PRODUCT KEY FACTS

CSOP Saudi Arabia ETF (Listed Class)

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

CSOP Asset Management Limited

5 November 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 Prospectus.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Stock codes:	HKD counter: 2830 RMB counter: 82830
Trading lot size:	HKD counter: 10 Units RMB counter: 10 Units
Fund Manager:	CSOP Asset Management Limited
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Custodian:	The Hongkong and Shanghai Banking Corporation Limited
Sub-Custodian	HSBC Saudi Arabia
Underlying Index:	FTSE Saudi Arabia Index (net total return version)
Base currency:	Saudi Riyal ("**SAR**")
Trading currencies:	HKD counter: Hong Kong Dollars ("**HKD**") RMB counter: Renminbi ("**RMB**") (CNH)
Ongoing charges over a year:	Estimated to be 1.20% #
Estimated annual tracking difference:	Estimated to be -1.30% ##
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**"). **Distributions for all Units (whether traded in HKD or RMB counter) will be in HKD only.** However, there is no guarantee of regular distribution nor the amount being distributed (if any).
Financial year end of this fund:	31 December
ETF website:	http://www.csopasset.com/en/products/hk-sau (this website has not been reviewed by the Securities and Futures Commission (the "**SFC**"))

 # The ongoing charges figure is an estimate based on the annualized projection of the actual expenses for the period between the Sub-Fund's inception date and 31 December 2023, and represents the sum of the estimated ongoing expenses chargeable to the Listed Class of Units (as defined below) expressed as a percentage of the NAV of the Listed Class of Units. The actual figure may be different from this estimated figure and it may vary from year to year.

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

What is this product?

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

The Listed Class of Units are listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**") and traded on the SEHK like listed stocks.

The Sub-Fund is a physical ETF and invests primarily in equity securities listed on the stock exchange of Saudi Arabia (the "**Saudi Exchange**"). The Sub-Fund is denominated in SAR.

Objectives and Investment Strategy

<u>Objective</u>

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 Saudi Arabia Index (net total return version) (the "**Underlying Index**"). There is no assurance that the Sub-Fund will achieve its investment objective.

<u>Investment Strategy</u>

The Manager intends to adopt a combination of physical and synthetic representative sampling strategy to achieve the investment objective of the Sub-Fund. The Sub-Fund will (i) primarily use a physical representative sampling strategy through investing up to 100% of its NAV in a representative portfolio of securities that collectively has a high correlation with the Underlying Index; and (ii) where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund, use a synthetic representative sampling strategy as an ancillary strategy by investing no more than 50% of its NAV in financial derivative instruments ("**FDIs**"), including futures and swaps.

<u>Physical representative sampling sub-strategy</u>

The Sub-Fund primarily uses a physical representative sampling strategy through investing up to 100% of its NAV in a representative portfolio of securities that collectively has a high correlation with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index ("**Index Securities**"). In pursuing a physical representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold securities which are not Index Securities.

The Sub-Fund may invest up to 100% of its NAV directly in equity securities listed on the Saudi Exchange.

The Sub-Fund has registered with the Capital Market Authority in Saudi Arabia (the "**CMA**") as a Qualified Foreign Investor ("**KSA QFI**") pursuant to the KSA QFI Rules (as defined in the Prospectus). As the Sub-Fund is a KSA QFI, it can invest in shares listed on the Saudi Exchange subject to the applicable foreign ownership limits under the KSA QFI Rules and the Capital Market Law of Saudi Arabia (the "**KSA Capital Market Law**"). The Manager will closely monitor the Sub-Fund's position against the applicable foreign ownership limits and ensure that any such limit applicable to the CSOP Saudi Arabia ETF as a KSA QFI on the ownership of listed shares or convertible debt instruments of an issuer (as described in further detail under the risk factor "Foreign ownership limit risk" below) will not be exceeded.

<u>Synthetic representative sampling sub-strategy</u>

The Sub-Fund's synthetic representative sampling strategy will involve investing in FDIs, including futures and swaps, with no more than 50% of the Sub-Fund's NAV. The Manager will only use a synthetic representative sampling strategy where it considers that such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures which may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Underlying Index. On the other hand, the swaps which may be invested by the Sub-Fund will be 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 relevant securities (net of indirect costs). The expected proportion of the Sub-Fund's NAV subject to investments in futures and swaps will not exceed 20% and 50% of its NAV respectively, and will be no more than 50% of its NAV in aggregate.

