PRODUCT KEY FACTS

ChinaAMC Select Fund -
ChinaAMC Select Fixed Income Allocation Fund
(the "Sub-Fund")
April 2023

华夏基金(香港)有限公司
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of ChinaAMC Select Fund ("Explanatory Memorandum").***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Fund Manager:	China Asset Management (Hong Kong) Limited (the "**Manager**")
Trustee:	BOCI-Prudential Trustee Limited
Custodian	Bank of China (Hong Kong) Limited
Base currency:	USD
Financial year end of the Sub-Fund:	31 December
Dealing frequency:	Daily
Distribution policy:	<u>Distributing Units (Class I-DIST-USD Units)</u> Currently semi-annually, subject to the discretion of the Manager. Distributions may be paid out of capital or effectively paid out of capital, which will result in an immediate reduction of the net asset value per Unit. <u>Accumulating Units (Class A USD Units, Class A RMB Units, Class A HKD Units, Class I USD Units, Class I RMB Units and Class I HKD Units)</u> No dividends will be declared or distributed. All interest and other income earned on the investment will be accumulated and re-invested into the Sub-Fund on behalf of Unitholders of the Classes of accumulating Units.
Ongoing charges over a year:	Class A USD Units: 1.17%# Class A RMB Units: 1.19%# Class A HKD Units: 1.18%# Class I USD Units: 1.01%# Class I-DIST-USD Units: 1.01%^ Class I RMB Units: 1.01%^ Class I HKD Units: 1.01%# ^ As the unit class has not yet been launched or has

	been fully redeemed, the figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the relevant unit class expressed as a percentage of the estimated average net asset value of the relevant unit class. The actual figure may be different upon actual operation of the Sub-Fund and may vary from year to year. # The ongoing charges figure is based on expenses for the year ended 31 Decemeber 2022. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the relevant unit class expressed as a percentage of the average net asset value of the relevant unit class.
Minimum subscription:	Class A USD Units: USD 2,000 initial, USD 2,000 additional Class A RMB Units: RMB 10,000 initial, RMB 10,000 additional Class A HKD Units: HKD 10,000 initial, HKD 10,000 additional Class I USD Units: USD 1,000,000 initial, USD 1,000,000 additional Class I-DIST-USD Units: USD 1,000,000 initial, USD 1,000,000 additional Class I RMB Units: RMB 5,000,000 initial, RMB 5,000,000 additional Class I HKD Units: HKD 5,000,000 initial, HKD 5,000,000 additional
Minimum holding:	Class A USD Units: units with aggregate minimum value of USD 2,000 Class A RMB Units: units with aggregate minimum value of RMB 10,000 Class A HKD Units: units with aggregate minimum value of HKD 10,000 Class I USD Units: units with aggregate minimum value of USD 1,000,000 Class I-DIST-USD Units: units with aggregate minimum value of USD 1,000,000 Class I RMB Units: units with aggregate minimum value of RMB 5,000,000 Class I HKD Units: units with aggregate minimum value of HKD 5,000,000
Minimum redemption:	Class A USD Units: units with aggregate minimum value of USD 1,000 Class A RMB Units: units with aggregate minimum value of RMB 10,000 Class A HKD Units: units with aggregate minimum value of HKD 10,000

	Class I USD Units: units with aggregate minimum value of USD 10,000 Class I-DIST-USD Units: units with aggregate minimum value of USD 10,000 Class I RMB Units: units with aggregate minimum value of RMB 100,000 Class I HKD Units: units with aggregate minimum value of HKD 100,000

What is this product?

- ChinaAMC Select Fixed Income Allocation Fund is a sub-fund of ChinaAMC Select Fund, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong.

Investment Objective and Investment Strategy

The Sub-Fund seeks to achieve capital appreciation by directly or indirectly investing not less than 70% of the Net Asset Value of the Sub-Fund in fixed income and debt instruments in markets worldwide.

The fixed income and debt instruments that the Sub-Fund may invest in will be issued or guaranteed by supranational bodies, governments, government agencies, local authorities, and companies in any sector. These instruments may be fixed or floating rate instruments of varying maturities denominated in any currency, and may include bills, notes, and investment grade bonds (i.e. having a credit rating of Baa3 or BBB- or above by Standard & Poor's, Fitch, Moody's or another recognised credit rating agency), as well as cash deposits and certificate of deposits. Less than 35% of the Sub-Fund's Net Asset Value will be invested in fixed income and debt instruments which are below investment grade or unrated or are high yield bonds. For the purpose of the Sub-Fund, an "unrated fixed income/debt instrument" is defined as an instrument which neither the instrument itself nor its issuer has a credit rating. Furthermore, the Sub-Fund will not invest more than 10% of its net asset value in securities issued and/or guaranteed by any single country (including its government or a public or local authority of that country) with a credit rating below investment grade.

