

PRODUCT KEY FACTS

ChinaAMC Hang Seng Biotech ETF (Unlisted Class)

Issuer: China Asset Management
(Hong Kong) Limited

A sub-fund established under the ChinaAMC Global ETF Series

9 December 2024



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

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|--|---|
| Manager: | China Asset Management (Hong Kong) Limited 華夏基金(香港)有限公司 |
| Trustee and Registrar: | HSBC Institutional Trust Services (Asia) Limited |
| Ongoing charges over a year[#]: | Class A Units: 0.74% Class B Units: 1.14% |
| Estimated annual tracking difference ^{##}: | Class A Units: -0.44% Class B Units: -0.84% |
| Underlying Index: | Hang Seng Biotech Index |
| Dealing Frequency: | Daily on each business day |
| Base Currency: | Hong Kong dollars (HKD) |
| Distribution Policy: | No distribution to Unitholders. |
| Financial Year End: | 31 December |
| Minimum Initial Investment and Minimum Holding: | Class A Units (RMB): RMB 1,000 Class B Units (RMB): RMB 1 Class A Units (HKD): HKD 1,000 Class B Units (HKD): HKD 1 Class A Units (USD): USD 100 Class B Units (USD): USD 0.1 |
| Minimum Investment and Redemption Amount: | Subsequent Minimum Class A Units (RMB): RMB 1,000 Class B Units (RMB): RMB 1 Class A Units (HKD): HKD 1,000 Class B Units (HKD): HKD 1 Class A Units (USD): USD 100 Class B Units (USD): USD 0.1 |

[#] As the Unlisted Class of Units of 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 an Unlisted Class, expressed as a percentage of the estimated average NAV (as defined under "Strategy" below) for the same period for the relevant Class. It may be different upon actual operation of the Unlisted Class of Units and may vary from year to year. The estimated ongoing charges do not represent the estimated tracking error.

^{##} This is an estimated tracking difference. Investors should refer to the website of the Sub-Fund for more up-to-date information on actual tracking difference.

Sub-Fund Website:<https://www.chinaamc.com.hk>

(this website has not been reviewed by the SFC)

What is this product?

ChinaAMC Hang Seng Biotech ETF (the “**Sub-Fund**”) is a sub-fund of ChinaAMC Global ETF Series, 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 SFC.

The Sub-Fund offers both listed class of Units (the “Listed Class of Units”) and unlisted classes of Units (the “Unlisted Classes of Units”). This statement contains information about the offering of the Unlisted Class of Units, and unless otherwise specified, references to “Units” in this statement shall refer to the “Unlisted Class of Units”. Investors should refer to a separate statement for the offering of the Listed Classes of Units.

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 Hang Seng Biotech Index (the “**Index**”).

Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager will primarily use a full replication strategy through investing directly in Securities included in the Index in substantially the same weightings in which they are included in the Index.

The Manager may also use a representative sampling strategy where it is not possible to acquire certain Securities which are constituents of the Index due to restrictions or limited availability or where the Manager considers appropriate in its absolute discretion. This means that the Sub-Fund will invest directly in a representative sample of Securities that collectively has an investment profile that aims to reflect the profile of the Index. The Securities constituting the representative sample may or may not themselves be constituents of the Index, provided that the sample closely reflects the overall characteristics of the Index. 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 4% or such other percentage as determined by the Manager after consultation with the SFC.

Investors should note that the Manager may switch between the full replication strategy and the representative sampling strategy without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely (or efficiently) as possible for the benefit of investors.

As a result of corporate actions of constituent companies of the Index, securities that are not constituents of the Index, including but not limited to equity securities, debt securities, convertible bonds and other financial derivative instruments (“**FDIs**”), such as rights and options, may be held by the Sub-Fund. Holdings of such securities will not exceed 10% of the net asset value (“**NAV**”).