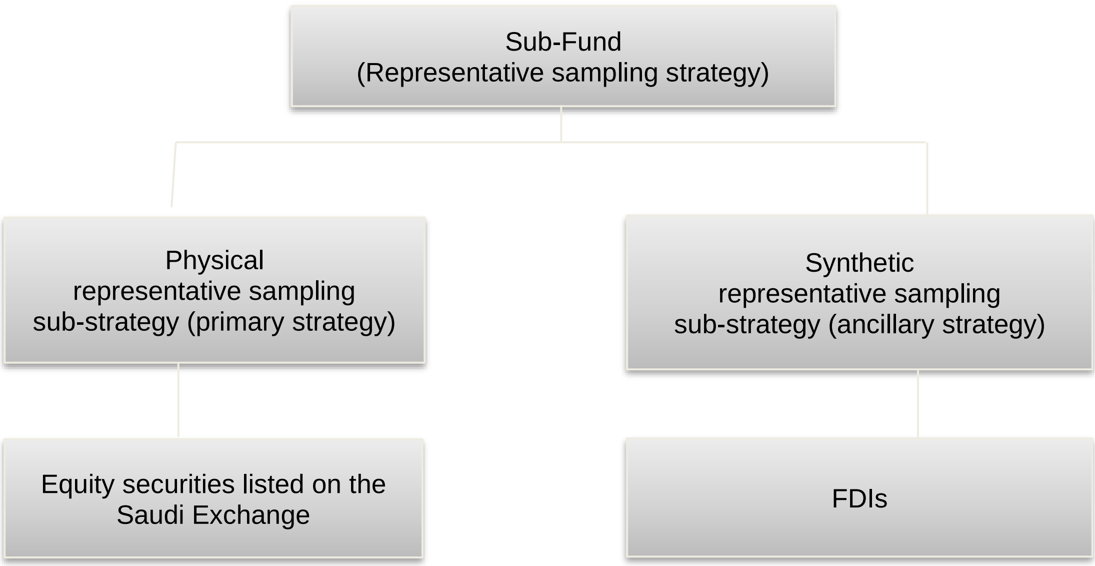
The Sub-Fund will bear the swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent the brokerage commission and the swap counterparty's cost of financing the underlying hedge.

Currently, the swap fees are expected to range from 0.8% to 1.6%^ per annum of the swap notional amount (i.e. from 0.4% to 0.8%^ per annum of the Sub-Fund's NAV). These are a best estimate only and the actual swap fees may deviate from the aforesaid estimates depending on actual market conditions. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee (inclusive of any fee for early termination of swaps) payable by the Sub-Fund is 0.50%^ per transaction on the notional amount of the swap unwound. The Manager will disclose the swap fees in the semi-annual 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 Underlying 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 full holdings of the Sub-Fund are available on the Manager's website and will be updated on a daily basis.

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) marked-to-market on a daily basis. Please refer to the section headed "Securities Financing Transactions" under Schedule 1 to the Prospectus and the Appendix of the Sub-Fund in Part 2 of the Prospectus regarding details of the arrangements.

Other investments

No more than 10% of the NAV of the Sub-Fund will be invested in collective investment scheme(s) which may be an exchange traded fund or an unlisted index tracking fund that tracks an index that has a high correlation with the Underlying Index. Such collective investment scheme(s) may be eligible schemes or authorised by the SFC, or non-eligible schemes and not authorised by the SFC in accordance with all the applicable requirements of the Code, including those which are managed by the Manager or its Connected Persons or other third parties. 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 7.11, 7.11A and 7.11B of the Code.

^ A positive figure refers to the fees borne by the Sub-Fund. A negative figure denotes the fees are paid by the swap counterparties to the Sub-Fund.

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

Other than as set out above, the Sub-Fund may also invest in FDIs for hedging purposes. The Manager does not currently 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 (i) the Manager wishes to enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions, or (ii) the Manager wishes to adopt an investment strategy other than a combination of physical and synthetic representative sampling strategy.

Index

The Underlying Index is an investability, free float and foreign ownership limit adjusted market-capitalisation weighted index, representing the performance of the large and mid-cap publicly listed companies that have a nationality assignment of Saudi Arabia that are constituents of the FTSE Global Equity Index Series (the "**Series**"), which covers 99% of the world's investable market capitalisation.