The Sub-Fund may also obtain indirect exposure to the fixed income and debt instruments via collective investment schemes. Where appropriate, the Sub-Fund may invest up to 40% of its Net Asset Value in money market funds which are authorised by the SFC, recognised jurisdiction schemes, or non-recognised jurisdiction schemes not authorised by the SFC, in accordance with the requirements of the SFC's Code on Unit Trusts and Mutual Funds (the "**Code**"), as amended by the SFC from time to time.

Up to 30% of the Sub-Fund's Net Asset Value may be invested in debt instruments with loss-absorption features (including contingent convertible bonds (such as Additional Tier 1 and Tier 2 Capital Instruments), senior non-preferred debt securities, instruments issued under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and other similar instruments that may be issued by banks or other financial institutions). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

While it is not the intention of the Manager to invest primarily in any single country/jurisdiction globally, the Sub-Fund's aggregate exposure to Mainland China, including investments in offshore securities issued or guaranteed by issuers domiciled or carrying out the predominant part of their economic activities in Mainland China and onshore Mainland China securities (as further detailed below) may, on an occasional basis, be significant, but will be less than 60% of the Sub-Fund's Net Asset Value. The Manager does not anticipate that the Sub-Fund will invest more than 30% of its Net Asset Value in any single country/jurisdiction other than Mainland China.

The Sub-Fund's aggregate exposure to investments (direct or indirect) to securities issued in the Mainland China market including but not limited to A-Shares, B-Shares, RMB denominated fixed income securities (including urban investment bonds) issued or distributed in Mainland China ("**Onshore RMB Bonds**"), and such other financial instruments permitted under applicable PRC regulations will not exceed 20% of its Net Asset Value. The Sub-Fund may invest in the foregoing securities via the Manager's RQFII quota, investing in PRC interbank bond markets under Foreign Access Regime, Bond Connect and/or other means as may be permitted by the relevant regulations from time to time. The Onshore RMB Bonds themselves or the issuers of such Onshore RMB Bonds invested by the Sub-Fund will carry a credit rating of AA+ or above rated by China Chengxin International Credit Rating Co., Ltd or China Lianhe Credit Rating Co., Ltd or equivalent ratings by one of the local rating agencies recognized by the relevant authorities in Mainland China. "Urban investment bonds (城投債)" are debt instruments issued by local government financing vehicles ("LGFVs") and traded on the exchange market and interbank bond market in the PRC. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for local development, public welfare investment or infrastructure projects.

For the avoidance of doubt, the Sub-Fund currently does not intend to invest directly in A-Shares or B-Shares.

The Sub-Fund may hold up to 70% of its Net Asset Value in cash, cash deposits, certificates of deposit, commercial paper, treasury bills, money market funds managed by a third party, the Manager, or its Connected Persons and other cash equivalent instruments for liquidity management and/or defensive purposes on a temporary basis under exceptional circumstances such as in times of extreme volatility of the markets or during severe adverse market conditions.

The Sub-Fund may invest in financial derivative instruments (including structured notes such as foreign exchange-linked, interest rate-linked and credit-linked notes) for hedging purposes only, to the extent permitted by the Code and the provisions set out under the section "Investment and Borrowing Restrictions" in the Explanatory Memorandum.

The Manager currently does not intend to enter into securities lending, repurchase or reverse repurchase transactions and other similar over-the-counter transactions in respect of the Sub-Fund. The approval of the SFC will be sought and at least one month's prior notice will be given to Unitholders should there be a change in such intention.

The Sub-Fund may borrow up to 10% of its total Net Asset Value on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

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. For further information on risk, refer to the Sub-Fund's Explanatory Memorandum.

1. Investment risk

- The Sub-Fund is an investment fund and not a bank deposit. The Sub-Fund may fall in value due to any of the key risk factors below and therefore investors may suffer losses. There is no guarantee of repayment of capital.

2. Debt instruments risk

- ***Volatility and liquidity risk*** - The Sub-Fund may invest in debt securities which are not listed or actively traded, and as a consequence tend to be less liquid and more volatile. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large, and hence, the Sub-Fund may incur significant trading and realisation costs and losses may be suffered.

- ***Credit risk*** - The Sub-Fund is exposed to the credit/insolvency risk of issuers of the debt securities that the Sub-Fund may invest in.

- ***Interest rate risk*** - Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.

- ***Credit rating risk*** - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer all times.

- ***Risk associated with fixed income and debt instruments rated below investment grade or unrated*** - The Sub-Fund may invest in fixed income and debt instruments which are below investment grade or unrated. Such securities are subject to lower liquidity, higher volatility, higher credit risk and greater risk of loss of principal and interest than more highly-rated debt instruments.

