

Product Key Facts

CHINAAMC NASDAQ 100 ETF

China Asset Management (Hong Kong) Limited

June 2024

***This is a passive exchange traded fund.
This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.***

Quick facts

| | |
|---|--|
| Stock code: | 3086 – HKD counter 9086 – USD counter |
| Trading lot size: | 200 Units – HKD counter 200 Units – USD counter |
| Manager: | China Asset Management (Hong Kong) Limited |
| Investment Delegate: | Mackenzie Financial Corporation – Canada (external delegation) |
| Trustee: | State Street Trust (HK) Limited |
| Registrar: | Tricor Investor Services Limited |
| Ongoing charges over a year: | 0.30% [#] |
| Tracking difference of the last calendar year: | -0.48% ^{##} |
| Index: | NASDAQ-100 Index |
| Base currency: | HKD |
| Trading currency: | HKD – HKD counter USD – USD counter |
| Financial year end: | 31 December |
| Dividend policy: | The Manager intends to distribute income to unitholders at least semi-annually (usually in March and September of each year). There is no guarantee of regular distribution payments, or the amount being distributed. There is no current intention to make distribution out of capital or effectively out of capital. Distributions on all Units (whether traded in HKD or USD counter) will be in HKD only^{###}. |

[#] The ongoing charges figure is based on expenses for the year ended 31 December 2023. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's average net asset value.

^{##} This is the actual tracking difference of the calendar year ended 31 December 2023. Investors should refer to the website of the Sub-Fund for more up-to-date information on actual tracking difference.

^{###} Unitholders may have to bear the fees and charges associated with the conversion of such distributions from HKD to USD or any other currency.

ETF website: www.chinaamc.com.hk ####

What is this product?

This is a fund constituted in the form of a unit trust established under Hong Kong law and is a sub-fund of the ChinaAMC Global ETF Series II. The Units of the ChinaAMC NASDAQ 100 ETF (the “**Sub-Fund**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Units are traded on the SEHK like listed stocks. The Sub-Fund is a passively managed index tracking exchange traded fund falling under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds.

Objective and Investment Strategy

Objective

The Sub-Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the NASDAQ-100 Index (the “**Index**”).

Strategy

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy.

When the Sub-Fund adopts the replication strategy, it will invest in substantially all the Index securities constituting the Index in substantially the same weightings (i.e. proportions) as these Index securities have in the Index.

When the Sub-Fund adopts the representative sampling strategy, it will invest, either directly or indirectly, in securities comprised in the Index, or in securities that are not included in its Index, but which the Manager believes will help the Sub-Fund achieve its investment objective.

Investors should note that the Manager may switch between the full replication and representative sampling strategies without notice to investors and in its absolute discretion.

The Sub-Fund currently does not intend to:

- (a) engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions; or
- (b) invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes).

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments for investment purposes, prior approval shall be obtained from the SFC (if so required) and no less than 1 month’s prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

The Manager has appointed Mackenzie Financial Corporation as investment delegate of the Sub-Fund, whereby the Investment Delegate exercises investment discretion in respect of the

This website has not been reviewed by the SFC.

investments of the Sub-Fund and is responsible for the selection and ongoing monitoring of the Sub-Fund's investments pursuant to the above investment objective and strategy, subject to the oversight of the Manager.

Index

The Index is a modified market capitalisation weighted index that is compiled and published by The NASDAQ OMX Group, Inc., the Index Provider. The Index comprises the 100 largest domestic and international non-financial companies listed on the NASDAQ Stock Market, based on market capitalisation. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology and does not contain securities of financial companies including investment companies. The weights of constituent securities of the Index are derived based on their market capitalisation and are subject to rules which cap the influence of the largest constituents.

