

PRODUCT KEY FACTS

ChinaAMC Select Fund -

ChinaAMC Select Stable Income Fund (This is not a money market fund) * (the “Sub-Fund”)

April 2025



- ***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.***

**** The Sub-Fund is not authorized as a money market fund under the SFC’s Code on Unit Trusts and Mutual Funds for offering to the public.***

The eligible investment instruments of the Sub-Fund; the weighted average maturity and life of the Sub-Fund’s portfolio; the remaining maturity of the instruments invested by the Sub-Fund; and the proportion of the Sub-Fund’s total Net Asset Value investing in sale and repurchase transactions do not meet the limits applicable to money market funds in Hong Kong. The Sub-Fund may be more negatively impacted in the event of changes in interest rate, and may be subject to higher credit risk, counterparty risk, interest rate risk, volatility and liquidity risk.

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: | For Units denoted “REINV DIST”, distributions are accrued and re-invested into the Sub-Fund on each Business Day. 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. For Units denoted “CASH DIST”, distributions (if any) are made on a daily basis on each Business Day. 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. |
| Ongoing charges over a year [#] : | Class A USD Units (REINV DIST): 0.46% ^ |

Class A USD Units (CASH DIST): 0.46% #
 Class A HKD Units (REINV DIST): 0.47% ^
 Class A HKD (Hedged) Units (REINV DIST): 0.47% #
 Class I USD Units (REINV DIST): 0.24% ^
 Class I HKD Units (REINV DIST): 0.24% #
 Class I HKD (Hedged) Units (REINV DIST): 0.24% #

As the unit class has not yet been launched, this figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the Sub-Fund's estimated average net asset value. The actual figure may be different upon actual operation of the Sub-Fund and the figure may vary from year to year.

^ The ongoing charges figure is based on expenses for the year ended 31 December 2024. 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 and holding:

| Class | Initial | Additional | Holding |
|----------------------------------|---------------|---------------|---------------|
| Class A USD (REINV DIST) | USD 0.01 | USD 0.01 | USD 0.01 |
| Class A USD (CASH DIST) | USD 0.01 | USD 0.01 | USD 0.01 |
| Class A HKD (REINV DIST) | HKD 0.01 | HKD 0.01 | HKD 0.01 |
| Class A HKD(Hedged) (REINV DIST) | HKD 0.01 | HKD 0.01 | HKD 0.01 |
| Class I USD (REINV DIST) | USD 1,000,000 | USD 1,000,000 | USD 1,000,000 |
| Class I HKD (REINV DIST) | HKD 5,000,000 | HKD 5,000,000 | HKD 5,000,000 |
| Class I HKD(Hedged) (REINV DIST) | HKD 5,000,000 | HKD 5,000,000 | HKD 5,000,000 |

Minimum redemption:

Class A USD Units (REINV DIST): USD 0.01
 Class A USD Units (CASH DIST): USD 0.01
 Class A HKD Units (REINV DIST): HKD 0.01
 Class A HKD(Hedged) Units (REINV DIST): HKD 0.01
 Class I USD Units (REINV DIST): units with aggregate minimum value of USD 10,000
 Class I HKD Units (REINV DIST): units with aggregate minimum value of HKD 100,000
 Class I HKD(Hedged) Units (REINV DIST): units with aggregate minimum value of HKD 100,000

What is this product?

- ChinaAMC Select Stable Income 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

The Sub-Fund aims to provide stable income by mainly investing in money market instruments denominated in USD or HKD.

Investment Strategy

A. Primary Investment

The Sub-Fund may invest not less than 70% of its Net Asset Value in money market instruments issued by governments, quasi-governments, international organisations, and financial institutions. The money market instruments that the Sub-Fund invests in may include but are not limited to short-term deposits, government bills, time deposit, certificates of deposit, commercial papers, bankers' acceptances and money market funds managed by a third party, the Manager, or its Connected Persons. To manage the Sub-Fund's liquidity, the Sub-Fund may hold up to 100% of its Net Asset Value in such money market instruments.

The Sub-Fund will not have limits on the weighted average maturity and weighted average life of the portfolio. The Sub-Fund will not have a limit on the remaining maturity of a single investment instrument.

B. Ancillary Investments

Fixed income and debt instruments

The Sub-Fund may invest no more than 10% of its Net Asset Value in other fixed income and debt instruments including but not limited to bonds, fixed and floating rate notes, convertible bonds, contingent convertible bonds (hereinafter "CoCos") (Additional Tier 1 and Tier 2 Capital Instruments), bills which are issued by the international issuers such as financial institutions, corporations, government, quasi-government organizations, agencies, organizations or entities.

