

ChinaAMC(HK) launches ChinaAMC 20+ Year US Treasury Bond ETF

Listed Class (Distributing): 3146.HK/9146.HK/83146.HK

Listed Class (Accumulating): 9446.HK

Unlisted Class (Accumulating and Distributing): HKD/USD/RMB/RMB Hedged

Investment involves risks, including the loss of principle. Past performance is not indicative of future results. Before investing in the ChinaAMC 20+ Year US Treasury Bond ETF (the "Fund"), investor should refer to the Fund's prospectus and respective KFSs for details, including the risk factors. You should not make investment decision based on the information on this material alone. Please note:

- The Fund aims to provide investment result that, before fees and expenses, closely corresponds to the performance of the ICE U.S. Treasury 20+ Year Bond Index (the "Index").
- The Fund is passively managed and falls in the Index may cause falls in the value of the Fund. The Fund is subject to tracking error risk, trading risk with discount or premium and multi-counter risk.
- The Fund majorly invests in US Treasury debt securities with 20+ years remaining term to maturity and is subject to general market risks, concentration risk, credit/counterparty risk, income risk, interest rate risk, sovereign debt risk, valuation risk, credit rating risk and downgrading risk.
- The Fund is subject to securities lending transactions risks, including the risk that the borrower may fail to return the securities in a timely manner.
- The Fund has Listed Units traded in RMB and HKD counters and Unlisted Classes not designated in USD, therefore subject to fluctuations in exchange rates. Investors in Unlisted Hedged Classes bear the associated costs and may be exposed to the risk associated with hedging instruments used.
- Listed and unlisted classes are subject to different pricing and dealing arrangements. NAV per Unit of each class may be different due to different fees and cost.
- Units of listed class are traded in the secondary market on an intraday basis at the prevailing market price, while units of unlisted class are sold through intermediaries based on the dealing day-end NAV. Investors of unlisted class could redeem at NAV while investors of listed class in the secondary market could only sell at the prevailing market price and may have to exit the Fund at a significant discount. Investors of unlisted class may be at an advantage or disadvantage compared to investors of listed class.
- Distributions will be made in the USD only. Unitholder of distributing classes without USD account may have to bear the fees and charges associated with currency conversion.
- The Fund may at its discretion pay distribution out of capital or effectively 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 distributions may result in an immediate reduction in the NAV per Unit of the Fund.

[Hong Kong, June 17, 2024] China Asset Management (Hong Kong) Limited ("ChinaAMC (HK)") is pleased to announce the listing of ChinaAMC 20+ Year US Treasury Bond ETF ("the Fund") on June 17, 2024. The Fund aims to track the performance of the ICE U.S. Treasury 20+ Year Bond Index (the "Index"), before fees and expenses.

Jane Cai, Managing Director and Head of Fixed Income at ChinaAMC (HK), commented, "We believe the cycle of interest rate hikes is likely to draw to a close, and we anticipate a shift to a rate-cutting cycle in the latter half of the year. Reflecting on the three previous rate-cutting periods from 2000 to the present, long-term US Treasury bonds have consistently delivered superior returns compared to long-term credit bonds and short-term US Treasury bonds. With the launch of this Fund, we aim to provide investors with the opportunities following the onset of the Federal Reserve's act."

Max Lan, Head of ETF Investments at ChinaAMC (HK), noted, "In comparison to US Treasury ETFs with varying maturities, the 20+ year US Treasury ETF has experienced a substantial net inflow of USD 39.85 billion¹ since 2023, far exceeding its counterparts with different durations."

¹ Source: Bloomberg, data as of May 31, 2024.

This Fund marks ChinaAMC (HK)'s first US Treasury Bond product and is a significant addition to our ETF lineup. Designed for flexibility, convenience, and efficiency, the Fund offers both listed units and unlisted units in both accumulating and distributing classes. It serves as a premium tool for long-term US Treasury Bond allocation.

Fund Information

ChinaAMC 20+ Year US Treasury Bond ETF	
Index	ICE U.S. Treasury 20+ Year Bond Index (Total return index)
Stock Code	Distributing: 3146 / 9146 / 83146 Accumulating: 9446
Exchange	The Stock Exchange of Hong Kong Limited - Main Board
Listing Date	17 June 2024
Base Currency	USD
Trading Currency	Distributing listed class: HKD, USD, RMB Accumulating listed class: USD Unlisted Class: HKD/USD/RMB/RMB hedged
Initial Price	USD 100
Dividend*	DIST: quarterly ACC: no dividend
Management Fee	Listed Class: 0.20% / Class A: 0.20% / Class B: 0.99%
TER**	Listed Class: 0.20% / Class A: 0.20% / Class B: 0.99%

Source: Bloomberg, ICE, ChinaAMC (HK), data as of 31 May 2024.

* The Manager intends to distribute income to Unitholders quarterly, having regard to the Sub-Fund's net income after fees and costs. All Units (whether HKD, USD or RMB traded Units) will receive distributions in USD only. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion. Paying distributions out of or effectively out capital may result in an immediate reduction of the Sub-Fund's net asset value.

** As the Sub-Fund 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 of the Sub-Fund, expressed as a percentage of the estimated average NAV for the same period. It may be different upon actual operation of the Sub-Fund and may vary from year to year.

Investment involves risk, including possible loss of principal. Past performance does not represent future performance. The information contained herein is for informational purposes only and does not constitute an offer or invitation to anyone to invest in any funds and has not been prepared in connection with any such offer. The material has been prepared and issued by China Asset Management (Hong Kong) Limited. This material has not been reviewed by the Securities and Futures Commissions.

About China Asset Management (Hong Kong) Limited

Established in 2008, China Asset Management (Hong Kong) Limited ("ChinaAMC (HK)") is a leading Chinese asset manager in Hong Kong. The company is a wholly owned subsidiary of China Asset Management Co. Limited, one of the trusted asset managers and largest ETF provider in Mainland China with over USD 300 billion in assets under management as of March 31, 2023.

ChinaAMC (HK) has amassed an impressive performance history in both active and passive investments over the past 16 years. Boasting robust expertise in a variety of asset classes, such as Greater China equities, Asian and global fixed income, and global ETF series, ChinaAMC (HK) adopts a global outlook to build a versatile platform catering to institutional and retail investors in the region and worldwide. Committed to innovation and growth in the financial sector, ChinaAMC (HK) is actively expanding into the Web 3.0 space, exploring new opportunities in blockchain and decentralized finance technologies. All efforts align with their vision of being "Beyond China Expert".

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