PRODUCT KEY FACTS

CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

a sub-fund of the CSOP ETF Series*(*This includes synthetic ETFs)

CSOP Asset Management Limited

25 March 2026

- ***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:	3535
Trading lot size:	100 Units
Fund Manager:	CSOP Asset Management Limited
Investment Adviser^:	Nomura Asset Management Hong Kong Limited (external delegation, Hong Kong)
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
Index:	FTSE ETF Connect HK-Japan Cash Flow Focus Composite Index (net total return version)
Base currency:	Hong Kong Dollar ("**HKD**")
Trading currency:	HKD
Ongoing charges over a year:	Estimated to be 1.80% #
Estimated annual tracking difference:	Estimated to be -2.00% ##
Dividend policy:	Annually in December subject to the Manager's discretion. Distributions may be paid out of capital or effectively out of capital and reduce the Sub-Fund's Net Asset Value ("**NAV**"). However, there is no guarantee of regular distribution nor the amount being distributed (if any). Distributions will be paid in HKD.
Financial year end of this fund:	31 December
ETF website:	https://www.csopasset.com/en/products/hk-chkj (this website has not been reviewed by the Securities and Futures Commission (the "**SFC**"))

 # 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 NAV over the same period. It may be different upon actual operation of the Sub-Fund and may vary from year to year. The ongoing charges figure does not include the Swap fees as discussed herein. For the first 12-month period from the launch of the Sub-Fund, the ongoing charges figure is capped at 2% of the average NAV of the Sub-Fund. Any ongoing expenses exceeding 2% of the average NAV of the Sub-Fund during this period will be borne by the Manager and will not be charged to the Sub-Fund.

This is an estimated annual tracking difference. Investors should refer to the ETF website for more up to date information on actual tracking difference.

^ The Manager has delegated to the Investment Adviser its investment management duties in respect of the Sub-Fund (as defined below) regarding its investments in Japan securities market as set out in the offering documents, in pursuit of the investment objective and in accordance with the investment strategy as set out in the Appendix of the Sub-Fund, subject to the control and review of the Manager. The Investment Adviser will exercise investment discretion in respect of the Sub-Fund's

investments in Japan securities market. The Investment Adviser will not provide investment management and advisory services in relation to securities issued outside of Japan. The Investment Adviser is independent of the Manager.

What is this product?

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF (the "**Sub-Fund**") is a sub-fund of the CSOP ETF Series*(*This includes synthetic ETFs) (the "**Trust**"), which is an umbrella unit trust established under Hong Kong law. 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 "**Code**"). The units of the Sub-Fund (the "**Units**") are traded on The Stock Exchange of Hong Kong Limited (the "**SEHK**") like stocks.

The Sub-Fund is a physical ETF and invests primarily in equity securities listed in Hong Kong and Japan. The Sub-Fund is denominated in HKD.

Objectives 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 FTSE ETF Connect HK-Japan Cash Flow Focus Composite Index (net total return version) (the "**Index**"). There is no assurance that the Sub-Fund will achieve its investment objective.

The term "Cash Flow" is part of the reference to the name of the Index and also reflects that free cash flow yield is one of the key factors in the construction of the Index. The reference to "Cash Flow" does not represent that the Sub-Fund will offer a higher dividend yield.

Investment Strategy

In order to achieve the investment objective of the Sub-Fund, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The Sub-Fund will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its NAV in Securities constituting the Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the Sub-Fund and will help the Sub-Fund achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its NAV in financial derivative instruments ("**FDIs**"), which will only be funded total return swaps with one or more counterparties.

Physical representative sampling sub-strategy

The Sub-Fund primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The Sub-Fund may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK and the Tokyo Stock Exchange ("**TSE**") stock markets.