Constituents of the Series at the Middle East & Africa regional level are subject to investability weightings screen (which comprises adjustments for free float and foreign ownership limits), liquidity screen and trading screen. Companies within the Middle East & Africa region that pass the foregoing screenings are then ranked by their full market capitalisation in descending order, and the top 98% by weight of the regional universe is selected to form the investment universe of the Underlying Index. Such securities in the investment universe which are (i) assigned a nationality of Saudi Arabia and (ii) issued by large and mid-cap companies (i.e. falling within the top 90% of the investment universe) will be included in the Underlying Index. For the foregoing purpose, only ordinary stocks listed on the Main Market of the Saudi Exchange will be selected for inclusion into the Underlying Index.

The Underlying Index is denominated and quoted in SAR.

The Underlying 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 Underlying 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 Underlying Index was launched on 18 March 2019 and had a base level of 3191.7338774332215 as of 15 March 2019. As of 22 March 2024, the Underlying Index had a total market capitalisation of USD340.82 billion and 60 constituents.

The most updated list of the constituents of the Underlying Index and their respective weightings and additional information and other important news of the Underlying Index can be obtained from the website of the Index Provider at https://www.ftserussell.com/products/indices/wisauntu (the contents of which has not been reviewed by the SFC).

Bloomberg Code: WISAUNT
Refinitiv: .TFTWISAUNTL

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 Underlying 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.

- The stocks of 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.

3. Saudi Arabia concentration and emerging market risks

- *Saudi Arabia concentration risk* – The Sub-Fund's investments are concentrated in Saudi Arabia. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event in Saudi Arabia, and may therefore be more volatile than that of a fund having a more diverse portfolio of investments.

- *Economic risk* – The economy of Saudi Arabia is dominated by petroleum exports. Consequently, a sustained decrease in petroleum prices could have a negative impact on all aspects of the economy of Saudi Arabia. Any instability in the larger Middle East region could also adversely impact the economy of Saudi Arabia.

- *Political risk* – The performance of the Sub-Fund may be affected by political developments in Saudi Arabia, changes in government policies and changes in regulatory requirements. Saudi Arabia has historically experienced strained relations with economic partners worldwide, including other countries in the Middle East due to geopolitical events. Governmental actions in the future could have a significant effect on economic conditions in Saudi Arabia, which could affect private sector companies, as well as the value of securities in the Sub-Fund's portfolio.

- *Legal and regulatory risk* – The regulatory framework and legal system in Saudi Arabia may not provide the same degree of investor information or protection as would generally apply to other developed markets. The ability of foreign investors (such as the Sub-Fund) to invest in the securities of Saudi Arabian companies could be restricted by the Saudi Arabian government at any time, and unforeseen risks could materialise with respect to foreign ownership in such securities.

- *Nationalisation risk* – Investments in Saudi Arabia may be subject to loss due to expropriation or nationalisation of assets and property, imposition of restrictions on foreign investments or repatriation of capital.

- *Emerging market risk* – Saudi Arabia is an emerging market and may involve increased risks and special considerations not typically associated with investment in other developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. Investments in Saudi Arabia may be less liquid and experience greater volatility than investments in other developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Saudi Arabia, which may adversely affect the value of the Sub-Fund.

4. Risks relating to trading on Saudi Exchange

- *KSA QFI regime general risks* – The application and interpretation of the KSA QFI Rules are untested and in certain material respects, there remains a lack of clarity and certainty as to how they will be applied by the regulator and/or interpreted by KSA QFIs. It is not possible to predict the future development of the KSA QFI regime. Any change in the KSA QFI regime generally, including the possibility of the Sub-Fund losing its KSA QFI status, may affect the Sub-Fund's ability to invest in shares listed on the Saudi Exchange through the Manager.

- *Foreign ownership limit risk* – The KSA QFI Rules and KSA Capital Market Law prescribe certain foreign investment ownership limits on KSA QFIs and their affiliates, which take the form of various maximum ownership thresholds. The ability of the Sub-Fund to trade in Saudi listed shares is dependent on none of the prescribed foreign ownership limits being exceeded. Such limits include an aggregate total cap (at 49%) on foreign ownership of Saudi listed shares and the restriction that a KSA QFI (such as the Sub-

Fund) may not own 10% or more of the shares of any issuer whose shares are listed or convertible debt instruments of the issuer.

