

# PRODUCT KEY FACTS

## ChinaAMC Select Fund - ChinaAMC Select USD Money Market Fund (the “Sub-Fund”) October 2024



- ***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 “ <b>Manager</b> ”)
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</u> Currently monthly, 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. Distributing Units are denoted (DIST). <u>Accumulating 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: 0.27%# Class A USD Units (DIST): 0.27%^ Class A HKD Units: 0.27%^ Class A RMB Units: 0.27%^ Class A HKD (Hedged) Units: 0.27%^ Class A RMB (Hedged) Units: 0.27%^ Class B USD Units: 0.42%#

Class B HKD Units: 0.42%^  
 Class B RMB Units: 0.42%^  
 Class B HKD (Hedged) Units: 0.42%^  
 Class B RMB (Hedged) Units: 0.42%^  
 Class F USD Units: 0.72%^  
 Class F HKD Units: 0.72%^  
 Class F RMB Units: 0.72%^  
 Class F RMB (Hedged) Units: 0.72%^  
 Class I USD Units: 0.15%#  
 Class I USD Units (DIST): 0.15%^  
 Class I HKD Units: 0.15%^  
 Class I RMB Units: 0.15%^  
 Class I JPY Units: 0.15%^  
 Class I HKD (Hedged) Units: 0.17%^  
 Class I RMB (Hedged) Units: 0.17%#  
 Class I JPY (Hedged) Units: 0.17%^

^ As the unit class has not yet been launched, 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.

^^As the unit class is newly launched, 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 December 2023. 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:

<b>Class</b>	<b>Initial</b>	<b>Additional</b>	<b>Holding</b>
Class A USD	USD 100	USD 100	USD 100
Class A USD (DIST)	USD 100	USD 100	USD 100
Class A HKD	HKD 1,000	HKD 1,000	HKD 1,000
Class A RMB	RMB 1,000	RMB 1,000	RMB 1,000
Class A HKD (Hedged)	HKD 1,000	HKD 1,000	HKD 1,000
Class A RMB (Hedged)	RMB 1,000	RMB 1,000	RMB 1,000

Class B USD	USD 1	USD 1	USD 1
Class B HKD	HKD 1	HKD 1	HKD 1
Class B RMB	RMB 1	RMB 1	RMB 1
Class B HKD (Hedged)	HKD 1	HKD 1	HKD 1
Class B RMB (Hedged)	RMB 1	RMB 1	RMB 1
Class F USD	No minimum initial or additional subscription, or holding requirement		
Class F HKD	No minimum initial or additional subscription, or holding requirement		
Class F RMB	No minimum initial or additional subscription, or holding requirement		
Class F RMB (Hedged)	No minimum initial or additional subscription, or holding requirement		
Class I USD	USD 1,000	USD 1,000	USD 1,000
Class I USD (DIST)	USD 1,000	USD 1,000	USD 1,000
Class I HKD	HKD 10,000	HKD 10,000	HKD 10,000
Class I RMB	RMB 10,000	RMB 10,000	RMB 10,000
Class I JPY	JPY 150,000	JPY 150,000	JPY 150,000
Class I HKD (Hedged)	HKD 10,000	HKD 10,000	HKD 10,000
Class I RMB (Hedged)	RMB 10,000	RMB 10,000	RMB 10,000
Class I JPY (Hedged)	JPY 150,000	JPY 150,000	JPY 150,000

Minimum redemption:

Class A USD Units: USD 100  
Class A USD Units (DIST): USD 100  
Class A HKD Units: HKD 1,000  
Class A RMB Units: RMB 1,000  
Class A HKD (Hedged) Units: HKD 1,000  
Class A RMB (Hedged) Units: RMB 1,000  
Class B USD Units: USD 1  
Class B HKD Units: HKD 1  
Class B RMB Units: RMB 1

Class B HKD (Hedged) Units:	HKD 1
Class B RMB (Hedged) Units:	RMB 1
Class F USD Units:	No minimum redemption requirement
Class F HKD Units:	No minimum redemption requirement
Class F RMB Units:	No minimum redemption requirement
Class F RMB (Hedged) Units:	No minimum redemption requirement
Class I USD Units:	USD 1,000
Class I USD Units (DIST):	USD 1,000
Class I HKD Units:	HKD 10,000
Class I RMB Units:	RMB 10,000
Class I JPY Units:	JPY 150,000
Class I HKD (Hedged) Units:	HKD 10,000
Class I RMB (Hedged) Units:	RMB 10,000
Class I JPY (Hedged) Units:	JPY 150,000

### What is this product?

- ChinaAMC Select USD Money Market 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.
- **The purchase of a unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Sub-Fund does not guarantee principal and the Manager has no obligation to redeem units at the offer value. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. The Sub-Fund does not have a constant net asset value.**

### Investment Objective

The Sub-Fund's objective is to invest in short-term deposits and high quality money market instruments to achieve long-term return in US Dollars in line with prevailing money market rates, with primary considerations of both capital security and liquidity.