Synthetic representative sampling sub-strategy

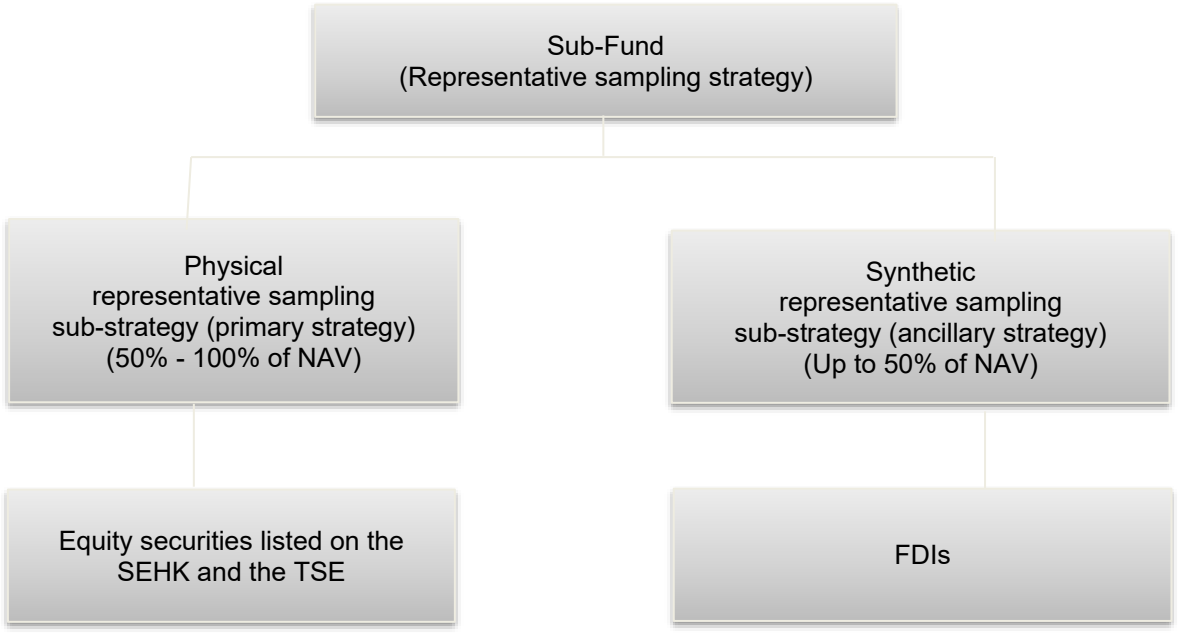
The Sub-Fund's synthetic representative sampling strategy will involve investing up to 50% of its NAV in FDIs, which will only be direct investment in funded total return swap transaction(s) whereby the Sub-Fund will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap Counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the Sub-Fund.

The Sub-Fund shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. In extreme market conditions and exceptional circumstances, the brokerage commission and costs associated with the hedging arrangement may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the Sub-Fund is 0.5% per transaction on the notional amount of the swap unwound.

The Swap fees will be disclosed in the interim and annual financial reports of the Sub-Fund. The Swap fees will be borne by the Sub-Fund and hence may have an adverse impact on the NAV and the performance of the Sub-Fund, and may result in higher tracking error.

Exposure of the Sub-Fund to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index. 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.

The diagram below shows the investment strategies of the Sub-Fund:



Securities lending transactions

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) valued on a daily basis. The collateral will be safekept by the Trustee or an agent appointed by the Trustee. Non-cash collateral received may not be sold, reinvested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code.

Other investments

The Sub-Fund may also invest not more than 5% of its NAV in cash and money market funds for cash management purpose.

No more than 30% of the Sub-Fund's NAV may be invested in collective investment scheme which may be authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Sub-Fund's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the Sub-Fund may also invest in FDIs for hedging purposes.

The Sub-Fund will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice

period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

Index

The Index is designed to follow the frameworks of HKEX ETF Connect rules, with exposure to Southbound Stock Connect eligible Hong Kong-listed stocks and Japanese equities, selected for their strong cash flow characteristics and dividend yield to achieve high index-level free cash flow yield compared to the index universe.

The Index selects constituents based on (i) the latest 12-month free cash flow/full market capitalisation and (ii) latest 12-month dividend yield, subject to screening on profitability, leverage, volatility and turnover. The relative importance of these two factors differ for SEHK-listed securities and TSE-listed securities. For SEHK-listed securities, free cash flow carries more weight (70%) than dividends (30%). For TSE-listed securities, free cash flow and dividends are weighted equally (50% each).