To be eligible for initial inclusion in the Index, a security must meet the following criteria:

- (1) the issuer of the security's primary US listing must be exclusively listed on the NASDAQ Global Select Market or the NASDAQ Global Market;
- (2) the security must be issued by a non-financial company according to the Industry Classification Benchmark (ICB);
- (3) the security may not be issued by an issuer that has filed for bankruptcy or equivalent protection from creditors;
- (4) the security must have a minimum average daily traded value of USD5 million in the preceding 3-month trading period;
- (5) the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible;
- (6) the security must have been listed and available trading for at least three full calendar months, not including month of initial listing, on NASDAQ (NASDAQ Global Select Market, NASDAQ Global Market, or NASDAQ Capital Market), NYSE, NYSE American, or CBOE BZX; and
- (7) the security must have a minimum free float of 10%.

To be eligible for continued inclusion in the Index, an Index security must meet the above criteria and must have a weight equal to or exceeding 0.1% in the Index at each month-end. In the event that a company does not meet this criterion for 2 consecutive month-ends, it is removed from the Index effective after the close of trading on the third Friday of the following month.

The Index was launched on 31 January 1985 and had a base level of 125.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

As at 26 February 2024, the Index had a total market capitalisation of USD 20.97 trillion and 101 constituents. An issuer may have more than one class of securities which are eligible for inclusion in the Index and which will be included as separate constituents.

The Index is denominated in HKD.

The Manager (and each of its Connected Persons) is independent of The NASDAQ OMX Group, Inc., the Index Provider.

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of The NASDAQ OMX Group, Inc. at <https://www.nasdaq.com/solutions/nasdaq-global-index-policies>. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Use of derivatives / investment in derivatives

The Sub-Fund will not use derivatives for any purposes.

What are the key risks?

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

Concentration and US Market Risk

- The Sub-Fund's investments are concentrated in a single country (i.e. the US) and securities trading on a single stock exchange (i.e. NASDAQ). The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- Economic recession, decreasing US imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt may have an adverse impact on the development of the US economy and the US securities in which the Sub-Fund invests. The Sub-Fund's investment in US securities may also be subject to US taxes.

Difference in Trading Hours Risks

- As the NASDAQ Stock Market will 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 Units. Differences in trading hours between the NASDAQ Stock Market and the SEHK may increase the level of premium or discount of the trading price to the net asset value of the Units.

Management Risk

- Because there can be no guarantee that the Sub-Fund's performance is identical to that of the Index, it is subject to management risk. This is the risk that the Manager's and the Investment Delegate's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager and the Investment Delegate (as a delegate of the Manager) have absolute discretion to exercise Unitholders' rights with respect to securities comprising the Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Sub-Fund being achieved.

Reliance on the Investment Delegate Risk

- The Manager has delegated the exercise of investment discretion for the Sub-Fund to the Investment Delegate. Unitholders must rely on the Investment Delegate in implementing the investment strategies and the performance of the Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Investment Delegate or any of its key personnel, as well as any

significant interruption of the Investment Delegate's business operations or in the extreme case of the insolvency of the Investment Delegate, the trustee may not find successor managers/investment delegates with the requisite skills, qualifications and the new appointment may not be on equivalent terms or of similar quality. The occurrence of any of these events may have an adverse impact on the Sub-Fund's performance and thus the value of your investment.

Tracking Error Risk

- The Sub-Fund may use representative sampling strategy. It is therefore possible that the Sub-Fund may be subject to a greater risk of tracking error, which is the risk that its performance may not track that of the Index accurately. Other factors such as fees and expenses, and inability to rebalance the Sub-Fund's holdings in response to changes to the Index may also cause tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

Investment Risk

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal. Therefore your investment in the Sub-Fund may suffer losses.

Foreign Exchange Risk

- An investment in the Sub-Fund may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in currencies other than the base currency of the Sub-Fund (which is the HKD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the Sub-Fund.

Passive Investment Risk

- The Sub-Fund is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the Sub-Fund will also decrease in value. Investors may suffer significant losses accordingly.

Trading Risk

- Generally, retail investors can only buy or sell Units on the SEHK. The trading price of the Units on the SEHK is subject to market forces and may trade at a substantial premium or discount to the net asset value per Unit.
- 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 net asset value per Unit when buying Units on the SEHK, and may receive less than the net asset value per Unit when selling Units on the SEHK.