- *Settlement risk* – Saudi stocks can only be purchased on a pre-funded basis, whereby the Sub-Fund or its broker (on behalf of the Sub-Fund), must deliver an estimated amount of local currency (the "**Pre-Funding Amount**") to cover purchases before trade settlements may take place. In the event that the Pre-Funding Amount is not delivered on time or is insufficient to purchase all the underlying securities in connection with a creation, trade settlements would be delayed. This could result in higher brokerage guarantee costs or a higher tracking error. In addition, the clearing, settlement and registration systems available to effect trades in Saudi Arabia may be different and may experience delays and other material difficulties in settling trades and in registering transfer of securities, thereby affecting the NAV of the Sub-Fund.

- *Broker risk and custody risk* – The number of brokers who can provide services to the Sub-Fund may be limited, which may have an adverse impact on the prices, quantity or timing of the transactions for the Sub-Fund's portfolio. Emerging securities markets are more likely to experience problems with clearing and settling of trades, as well as the holding of securities by local banks and depositories.

5. <u>Saudi Arabia tax risk</u>

- There are risks and uncertainties associated with the Saudi tax laws, regulations and practice. Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.

- Based on professional and independent tax advice, the Sub-Fund may generally apply for exemption from KSA domestic tax on capital gains for trading of securities listed on the Saudi Exchange. Where in certain cases the exemption would not be applicable, 20% Saudi capital gains tax should apply in respect of capital gains realised by the Sub-Fund from disposal of Saudi securities. 5% withholding tax should apply in respect of dividends distributed by Saudi securities. Please refer to the section headed "Saudi Arabia Taxation" in the Appendix of the Sub-Fund in Part 2 of the Prospectus for further details.

6. <u>Risks associated with SAR, foreign exchange and other currency distributions</u>

- The Sub-Fund's Base Currency is SAR and the underlying investments of the Sub-Fund are primarily denominated in SAR, but cash creations and redemptions in the primary market after the Initial Offer Period will be in USD, while dividend distributions (if any) will be in HKD. The NAV of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between USD and SAR and by changes in exchange rate controls.

- Units of the Sub-Fund are traded in the secondary market in HKD and RMB. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currencies (HKD and RMB) and the Base Currency when trading the Units in the secondary market.

- Investors should note that all Units will receive distributions in HKD only (whether holding HKD traded Units or RMB traded Units). Unitholders holding RMB traded Units may have to bear the fees and charges associated with the conversion of such dividend from HKD into RMB or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

7. <u>Sector concentration risks</u>

- The constituents of the Underlying Index, and accordingly the Sub-Fund's investments, may from time to time be concentrated in companies in a particular industry. 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 relevant sector.

- In particular, the constituents of the Underlying Index, and accordingly the Sub-Fund's investments, may at times be concentrated in the financial sector. Performance of companies in the financial sector may be adversely impacted by many factors, including, among others, changes in government regulations, economic conditions, and interest rates, credit rating downgrades, and decreased liquidity in credit markets. Companies in the finance industry are subject to extensive governmental regulation, which may adversely affect the scope of their activities, the prices they can charge and the amount of capital they must maintain. Cybersecurity incidents and technology malfunctions and failures have become increasingly frequent and have caused significant losses to companies in this sector. Such risks may impact the prices of shares of such companies and the performance of the Sub-Fund.

8. Risks associated with investment in FDIs

- The Sub-Fund's synthetic representative sampling strategy will involve investing up to 50% of its NAV in FDIs, including futures and swaps (which will be 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.

9. 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.

10. 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 Underlying 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 Underlying Index. Investments in Saudi Arabian companies may also entail higher brokerage costs and/or result in higher tracking error in the case of a portfolio rebalance.

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

- Investors of Listed Class of Units and Unlisted Classes of Units are subject to different pricing and dealing arrangements. The NAV per Unit of each of the Listed Class of Units and Unlisted Classes of Units may be different due to different fees and cost applicable to each class. The trading hours of the SEHK applicable to the Listed Class of Units in the secondary market are also different from the dealing deadlines applicable to the Listed Class of Units in the primary market and the Unlisted Classes of Units. For the avoidance of doubt, the dealing deadlines in respect of the Listed Class of Units in the primary market and the Unlisted Classes of Units are the same.

- 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 Listed Class of Units may be at an advantage or disadvantage compared to investors of the Unlisted Classes 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 in 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.

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.

- The Units in the RMB counter are RMB denominated securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the RMB traded Units. The limited availability of RMB outside the People's Republic of China may also affect the liquidity and trading price of the RMB traded Units.

13. <u>Dual counter risk</u>

- If there is a suspension of the inter-counter transfer of Units between the HKD counter and the RMB counter and/or any limitation on the level of services by brokers and CCASS participants, Unitholders will only be able to trade their Units in the relevant counter on the SEHK, which may inhibit or delay an investor dealing.