The Index is a free float-adjusted market capitalisation weighted index. The SEHK-listed securities and TSE-listed securities are free float-adjusted market capitalisation weighted in the Index within the Index Constituent Allocation (as defined below). The Index aims to maintain an allocation between Southbound Stock Connect eligible Hong Kong listed-securities and Japan-listed securities at each rebalancing by capping the weight of SEHK-listed securities at 65% and TSE-listed securities at 35% of the total Index weighting (the "**Index Constituent Allocation**"). For individual constituents, SEHK-listed securities have a cap of 10% whereas TSE-listed securities have a cap of 5%, at a company level, each based on free float-adjusted market capitalisation.

The Index is reviewed semi-annually in March and September. An additional rebalance will be conducted for the Index after the open of the last business day of the review month to maintain the Index Constituent Allocation.

A constant number of constituents will be maintained at review. The number of SEHK-listed securities is 30, while the number of TSE-listed securities is 50.

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 denominated and quoted in HKD.

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

The Index was launched on 28 March 2025 with a base level of 1,000 on 20 March 2020. As of 31 October 2025, the Index consists of 80 stocks with full market capitalization of HKD 8,638 billion.

The most updated list of the constituents of the Index and their respective weightings and additional information and other important news of the Index can be obtained from the website of the Index Provider at https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights (the contents of which has not been reviewed by the SFC).

Bloomberg Code: CFIIECHJ

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

- The Sub-Fund is not principal guaranteed and your investments may suffer losses. There is no assurance that the Sub-Fund will achieve its investment objective.
- 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.

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 Sub-Fund may be riskier than other funds tracking more established indices with longer operating history.

4. Geographical concentration risk

- The Sub-Fund's investments are concentrated in Hong Kong and Japan. 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 Hong Kong and Japanese markets.

5. Risks relating to companies with higher free cash flow yield

- The constituents of the Index, and accordingly the Sub-Fund's investments, are concentrated in companies that generally have higher free cash flow yield. While a higher free cash flow yield means a company is generating more cash relative to its valuation, a higher free cash flow yield may be due to a company having lower valuation discounted by the markets, which, in turn, may be an indication that the company is facing challenges internally and/or externally. A consistently high free cash flow yield may also signal a lack of growth opportunities. Investors should also note that a higher free cash flow yield does not necessarily guarantee higher dividend return. Furthermore, companies with high free cash flow yield are typically concentrated in capital-intensive, established and/or cyclical sectors (such as energy, telecommunication, utilities, consumer staples and industrials). These sectors usually have lower growth expectations and are more susceptible to regulatory changes, technological disruptions and economic cycles. A downturn in the business for companies in these sectors may have adverse effects on the Sub-Fund.

6. Risks relating to companies with higher dividend yield

- The constituents of the Index, and accordingly the Sub-Fund's investments, are concentrated in companies which may offer a higher rate of dividend yield. However, high dividend yield securities are subject to risks that the dividend could be reduced or abolished, or the risks that the value of the securities could decline or have lower-than-average potential for price appreciation.

- Investors should also note that while the Sub-Fund may invest in companies offering a higher rate of dividend yield, there is no guarantee that the Sub-Fund will offer a higher dividend yield. The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution.

7. Risks associated with investment in FDIs

- The Sub-Fund's synthetic representative sampling strategy will involve investing up to 50% of its NAV in funded total return swaps. In the case of swaps, the Sub-Fund may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap counterparty(ies). The Sub-Fund may also invest in FDIs for hedging purposes.

- Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

8. Small and mid-capitalisation companies risk

- Some of the constituents of the Index are small or mid-capitalisation companies. The stocks of small or mid-capitalisation companies may have lower liquidity and their prices are more volatile and susceptible to adverse economic developments than those of larger capitalisation companies in general.