Reliance on Market Makers Risk

- Although the Manager ensures that at least one market maker will maintain a market for the Units traded in each counter, it should be noted that liquidity in the market for the Units may be adversely affected if there is no market maker for the Units traded in either counter. The Manager will seek to mitigate this risk by ensuring at least one market maker per counter gives not less than 3 months' notice prior to terminating market making. It is possible that there is only one SEHK market maker for each

counter, or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

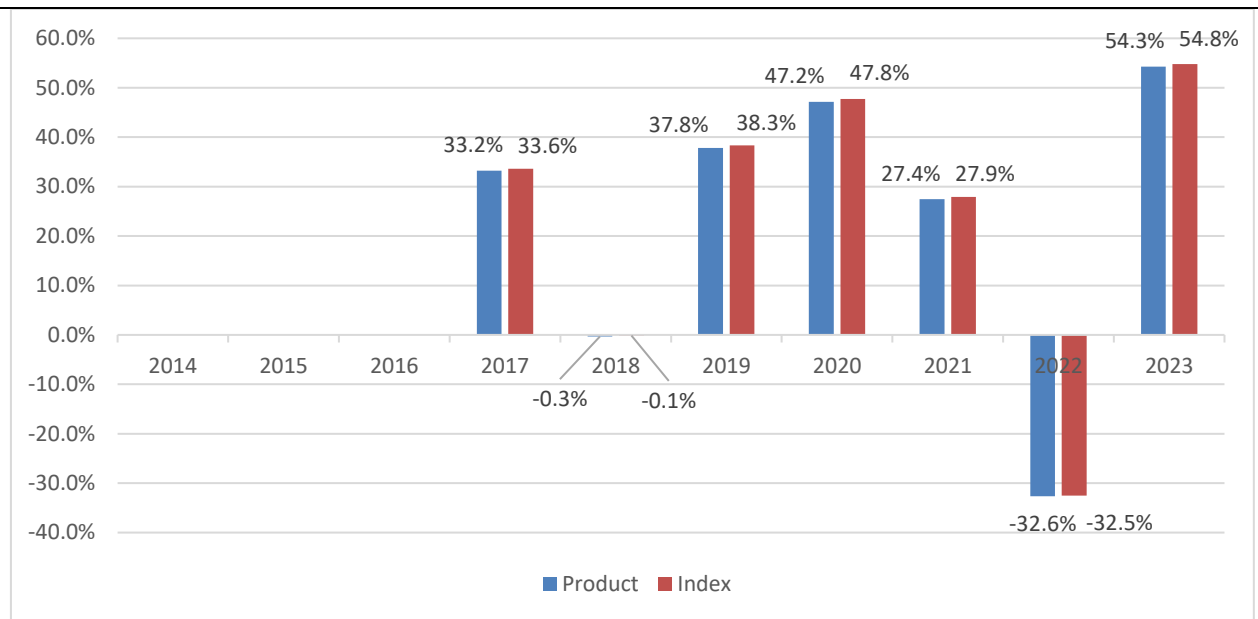
Early Termination Risk

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the aggregate net asset value of all the Units of the Sub-Fund is less than HKD100 million. Investors should refer to “Termination” in the Prospectus for further details. Investors may suffer a loss when the Sub-Fund is terminated.

Dual Counter Trading Risks

- Where there is a suspension of the inter-counter transfer of Units between the HKD counter and the USD counter, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly inter-counter transfers may not always be available.
- Investors without a USD account may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units.
- Some brokers/intermediaries and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other; (ii) carry out inter-counter transfers of Units; or (iii) trade Units in the HKD counter and USD counter at the same time. This may inhibit or delay dealing in the HKD traded Units and USD traded Units and may mean investors may only be able to trade their Units in one currency.
- The market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate between HKD and USD. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

How has the fund performed?