Not more than 10% of the Sub-Fund's Net Asset Value may be invested in fixed income and debt instruments (excluding collective investment schemes) which are below investment grade or unrated. For the purpose of the Sub-Fund, "investment grade" means Baa3 or BBB- or above by Standard & Poor's, Fitch, Moody's or another recognized credit rating agency and an "unrated fixed income instrument" is defined as an instrument which neither the instrument itself nor its issuer has a credit rating. No more than 10% of the Sub-Fund's Net Asset Value will be invested in securities issued and/or guaranteed by any single country with a credit rating below investment grade or unrated.

Within the 10% of the Sub-Fund's Net Asset Value in fixed income and debt instruments, the Sub-Fund may invest up to 5% of its Net Asset Value in urban investment bonds (城投債) (i.e. debt instruments issued by local government financing vehicles ("LGFVs"), which are separate legal entities established by local governments and/or their affiliates to raise financing for local development, public welfare investment and infrastructure projects).

Amongst the 10% of the Sub-Fund's Net Asset Value in fixed income and debt instruments, the Sub-Fund may invest up to 5% of its Net Asset Value in debt instruments with loss-absorption features (including contingent convertible bonds (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). The Sub-Fund may also invest up to 5% of its Net Asset Value in convertible bonds.

Mainland China Exposure

The Sub-Fund will not invest in fixed income and debt instruments issued in Mainland China. The Sub-Fund does not intend to invest more than 30% of its Net Asset Value in any single country/jurisdiction, other than its aggregate exposure to Mainland China as further elaborated below.

While it is not the intention of the Manager to invest primarily in any single country/jurisdiction globally, with the possible investments in Chinese government bonds, bills or notes issued offshore, the Sub-Fund's aggregate exposure to Mainland China (i.e. investments in offshore securities issued or guaranteed by issuers domiciled or carrying out the predominant part of their economic activities in Mainland China) may be up to 60% of its Net Asset Value on an occasional basis. For the avoidance of doubt, investment in time deposits, cash deposits, certificates of deposits, commercial papers and bankers' acceptances issued by the Hong Kong branches of Chinese banks are not considered an exposure to Mainland China.

Other Investments

The Sub-Fund may invest in collective investment schemes managed by a third party, the Manager, or its Connected Persons. Not more than 30% of the Sub-Fund's Net Asset Value may in aggregate be invested in collective investment schemes which is either authorized by the SFC or are eligible schemes as defined in the SFC's Code on Unit Trusts and Mutual Funds, the Fund's investment in collective investment schemes which are non-eligible schemes and not authorised by the SFC may not in aggregate exceed 10% of its Net Asset Value.

The Sub-Fund may invest in financial derivative instruments for hedging purpose only, and may also invest no more than 10% of its Net Asset Value in structured products.

Up to 20% of the Sub-Fund's Net Asset Value may in aggregate be entered into securities lending, repurchase or reverse repurchase transactions and other similar over-the-counter transactions. The Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis for the purpose of meeting redemption requests or defraying operation 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 both gain and lose value and there is no guarantee of repayment of capital.
- There can be no assurance that the Sub-Fund will make any dividend or distributions payment during the period an investor holds units in the Sub-Fund.

2. Money market instruments risk

General money market instruments risk

- The Sub-Fund will invest mainly in money market instruments, which are not risk-free. Investing in these money market instruments or in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company.

- As the Sub-Fund invests significantly in money market instruments which typically have 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 instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund.

Volatility and Liquidity risk

- The Sub-Fund may invest in money market instruments which are not listed or actively traded, and as a consequence tend to be less liquid and more volatile. The bid and offer spreads of the price of such money market instruments 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 money market instruments 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 securities and/or the issuers at all times.

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 turn out 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 money market instrument may subsequently be downgraded due to changes in the financial strength of an issuer or changes in the credit rating of a money market instrument. In the event of downgrading in the credit ratings of a money market instrument or an issuer relating to a money market instrument, 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 money market 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 short-term deposits

- The Sub-Fund will invest in short-term deposits, which are subject to the credit risks of the financial institutions that offer and act as counterparties of such deposits. As such deposits may not be protected or fully protected under any deposit protection schemes, a default by the relevant financial institution in respect of the Sub-Fund's holdings in short-term deposits may result in losses to the Sub-Fund.

4. RMB currency risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors may be adversely affected by the movements of the exchange rates between RMB and other currencies. There is no guarantee that RMB against the investor's base currencies (e.g. USD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.