- ***Valuation risk*** - Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, this may affect the calculation of the net asset value of the Sub-Fund.

- ***Downgrade risk*** - The credit rating of an issuer or a debt instrument may subsequently be downgraded due to changes in the financial strength of an issuer or changes in the credit rating of a debt instrument. In the event of downgrading in the credit ratings of a debt instrument or an issuer relating to a debt, the Sub-Fund's investment value in such security may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

- ***Sovereign debt risk*** - Investment in sovereign debt obligations issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

3. Risks associated with investments in LAPs

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of certain pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

- In the event of the activation of a trigger, there may be potential price contagion and volatility caused by debt instruments with loss-absorption features to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

- The Fund may invest in contingent convertible debt securities (“Cocos”) which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

- The Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

4. Risk of Short-term Debt Instruments

- The Sub-Fund will invest mainly in short-term debt instruments. Short-term debt instruments are not risk-free and investing in the Sub-Fund is not the same as investing in money market funds or placing funds on deposit with a bank or deposit-taking company.

- As the Sub-Fund invests significantly in short-term debt instruments with short maturities, it means the turnover rates of the Sub-Fund’s investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term debt instruments may also increase which in turn may have an impact on the net asset value of the Sub-Fund.

5. Emerging Markets Risk

- The Sub-Fund invests in emerging markets (including the PRC) which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree volatility.

6. Risk associated with the PRC

- The Sub-Fund’s investments may have significant exposure in the PRC markets. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

- The value of the Sub-Fund may be more susceptible to Chinese economic, political and social risks, accounting and reporting standards risk, PRC laws and regulations risk, restricted market risk and changes in PRC taxation risk.

7. Risks associated with RMB Classes of Units

- RMB is currently not freely convertible and is subject to foreign exchange controls and restrictions.

- Non RMB-based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors’ base currencies (for example HKD) will not depreciate.

- Any depreciation of RMB could adversely affect the value of investor’s investment in the Sub-Fund.

- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

8. Foreign currency risk

- Certain investments acquired by the Sub-Fund are denominated in currencies (such as HKD or RMB) different from the Base Currency. The net asset value of the Sub-Fund may be affected favourably or unfavourably by the exchange rates between the Base Currency and currencies of investments acquired by the Sub-Fund and by changes in exchange rate control.

9. Hedging risk

- The Sub-Fund may acquire financial derivatives instruments for hedging and in adverse situations, such hedging may become ineffective and the Sub-Fund may suffer significant losses. The price of a derivative instrument can be very volatile which may result in losses in excess of the amount invested in the derivative instruments by the Sub-Fund. A derivative instrument is subject to the risk that the counterparty of the instrument will not fulfil its obligations to the Sub-Fund, and this may result in losses to the Sub-Fund.

- The Sub-Fund may invest in structured notes for hedging purposes only. Investment in these instruments can be illiquid, if there is no active market in these instruments. Such instruments are complex in nature. Therefore there are risks of mispricing or improper valuation and possibilities that these instruments do not always perfectly track the value of the securities, rates or indices they are designed to track. Improper valuations can result in increased payments to counterparties or a loss in the value of the Sub-Fund.

- These instruments will also be subject to insolvency or default risk of the issuers or counterparties. In addition, investment through structured notes may lead to a dilution of performance of the Sub-Fund when compared to a fund investing directly in similar assets. Besides, many structured products involve an embedded leverage, so a relatively small adverse market movement could expose the Sub-Fund to the possibility of a loss exceeding the original amount invested.

10. Risk of investing in other funds

- The Sub-Fund may invest in other funds which may or may not be authorized by the SFC, and does not have control of the investments of these underlying funds. Investor should note that there are additional fees involved when investing into these underlying funds, including fees and expenses charged by investment manager of these underlying funds. Furthermore, there can be no assurance that 1) the liquidity of the underlying funds will always be sufficient to meet redemption requests; and 2) investment objective and strategy of the underlying funds will be successfully achieved.

- If the Sub-Fund invests in an underlying fund managed by the Manager or connected person of the Manager, potential conflict of interest may arise. The Manager will have regards to its obligations to the Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly.