### Investment Strategy

#### Primary Investment – Short-term Deposits and High Quality Money Market Instruments

The Sub-Fund seeks to achieve its objective by investing not less than 70% of its Net Asset Value in USD denominated and settled short-term deposits, high quality money market instruments of varying maturities issued by governments, quasi-governments, international organizations, and financial institutions globally and such other securities as permitted by the SFC's Code on Unit Trusts and Mutual Funds (the "Code").

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other public securities.

The short-term deposits and high quality money market instruments that the Sub-Fund invests in may include but are not limited to fixed income and debt securities, government bills, certificates of deposit, commercial papers, fixed and floating rate short-term notes and bankers' acceptances. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be considered.

The aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of its total Net Asset Value except: (i) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other public securities (as defined in the Explanatory Memorandum), up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund does not intend to invest more than 30% of its Net Asset Value in any single country or region, other than Greater China (comprising Mainland China, Hong Kong, Macau and Taiwan) and the United States. The Sub-Fund may invest in aggregate up to 100% of its Net Asset Value in Greater China or the United States, subject to the limitation set out in the sub-section headed "Mainland China Exposure" below.

#### Credit Rating

The Sub-Fund will only invest in high quality short-term or short-term remaining maturity fixed income and debt securities (including money market instruments) rated investment grade or fixed income and debt instruments with issuers or guarantors of investment grade rating if the instrument itself does not have a credit rating.

- Short-term fixed income and debt securities are considered investment grade if their credit ratings or the credit ratings of their issuers/guarantors are rated A-3 or higher by Standard & Poor's, or F3 or higher by Fitch, or P-3 or higher by Moody's, or equivalent rating as rated by one of the international credit rating agencies.
- While the Sub-Fund does not intend to invest in fixed income and debt securities with a long term to maturity remaining at the time of investment, the long-term credit ratings will be considered where the Sub-Fund invests in fixed income and debt securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the requirements on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out above). For such securities, investment grade means Baa3 or BBB- or above by Standard & Poor's, Fitch, Moody's or another recognized credit rating agency for the security or its issuer/guarantor.
- For Mainland China onshore fixed income and debt securities, investment grade means AA+ or above 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.

Accordingly, the Sub-Fund will not invest in securities issued by or guaranteed by any single sovereign issuer that has a credit rating below investment grade or is unrated. For the purpose of the Sub-Fund, an

“unrated fixed income/debt instrument” is defined as an instrument which neither the instrument itself, its issuer nor its guarantor has a credit rating.

#### Ancillary Investment

##### *Other Money Market Instruments and Money Market Funds*

The Sub-Fund may invest up to 30% of its Net Asset Value in short-term deposits and high quality money market instruments denominated in currency(ies) other than USD.

The Sub-Fund may also invest up to 10% of its Net Asset Value in money market funds which are authorized by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Such money market funds may be managed by third parties or the Manager or its connected parties.

##### *Mainland China Exposure*

The Sub-Fund’s investment in high quality short-term or short-term remaining maturity fixed income and debt securities (including money market instruments) issued in the Mainland China market, such as government bills, certificates of deposit, commercial papers, fixed and floating rate short-term notes, short-term deposits and bankers’ acceptances, will not exceed 30% of its Net Asset Value. The Sub-Fund may invest in the foregoing securities via the Manager’s QFI quota, the PRC interbank bond markets under Foreign Access Regime, Bond Connect and/or other means as may be permitted by the relevant regulations.

It is not intended that the Sub-fund will invest in “Dim Sum” bonds, i.e. bonds issued outside of Mainland China but denominated in RMB.

##### *Other Investments*

It is not intended that the Sub-Fund will invest in debt instruments with loss absorption features or asset-backed securities.

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

The Sub-Fund may invest in financial derivative instruments for hedging purposes only, to the extent permitted by the Code. The Manager currently does not intend to enter into securities lending, repurchase transactions or reverse repurchase transactions. 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.