5. Mainland China risk

- **Concentration risk** – The Sub-Fund may on occasion be concentrated in the Mainland China 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 adverse political, tax, economic, foreign exchange, liquidity, policy, legal and regulatory risk affecting the markets in which the Sub-Fund invests.
- **Risks associated with “Dim Sum” bonds** – The “Dim Sum” bond market is still a relatively small market. As with some global fixed income markets, it may be more susceptible to volatility and illiquidity, and should there be any new rules which limit or restrict the ability of issuers to raise RMB (offshore CNH) funding by way of bond issuance and/or reversal or suspension of the liberalisation of the CNH market by the relevant regulator(s), the operation of the “Dim Sum” bond market and new issuances could be disrupted and potentially cause a fall in the Net Asset Value of the Sub-Fund.

6. Emerging market risk

- The Sub-Fund invests in emerging markets (including Mainland China) 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 of volatility.

7. Foreign currency risk

- The Sub-Fund's investments may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

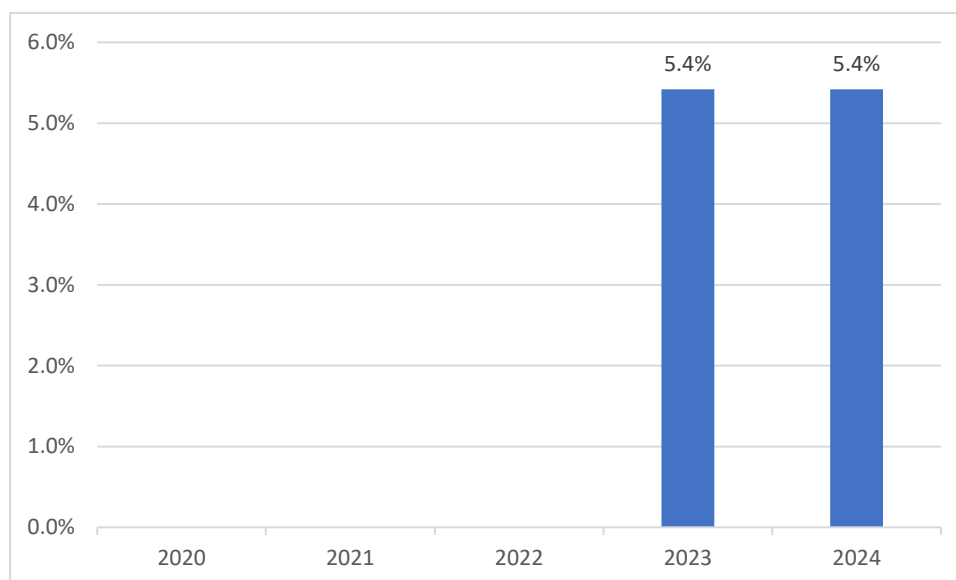
8. Hedging risk

- The Sub-Fund may acquire financial derivative 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.

9. 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.
- 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) amount to a return or withdrawal of part of a Unitholder's original investment or from any capital gains attributable to that original investment, and may result in an immediate reduction of the net asset value per Unit.
- The distribution amount and Net Asset Value of the hedged unit classes may be adversely affected by differences in the interest rates of the reference currency of the hedged unit classes and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged unit classes.

How has the Sub-Fund performed?



- 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 A USD Unit (REINV DIST) 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: 11 May 2022
- Class A USD Unit (REINV DIST) launch date: 12 May 2022
- Class A USD Unit (REINV DIST) is selected as the most appropriate representative unit class as it is denominated in the Sub-Fund's base currency and is most relevant to the retail investors.
- For further information on the performance of other unit classes, please refer to www.chinaamc.com.hk¹

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.

¹ This website has not been reviewed by the SFC.

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 3% of the amount subscribed ^ |
| 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 |

^ investor should check with distributor for current level of the subscription and conversion or switching fee. Note that no subscription fee is payable in respect of subscription for Class I 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 Sub-Fund's net asset value) |
|---------------------|--|
| Management fee*#: | Up to 1.75% per annum (current level at 0.35% per annum for Class A Units and 0.10% per annum for Class I Units) |
| Trustee fee*: | Up to 0.5% per annum (current level at 0.12% per annum for the Sub-Fund's 1 st USD 60 million in assets; 0.10% per annum for the next USD 100 million; 0.08% per annum for the remaining amount of assets) and subject to a minimum monthly fee of USD 7,000 |
| Custodian fee*: | Up to 0.3% per annum (current level up to 0.025% per annum) |
| Performance fee: | Not applicable |
| Administration 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 "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 after the trustee receives your request in good order on or before 11:00 a.m. (Hong Kong time) being the dealing cut-off time. Different distributors may impose different dealing deadlines for receiving requests from investors.

- The net asset value is calculated and the price of units is published each Business Day in the company website of the Manager.
- Compositions of the distributions (if any) (i.e. the relative amounts / percentages paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Manager on request and also on the following website: www.chinaamc.com.hk. This website has not been reviewed by the SFC.

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.