3. **New index risk**

- The Index is a new index. The Index has minimal operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

4. **Geographical concentration risk**

- The constituents of the Index, and accordingly the Sub-Fund's investments, may be concentrated in two geographical regions/countries (China and the United States). The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.

5. **Technology sector themes concentration risk**

- The constituents of the Index, and accordingly the Sub-Fund's investments, may be concentrated in companies in technology sector themes. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.
- The technology theme of the Index, hence the underlying securities, centred on artificial intelligence (AI) computing power, large language models (LLMs), and the transformation of software businesses through AI, presents risks such as high computational demands, potential biases in AI outputs, and cybersecurity vulnerabilities, as well as regulatory challenges such as compliance with evolving laws and intellectual property disputes. The business for companies in this theme is subject to high volatility which may in turn have adverse effects on the Sub-Fund.
- 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 Sub-Fund may be exposed to risks associated with different technology

sectors and themes (including Internet media and communications industry, consumer discretionary and e-commerce industry, semiconductors industry, software industry, automotive industry and technology hardware industry). A downturn in the business for companies in the technology sector theme may have adverse effects on the Sub-Fund.

6. Risk associated with mega-capitalisation companies

- Some of the constituents of the Index are mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.
- The high valuation of mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.
- Mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

7. Securities lending transactions risk

- The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.
- As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement. By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

8. Trading differences risk

- As the markets in which the Sub-Fund invests may be open when Units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Units. Differences in trading hours between the overseas stock exchanges and the SEHK may increase the level of premium/discount of the Unit price to its NAV.

9. Passive investments risk

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

10. Trading risk

- The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's 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.
- The units in the RMB counter are RMB denominated securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the RMB traded units. The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB traded units.

11. Tracking error risk

- The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used (because the Manager has no other strategy to minimise tracking error and representative sampling may not provide identical performance, the Net Asset Value of the Sub-Fund may not correlate exactly with the Index), costs of using FDIs, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

12. Multi counter risks

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

13. Currency risk

- The Units traded in the RMB counter and the USD counter are denominated in a currency other than the Base Currency of the Sub-Fund. The NAV of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions in 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.

14. Distribution out of/effectively out of capital risk

- Payment of dividends out of capital and/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 such original investments. Any such distributions may result in an immediate reduction of the NAV per Unit of the Sub-Fund. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth.

15. 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 traded in each counter and that at least one market maker to each counter gives not less than 3 months' notice prior to terminating market making under the relevant market maker agreement, liquidity in the market for the Units may be adversely affected if there is no market maker for the USD, RMB or HKD traded Units. 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. Termination risk

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the size of the Sub-Fund falls below RMB100 million. Investors should refer to the section "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.

How has the Sub-Fund performed?

Since the Sub-Fund is newly set up, 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 full amount of money you invest.

What are the fees and charges?

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

Fees	What you pay
Brokerage fee	Market rates
Transaction levy	0.0027%[1]
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[2]
SEHK trading fee	0.00565%[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. *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller from 1 January 2022.*
3. *Trading fee of 0.00565% of the trading price of the Units, 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 NAV of the Sub-Fund which may affect the trading price.

	Annual rate (as a % NAV)
Management fee*	0.90%
The Sub-Fund pays a single management fee to the Manager.	
Trustee's fee	Included in the management fee
Performance fee	Nil
Administration and custody fees	Included in the management fee

** The management fee is a single flat fee to cover all of the Trustee's and Registrar's fees and other costs and expenses. Please note that these fees may be increased up to a permitted maximum on giving 1 month's notice to unitholders. Please refer to the section of the prospectus entitled "Fees and Expenses" for further details of the fees and charges payable and the permitted maximum of such fees allowed.*

Other fees

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

Additional information

You may obtain the following information of the Sub-Fund at the following website at https://www.efunds.com.hk/products/48/info/ (the contents of this website have not been reviewed by the SFC) including:

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

(b) the latest annual and semi-annual financial reports (in English only);

(c) any notices for material alterations or additions to the Sub-Fund's offering documents or constitutive documents;

(d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and Index, the notices of the suspension of the calculation of the NAV, changes in fees and the

suspension and resumption of trading;

(e) the tracking difference and tracking error of the Sub-Fund;

(f) the near real time indicative NAV per Unit updated every 15 seconds during normal trading hours on the SEHK in HKD, USD and RMB;

(g) the last NAV of the Sub-Fund in HKD only and the last NAV per Unit in HKD, USD and RMB;

(h) full portfolio information of the Sub-Fund (updated on a daily basis);

(i) the compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months;

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

(k) the past performance information of the Sub-Fund.

The near real time indicative NAV per Unit in USD and RMB (updated every 15 seconds during SEHK trading hours) and the last NAV per unit in USD and RMB are for reference only.

The near real time indicative NAV per Unit in USD and RMB uses a real time HKD:USD foreign exchange rate / HKD:RMB foreign exchange rate – it is calculated using the near real time indicative NAV per Unit in HKD multiplied by a real-time HKD:USD foreign exchange rate / HKD:RMB foreign exchange rate (as the case may be) provided by ICE Data Indices when the SEHK is opened for trading. Since the indicative NAV per Unit in HKD will not be updated when the underlying markets are closed, the changes in the indicative NAV per Unit in USD and RMB (if any) during such period is solely due to the change in the foreign exchange rate.

The last NAV per Unit in USD and RMB is calculated using the last NAV per Unit in HKD multiplied by the HKD:USD foreign exchange rate / HKD:RMB foreign exchange rate (as the case may be) at 3:00p.m. (Hong Kong time) quoted by Bloomberg as of the same Dealing Day. Please refer to the Prospectus for details.

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.