9. Risks of investing in other collective investment schemes

- The Sub-Fund may invest in other collective investment schemes and will be subject to the risks associated with the underlying funds. The Sub-Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the NAV of the Sub-Fund.

- If the Sub-Fund invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

10. 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.

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, 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. 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.

13. Trading differences risks

- As the TSE 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 Units. Differences in trading hours between the SEHK and the TSE may also increase the level of premium or discount of the Unit price to its NAV.

14. Foreign exchange risk

- The base currency of the Sub-Fund is HKD but a portion of the Sub-Fund's assets are invested in securities denominated in currency other than HKD (i.e., Japanese yen). If a substantial portion of the revenue and income of the Sub-Fund is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the NAV of the Sub-Fund denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the Sub-Fund.

15. Reliance on Investment Adviser risk

- The Manager has delegated its investment management duties in respect of the Sub-Fund regarding its investments in Japan securities market as set out in the offering documents, in pursuit of the investment objective and in accordance with the investment strategy as set out in the Appendix of the Sub-Fund, subject to the control and review of the Manager. The Investment Adviser will exercise investment discretion in respect of the Sub-Fund's investments in Japan securities market. Any disruption in the communication with or assistance from the Investment Adviser or a loss of service of the Investment Adviser or any of its key personnel might adversely affect the operations of the Sub-Fund.

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

17. Risk of early termination

- 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 equivalent of HKD 100 million in the Base Currency of the Sub-Fund. Investors may not be able to recover their investments and may suffer a loss when the Sub-Fund is terminated.

18. Risk relating to distributions paid out of capital

- Payment of dividends 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 involving payment of dividends out of capital or effectively out of capital of the Sub-Fund may result in an immediate reduction of the NAV per Unit of the Sub-Fund.

How has the 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 when trading the Sub-Fund on the SEHK

Fee	**What you pay**
Brokerage fee	At market rates[1]
Transaction levy	0.0027%[2]
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[3]
Trading fee	0.00565%[4]
Stamp duty	Nil

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 % of the Sub-Fund's NAV)
Management fee*	0.99% per annum
Trustee fee* (inclusive of fees payable to the Custodian)	Included in the Management fee

[1] The brokerage fee is payable in the currency decided by the intermediaries used by the buyer and the seller.
[2] Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
[3] AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
[4] Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

Investment Adviser's fee	The Management fee is inclusive of the Investment Adviser's fee and the Manager will pay the fees of the Investment Adviser out of the Management fee.
Registrar fee	Included in the Management fee
Performance fee	Nil
Other ongoing charges	Please refer to Part 2 of the Prospectus.

** Please note that some fees may be increased up to a permitted maximum amount by providing one month's prior notice to Unitholders. Please refer to the section headed "Fees and Charges" in Part 1 of the Prospectus for details.*

Other fees

You may have to pay other fees when dealing in the units of the Sub-Fund.

Additional Information

The Manager will publish important news and information in respect of the Sub-Fund, both in English and Chinese language at the following website https://www.csopasset.com/en/products/hk-chkj (this website has not been reviewed by the SFC), including:

- the Prospectus and this statement (as amended and supplemented from time to time);
- the latest annual and semi-annual financial reports (in English only);
- any public announcements made by the Sub-Fund, including information in relation to the Sub-Fund and the Index, notices of the suspension of the calculation of NAV, changes in fees and charges, the suspension and resumption of trading of Units;
- notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the offering documents and constitutive documents of the Sub-Fund;
- the near real-time indicative NAV per Unit of the Sub-Fund updated every 15 seconds during normal trading hours on the SEHK in HKD;
- the last NAV of the Sub-Fund and the last NAV per Unit of the Sub-Fund in HKD;
- full portfolio information of the Sub-Fund (updated on a daily basis);
- the compositions of the dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months (also available by the Manager on request);
- the tracking difference and tracking error of the Sub-Fund;
- the latest list of participating dealers and market makers; and
- the past performance information of the Sub-Fund.

The near real time indicative NAV per Unit in HKD (updated every 15 seconds during SEHK trading hours) is indicative and for reference purposes only.

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.