- The market price of Units traded in HKD and in RMB may deviate significantly. As such, investors may pay more or receive less when buying or selling Units traded in HKD on the SEHK than in respect of Units traded in RMB and vice versa.

14. <u>Trading differences risks</u>

- The Saudi Exchange is open Sunday through Thursday. As the Saudi Exchange 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 Saudi Exchange and the SEHK may also increase the level of premium or discount of the Unit price to its NAV.

- While shares listed on the Saudi Exchange are subject to trading bands which restrict increases and decreases in the trading price, Units of the Sub-Fund listed on the SEHK are not. This difference may also increase the level of premium or discount of the Unit price to its NAV.

15. <u>Reliance on market makers risk</u>

- 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 traded in each counter and that at least one market maker for each counter 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 HKD or RMB traded Units. There is also no guarantee that any market making activity will be effective.

- There may be less interest by potential market makers making a market in Units denominated and traded in RMB. Any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Units.

16. <u>Risk of early termination</u>

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Underlying Index is no longer available for benchmarking or if the size of the Sub-Fund falls below equivalent of RMB100 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.

17. <u>Risk relating to distributions paid out of capital</u>

- 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 Listed Class of Units 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
Inter-counter transfer	Nil

Ongoing fees payable by the Sub-Fund in respect of the Listed Class of Units

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 NAV of the Units of the relevant Class)
Management fee*	0.99% per annum
Trustee fee* (inclusive of fees payable to the Custodian)	Up to 0.20% per annum
Sub-Custodian fee	Nil
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.*

Others fees

You may have to pay other fees when dealing in the Listed Class of 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 http://www.csopasset.com/en/products/hk-sau (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 Underlying Index, notices of the suspension of the calculation of NAV, changes in fees and charges and the suspension and resumption of trading and the issue, creation and redemption of Units;

[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.

- 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 and RMB;

- the last NAV of the Sub-Fund in SAR only and the last NAV per Unit of the Sub-Fund in SAR and each trading currency (i.e. HKD and RMB);

- 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 both the Listed Class of Units and Unlisted Classes of Units.

In respect of the Listed Class of Units:

- the near real time indicative NAV per Unit in HKD and RMB (updated every 15 seconds during SEHK trading hours) and the last NAV per Unit in HKD and RMB are indicative and for reference purposes only;

- the near real-time indicative NAV per Unit in HKD and in RMB use the real-time HKD:SAR and RMB:SAR foreign exchange rates respectively – they are calculated using the near real-time indicative NAV per Unit in SAR multiplied by the real-time HKD:SAR and RMB:SAR foreign exchange rates (as the case may be) provided by ICE Data Indices when the SEHK is opened for trading. Since the indicative NAV per Unit in SAR will not be updated when the underlying securities market is closed, any change in the indicative NAV per Unit in HKD and in RMB during such period will be solely due to the change in the relevant foreign exchange rate; and

- the last NAV per Unit in HKD and in RMB are calculated using the last NAV per Unit in SAR multiplied by an assumed foreign exchange rate using the SAR exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last NAV per Unit in SAR and the indicative last NAV per Unit in HKD and in RMB will not be updated when the underlying securities market is closed.

The valuation point is at approximately 3:00 p.m. (Saudi Arabia Standard Time) (i.e. approximately 8:00 p.m. (Hong Kong time)) on the applicable valuation day (which coincides with the Dealing Day), or such other time or times as determined by the Manager, in consultation with the Trustee.

In respect of the Sub-Fund, "**Dealing Day**" means each Business Day. "**Business Day**" in respect of the Sub-Fund means a day on which (a) both the SEHK and the Saudi Exchange are open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time. For the avoidance of doubt, the Saudi Exchange is open Sunday through Thursday. In other words, "Business Day" and "Dealing Day" for the purpose of the Sub-Fund are generally Monday through Thursday, subject to qualifications in (a) and (b) in the preceding sentence.

The Manager will update information regarding Dealing Days in each month on the Manager's website on a monthly basis, prior to the beginning of the relevant month. Where any such previously disclosed Dealing Day is no longer a Dealing Day due to any unexpected circumstance (for example, where the period during which the SEHK and/or the Saudi Exchange is open for normal trading is reduced or the SEHK and/or the Saudi Exchange is closed as a result of any unforeseen events), the Manager will inform investors accordingly via the Manager's website as soon as practicable.

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.