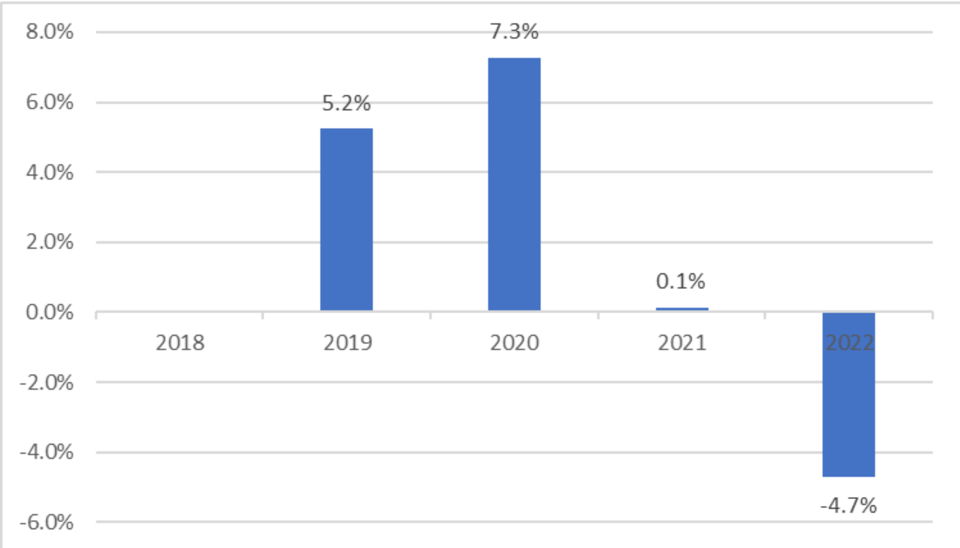
11. Risks associated with distributions out of capital

- The Manager may at its discretion pay distributions out of the capital of the Sub-Fund or pay distributions out of gross income while charging / paying all or part of the Sub-Fund's fees and expenses to / out of capital of the Sub-Fund.

- Where distributions are paid out of gross income while charging/ paying all or part of the Sub-Fund's fees and expenses to/ out of the capital of the Sub-Fund, this will result in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital.

- Unitholders should note that the distributions paid out of capital or effectively out of capital amount to a return or withdrawal of part of a Unitholder's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of the Sub-Fund's capital or payment of distributions effectively out of a Sub-Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per Unit. The Manager may amend the distribution policy from paying dividend out of capital / effectively out of capital to no longer paying dividend out of / effectively out of capital by informing existing Unitholders as soon as reasonably practicable.

How has the Sub-Fund performed?



Note: With Effect from 15 May 2020, the investment objective and strategy of the Fund was changed to clarify the siginificant exposure to Mainland China and add flexibility to invest in debt instruments with loss-absorption features. The performance of the Fund prior to 2020 was achieved under circumstances that no longer apply. The investment policy has been changed on 6 December 2019 to remove the average portfolio maturity and clarify the investment in below investment grade or unrated bonds.

- 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 dividend reinvested.
- These figures show by how much the Class I USD Unit increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- When no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 28 August 2018
- Class I USD Unit launch date: 28 August 2018
- Class I USD Unit is selected as the most appropriate representative unit class as it has the

longest performance history.

- For further information on the performance of other unit classes, please refer to www.chinaamc.com.hk[1]

Is there any guarantee?

The Sub-Fund makes no guarantee of investment return or avoidance of loss. 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 fees when dealing in the units of the Sub-Fund.

Fee	What you pay
Subscription fee*	Up to 5% of the amount you buy^
Conversion or switching fee*	Up to 1% of the total redemption proceeds of the original Class of Units (current level at 1%)^
Redemption fee	None

^ Investors should check with the distributor for the current level of the subscription and conversion fee. Please note that no subscription fee is payable in respect of subscription for Class I HKD Units, Class I RMB Units, Class I USD Units and Class I-DIST-USD Units.

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 % p.a. of the NAV)
Management fee*#:	At 0.80% per annum for Class A USD Units, Class A RMB Units, and Class A HKD Units At 0.40% per annum for Class I USD Units, Class I RMB Units, Class I HKD Units and Class I-DIST-USD Units
Trustee fee*:	Up to 0.5% per annum (current level up to 0.14% per annum) of the Sub-Fund's value and subject to a minimum monthly fee of USD6,000
Custodian fee*:	Up to 0.10% per annum of the Sub-Fund's value (current level up to 0.06% per annum)
Performance fee:	Not applicable

* You should note that the subscription fee, conversion / switching fee, management fee, trustee fee, and custodian fee might be increased up to the specified permitted maximum level by providing not less than one month's prior notice to Unitholders.

Where the Sub-Fund invests in funds which are managed by the Manager or its connected persons (the

[1] This website has not been reviewed by the SFC.

"underlying funds"), the Manager will procure that either the Sub-Fund or 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.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next determined net asset value (NAV) after the trustee receives your request in good order on or before 4:00 p.m. (Hong Kong time) being the dealing cut-off time. Different distributors may impose different dealing deadlines for receiving requests from investors.
- The NAV is calculated and the price of units is published each HK Business Day in the South China Morning Post and in the Hong Kong Economic Times and/or any other newspapers the Manager may determine and notify the Unitholders.

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.