Apart from those received in corporate actions as described above, the Sub-Fund may invest in FDIs including but not limited to total return index swaps for hedging or non-hedging (i.e. investment) purposes. The Sub-Fund’s holdings of FDIs for non-hedging (i.e. investment) purposes will not exceed 10% of its NAV.

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions, with a maximum level of up to 50% and expected level up to 20% of the Sub-Fund’s NAV. The Manager will be able to 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.

For any non-cash collaterals, such as equity securities and fixed income securities, which may be received as collaterals in respect of the securities lending transactions, the Sub-Fund may hold not more than 30% of its NAV in securities which are not constituents of the Index. Taking into consideration the cash collateral which be received in respect of the securities lending transactions, the Sub-Fund may also hold not more than 30% of its NAV in money market instruments and cash deposits for cash management purpose. For the avoidance of doubt, the Sub-Fund will use a representative sampling strategy instead of a full replication strategy in such cases.

Currently, the Sub-Fund will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions, but this may change in light of market circumstances. 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 Schedule 1 of the Prospectus.

Index

The Index is a free float adjusted market capitalisation weighted index with a 10% cap on individual stocks. It reflects the overall performance of the 50 largest biotech companies that are listed on the Main Board of the Stock Exchange of Hong Kong (“SEHK”) with at least one month listing history, including stocks listed through the Listing Rules Chapter 18A, that are classified as “Biotechnology”, “Pharmaceuticals” and “Medical Devices” in the Hang Seng Industry Classification System. The free float adjusted market capitalisation of individual stocks mainly engaged in pharmaceuticals distribution will be discounted by 50% in the weighting calculation. It is compiled and managed by Hang Seng Indexes Company Limited (“HSIL”). The Manager and its connected persons are independent of HSIL.

It is a net total return index, meaning that the performance of the Index is calculated on the basis that any after tax dividends or distributions are reinvested. It is denominated and quoted in HKD.

The Index was launched on 16 December 2019 and had a base level of 1,000 on 31 December 2013. As of 2 December 2024, it had a total free-float index market capitalisation of HKD 630.94 billion and 50 constituents.

The constituents of the Index together with their respective weightings and additional information of the Index can be found on the website <https://www.hsi.com.hk/eng/indexes/all-indexes/hshkbio> (the contents of which has not been reviewed by the SFC).

Bloomberg Code: HSHKBION

Refinitiv Code: .HSHKBION

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

What are the key risks?

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

1. General 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. Falls in the index are expected to result in corresponding falls in the value of the Sub-Fund.

- 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 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. 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 exchange traded funds tracking more established indices with longer operating history.

4. Risks related to biotech (including pharmaceuticals and medical devices) companies

- Biotech, pharmaceuticals and medical devices 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 biotech, pharmaceuticals and medical devices 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 biotech, pharmaceuticals and medical devices 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 biotech 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 biotech, pharmaceuticals and medical devices 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 biotech, pharmaceuticals and medical devices 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 biotech company, pharmaceuticals and medical devices 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.

5. Concentration risk

- The Index is subject to concentration risk as a result of tracking the performance of companies listed on the SEHK in a particular sector. Although the Index does not have a particular geographical concentration by virtue of its methodology and constituents selection criteria, the Index constituents may from time to time be concentrated in Hong

Kong and PRC companies. The NAV of the Sub-Fund is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund tracking other broad-based stock indices, as the Index is more susceptible to fluctuations in value resulting from adverse conditions in a single market and sector.

6. 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.