Note: Since 28 May 2021, the Manager of the Fund changed from BMO Global Asset Management (Asia) Limited to China Asset Management (Hong Kong) Limited and the investment management function of the Fund has been delegated to Mackenzie Financial Corporation. The performance of the Fund prior to 2021 was achieved under circumstances that no longer apply.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year shown. Performance data is calculated in HKD including ongoing charges and excluding expenses payable by investors on the SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Underlying Index: NASDAQ-100 Index
- Sub-Fund launch date: 18 February 2016

Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

Charges incurred when trading the fund on the SEHK

| <u>Fee</u> | <u>What you pay</u> |
|---|-----------------------|
| Brokerage fee | Market rates |
| Transaction levy | 0.0027% ¹ |
| Financial Reporting Council (“FRC”) transaction levy | 0.00015% ² |

¹ Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

² FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

| | |
|-------------------------------|-----------------------|
| Trading fee | 0.00565% ³ |
| Stamp duty | Nil |
| Inter-counter transfer | HKD5 ⁴ |

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 net asset value of the Sub-Fund which may affect the trading price.

| | <u>Annual rate (as a % of net asset value)</u> |
|----------------------------|---|
| Management Fee** | 0.30% per annum |
| Trustee Fee | Included in the management fee |
| Registrar Fee | Included in the management fee |
| Performance Fee | Nil |
| Administration Fee | Included in the management fee |
| Other Ongoing Costs | Please refer to the Prospectus for details of ongoing costs payable by the Sub-Fund |

* The current fees in respect of the Sub-Fund payable to the Manager as described above may be increased on notice to Unitholders, subject to the permitted maximum rates. Please refer to the section headed "Fees and Expenses" in the Prospectus for further details of the fees and charges payable and the permitted maximum rates of such fee allowed as well as other on-going 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.

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 of other fees and expenses applicable to the creation or redemption, or dealing in Units. You should also check with your intermediaries on the payment process including the currency that you should use for settling such fees and how they set the exchange rate to be used if any currency conversion is required in the transaction.

Additional Information

You can find the following information in respect of the Sub-Fund at the following website at www.chinaamc.com.hk (this website has not been reviewed by the SFC).

- (a) the Prospectus and this product key facts statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual audited accounts and interim half yearly unaudited report (in English only);
- (c) any notices for material alterations or additions to the Prospectus or the Sub-Fund's constitutive documents;

³ Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

⁴ HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer from one counter to another counter. Investors should check with their brokers regarding any additional fees.

- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and Index, notices of the suspension of the calculation of the net asset value, changes in fees and the suspension and resumption of trading;
- (e) the near-real time indicative net asset value per Unit updated every 15 seconds during trading hours throughout each Dealing Day in HKD and USD;
- (f) the last net asset value of the Sub-Fund in HKD, and the last net asset value per Unit of the Sub-Fund in HKD and USD (updated on a daily basis);
- (g) the full holdings of the Sub-Fund (updated on a daily basis);
- (h) the latest list of the Participating Dealers and Market Makers; and
- (i) the tracking difference and tracking error of the Sub-Fund.

Real-time updates about the Index can be obtained through other financial data vendors. Additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) can be obtained via the Manager's website and the Index Provider's website (neither of which, nor any other website referred to in this statement or the Prospectus, has been reviewed by the SFC). Please refer to the section on "Website Information" in the Prospectus for the warning and the disclaimer regarding information contained in such website.

The near-real time indicative net asset value per Unit in USD and the last net asset value per Unit in USD are indicative and for reference purposes only. The near real time indicative net asset value per Unit in USD is calculated by ICE Data Indices, LLC using the near real time indicative net asset value per Unit in HKD multiplied by the real time USD:HKD foreign exchange rate, and is updated during SEHK trading hours. The last net asset value per Unit in USD is calculated using the last net asset value per Unit in HKD multiplied by an assumed foreign exchange rate using the USD:HKD exchange rate quoted by WM Reuters at 4:00 p.m. (London time) 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.