# PRODUCT KEY FACTS

## E Fund (HK) Solactive Biopharma Select Index ETF

*A sub-fund established under the E Fund ETFs Trust*

Issuer: E Fund Management (Hong Kong) Co., Limited 23 September 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:** | 03186 |
| **Trading lot size:** | 100 Units |
| **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:** | Solactive Biopharma Select Index (net total return) |
| **Base currency:** | Hong Kong dollar (HKD) |
| **Trading currency:** | Hong Kong dollar (HKD) |
| **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 will be in HKD only.<br><br>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#:** | 1.40%<br><br># 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. The ongoing charges figure is capped at 1.40% of the average NAV of the Sub-Fund until further notice by the Manager, and any ongoing expenses exceeding 1.40% of the average NAV of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund. |
| **Estimated annual tracking difference+:** | Estimated to be -1.90% |

| | |
|---|---|
| | + 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:** | http://www.efunds.com.hk (the contents of this website have not been reviewed by the SFC) |

## What is this product?

E Fund (HK) Solactive Biopharma 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 Solactive Biopharma 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 Sub-Fund will invest in substantially all securities constituting the Index (the "**Index Securities**") which are common stocks securities listed on a regulated stock exchange in Hong Kong and the United States (including American Depositary Receipts (ADRs)) 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. Please refer to the section “Securities Financing Transactions” under “Investment Objective, Strategy and Restrictions” of Part 1 of the Prospectus and the Appendix of the Sub-Fund in Part 2 of the Prospectus regarding details of the arrangements.

Currently the Manager has no intention to enter into sale and repurchase or reverse repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund. The Manager will seek the prior approval of the SFC (if required) and provide at least one month’s prior notice to Unitholders before the Manager engages in any such investments.

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 leading companies engaged in biopharmaceuticals in Hong Kong and the United States The Index is a net total return index, denominated and quoted in HKD, and its performance reflects the reinvestment of dividends and distributions, net of withholding tax, from the Index constituents.

For the Hong Kong universe of the Index, the instrument must be (i) listed on the Hong Kong Stock Exchange (SEHK); and (ii) available via the Southbound Trading of the Shanghai-Hong Kong or Shenzhen-Hong Kong Stock Connect Program. For the United States universe, the instrument must be listed on the New York Stock Exchange (NYSE), NASDAQ, or NYSE American, including all exchange traded ADRs.

Constituent securities must be classified under the “Biopharmaceuticals” sector of the FactSet Revere Business Industry Classification System (RBICS) (please refer to the Appendix of the Sub-Fund in Part 2 of the Prospectus for more details). The Index comprises 100 constituents, with up to 30 securities from the Hong Kong Index universe and at least 70 from the United States Index universe. The aggregate weight of Hong Kong Index constituents is fixed at 65% of the total Index weight, and all Hong Kong index constituents are equally weighted. The aggregate weight of the US Index constituents is fixed at 35% of the total Index weight and all United States Index constituents are equally weighted.

The Manager (and its connected persons) is independent of Solactive AG, the Index Provider.

The Index was launched on 30 September 2025 and had a base level of 1,000 on 20 March 2020. As of 6 January 2026, the Index had a total market capitalisation of approximately HKD38.60 trillion and 96 constituents. The Index composition (including a list of the constituents and their respective weightings), index methodology, and additional information are available on the website of the Index Provider at https://www.solactive.com/indices/?index=DE000SL0R455 (this website has not been reviewed or approved by the SFC).
Bloomberg Code: SOLG2BTN

## 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’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 in the repayment of principal. There is no assurance that the Sub-Fund will achieve its investment objective.

**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 Sub-Fund is subject to concentration risk as a result of tracking the performance of selected geographical regions (Hong Kong and the United States). It may be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Index resulting from adverse conditions in Hong Kong and the United States. The value of the Sub-Fund may be more susceptible to settlement risks, custody risks and adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong and the United States.

**5. Political, economic and social risks in mainland China**

- In tracking the Index, the Sub-Fund will invest in some companies the securities of which are listed on the SEHK and have substantial business operations in mainland China. Such companies may have substantial exposure to the risks in mainland China. As a result, changes in political, economic and social conditions in mainland China could adversely affect the value of investments.

**6. Biopharmaceuticals sector concentration risk**

- Biopharmaceuticals companies invest heavily in research and development which may not necessarily lead to commercially successful products, and the ability for these companies to obtain regulatory approval (for example, product approval) may be long and costly. In addition, the prospects of these companies may significantly be impacted by technological changes, increased governmental regulations and intense competition from competitors.
- Many biopharmaceuticals (including biotech and pharmaceuticals) companies are also dependent upon the ability to use and enforce intellectual property rights and patents, and any such impairment may have adverse financial consequences. The expiration of patents may also adversely affect the profitability of the companies. They are also subject to heavy competitive forces that may make it difficult to raise prices.
- A biopharmaceuticals company may incur net current liabilities which may expose the company to the risk of shortfalls in liquidity and would require the company to seek adequate financing such as external debt. Any difficulty or failure of a biopharmaceuticals company to meet its liquidity needs as and when needed may have a material adverse effect on its business, financial condition, results of operations and prospects
- The stocks of biopharmaceuticals companies, especially those of smaller, less-seasoned companies, tend to be less liquid and their prices may be more volatile than the overall market. These may have impact on the business and/or profitability of such companies in which the Sub-Fund invests and therefore may adversely affect the NAV of the Sub-Fund.
- The biopharmaceuticals companies invested by the Sub-Fund may be pre-revenue companies with limited track record or operating history, unlike other listed companies with longer track record or operating history. Pre-revenue companies refer to companies which have yet to generate any sales revenue typically because they do not have any products on the market yet. Pre-revenue companies are subject to a higher degree of risk generally and they have a higher risk of failure when compared to other companies. Valuations of pre-revenue companies are also subject to a high risk of being inaccurate. The Sub-Fund's investments in these companies will be subject to higher investment risks.
- A biopharmaceuticals company may not be able to generate any profits during the development stage of its products or at all. Even if a biotech company is able to generate revenue in a short run, it may not become profitable on a sustainable basis or at all.

**7. Risk associated with small-capitalisation / mid-capitalisation companies**

- The Sub-Fund may invest in stocks of small-capitalisation / mid-capitalisation companies. The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

**8. 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.

**9. 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.

**10. 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.

**11. 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.

**12. 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.

**13. Currency risk**

The Sub-Fund may invest in securities 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.

**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 and that at least one market maker 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 Units. There is also no guarantee that any market making activity will be effective.

**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% |
| **Performance fee** | Nil |
| **Trustee fee*, administration and custody fees** | 0.06%, subject to a monthly minimum fee of HKD 46,900^ |

** 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.*

*^The minimum fee is waived for the first 12 months from the date of fund launch.*

## 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 http://www.efunds.com.hk (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;

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

(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.

## 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.