7. Differences in dealing arrangements between Listed and Unlisted Classes of Units

- Investors of Listed and Unlisted Classes of Units are subject to different pricing and dealing arrangements. The NAV per Unit of each of the Listed and Unlisted Classes of Units 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 Units are different (but the valuation point is the same for the relevant dealing day). The trading hours of The Stock Exchange of Hong Kong Limited applicable to the Listed Class of Units in the secondary market and the dealing deadlines in respect of the Listed Class of Units (on the primary market) or Unlisted Classes of Units are also different.
- Units of the Listed Class of Units are traded on the stock exchange in the secondary market on an intraday basis at the prevailing market price (which may diverge from the corresponding NAV), while Units of the Unlisted Classes of Units are sold through intermediaries based on the dealing day-end NAV 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 Unlisted Classes of Units may be at an advantage or disadvantage compared to investors of the Listed Class of Units.
- In a stressed market scenario, investors of the Unlisted Classes of Units could redeem their Units at NAV while investors of the Listed Class of Units in the secondary market could only redeem at the prevailing market price (which may diverge from the corresponding NAV) and may have to exit the Sub-Fund at a significant discount. On the other hand, investors of the Listed Class of Units could sell their Units on the secondary market during the day thereby crystallising their positions while investors of the Unlisted Classes of Units could not do so in a timely manner until the end of the day.

8. 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.

9. Currency risk

- A class of Units may be designated in a currency other than the Base Currency of the Sub-Fund. The NAV may be affected unfavourably by fluctuations in the exchange rates between the class currency and the Sub-Fund's Base Currency.

10. 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 HKD150 million. In case of termination of the Sub-Fund, the related costs will be borne by the Sub-Fund. The NAV may be adversely affected and Unitholders may suffer loss. Please refer to the section headed "Termination" of the Prospectus for details of events which may cause the Sub-Fund to be terminated.

How has the fund performed?

Since the Unlisted Class of Units of 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 which may be payable by you****You may have to pay the following when dealing in the units of the Sub-Fund**

| Fees | What you pay |
|-------------------------|---|
| Subscription fee | Class A Units / Class B Units: Up to 3% of the subscription amount |
| Switching fee | Up to 1% of the total redemption proceeds for each Unit switched |
| Redemption fee | Not applicable |

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 return you get on your investments.

| | Annual rate (as a % NAV) |
|---|---|
| Management fee** The Sub-Fund pays a management fee to the Manager. | Class A Units (RMB) / 0.50% Class A Units (HKD) / Class A Units (USD): Class B Units (RMB) / 0.90% Class B Units (HKD) / Class B Units (USD): |
| Trustee's fee* The Sub-Fund pays a trustee's fee to the Trustee. | Annual rate (as a % NAV) 0.10% per annum for the first HKD 200,000,000 of NAV, 0.08% per annum for the remaining balance of NAV, subject to a monthly minimum of HKD 23,400 (subject to a waiver for the first 6 months following the launch of the Sub-Fund) |
| Registrar fee | Included in the Trustee fee |

* 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 as well as other ongoing expenses that may be borne by the Sub-Fund.

Where the Sub-Fund invests in funds which are managed by the Manager or its connected persons (the "underlying funds"), the Manager will procure that the underlying fund(s) will not charge any management fee in order to ensure no double-charging of management fees.

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|---|-----|
| Performance fee | Nil |
| Administration fee | Nil |
| 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 | |
| <p>You generally buy and redeem Units at the Sub-Fund's next-determined NAV after the Trustee receives your request in good order on or before 3:00 p.m.(Hong Kong time) being the dealing cut-off time for Unlisted Classes of Units. Different distributors may impose different dealing deadlines for receiving requests from investors. The valuation point is at approximately 7:30 p.m. (Hong Kong time) on the applicable valuation day (which coincides with each dealing day).</p> <p>The Manager will publish important news and information with respect to the Sub-Fund (including in respect of the Index), both in the English and in the Chinese languages, on the Manager's website at https://www.chinaamc.com.hk (this website has not been reviewed by the SFC) including:</p> <ul style="list-style-type: none"> (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 Prospectus or the Sub-Fund's 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 and changes in fees; (e) the last NAV per Unit of each Unlisted Class of Units in issue; (f) the full portfolio information of the Sub-Fund (updated on a daily basis); and (g) the tracking difference and tracking error of the Sub-Fund. <p>The NAV of the Sub-Fund is calculated and the price of Unlisted Classes of Units published on each business day on the website https://www.chinaamc.com.hk (this website has not been reviewed by the SFC).</p> | |
| 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. | |