#### **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. Fixed income and debt securities (including money market instruments) risk**

- **Short-term fixed income and debt securities risk** – The Sub-Fund will invest mainly in fixed income and debt securities which are short-term or with short-term remaining 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 such securities may 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 fixed income and debt securities which are not listed or actively traded, and as a consequence tend to be less liquid and more volatile. The prices of fixed income and debt securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large, or such securities may be sold at discount to its face value, 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/guarantors of the fixed income and 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 and debt 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 fixed income and debt securities and/or the issuers/guarantors 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 issuers/guarantors or fixed income and debt securities may subsequently be downgraded. In the event of downgrading in the credit ratings of such securities or issuers/guarantors relating to such securities, the Sub-Fund’s investment value in the securities may be adversely affected. The Manager may or may not be able to dispose of the fixed income and debt securities 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/guarantors 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/guarantors.
- **Credit rating agency risk** - The credit appraisal system in Mainland China and the rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by the local rating agencies recognized by the relevant authorities in Mainland China may therefore not be directly comparable with those given by other international rating agencies.

### 3. Risks associated with Bank Deposits

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund may also place deposits in non-resident accounts (NRA) and offshore accounts (OSA), which are offshore deposits with offshore branches of Mainland Chinese banks. As such deposits may not be protected or fully protected under any deposit protection schemes, a default by the relevant financial institution which offers such deposits may result in losses to the Sub-Fund.

### 4. Concentration risk

- The Sub-Fund will invest primarily in USD denominated instruments. The Sub-Fund's investments may be concentrated in the Greater China and/or the United States markets. 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. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

#### **5. 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/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

#### **6. Foreign currency risk**

- The Sub-Fund's investments may be denominated and a class of units may be designated in currencies 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.

#### **7. Risks associated with RMB Classes of Units**

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

#### **8. Risks associated with investment in financial derivative instruments and hedging**

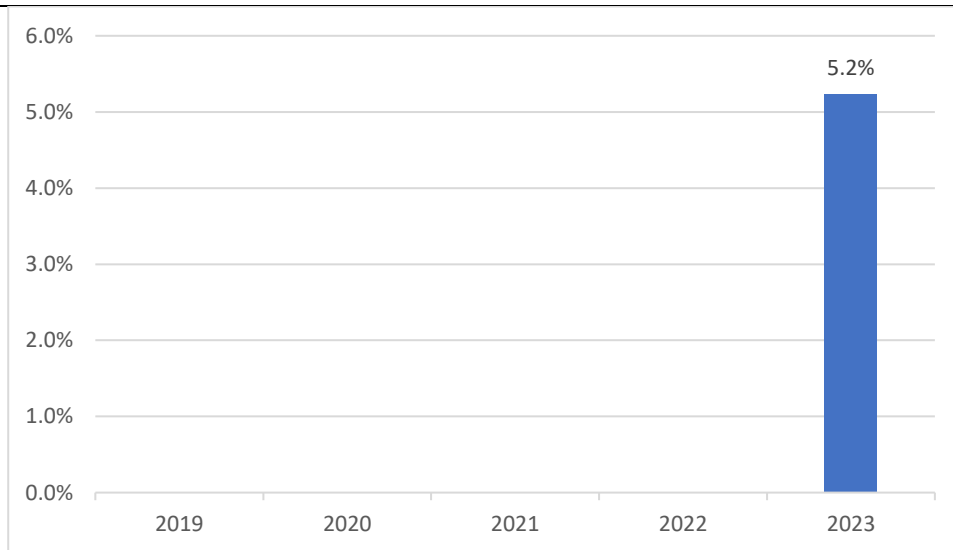
- The Sub-Fund may acquire financial derivative instruments for hedging and in adverse situations, such hedging may become ineffective and the Sub-Fund may suffer significant losses. The price of a derivative instrument can be very volatile which may result in losses in excess of the amount invested by the Sub-Fund. A financial 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 / effectively out of capital**

- Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of a Unitholder's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per Unit.

**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 Units 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: 5 September 2022
- Class A USD Unit launch date: 11 October 2022
- Class A USD Unit 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.hk](http://www.chinaamc.com.hk)<sup>1</sup>

### 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
<b>Subscription fee*</b>	Up to 5% of the amount you buy <sup>^</sup>
<b>Conversion or switching fee*</b>	Up to 1% of the total redemption proceeds of the original Class of Units <sup>^</sup>

<sup>1</sup> This website has not been reviewed by the SFC.

**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 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.

<b>Management fee**:</b>	<b>Annual rate (as a % p.a. of the NAV)</b> At 0.15% per annum for Class A Units  At 0.30% per annum for Class B Units  At 0.60% per annum for Class F Units  At 0.05% per annum for Class I Units
<b>Trustee fee*:</b>	Up to 0.5% per annum (current level up to 0.075% per annum) of the Sub-Fund's value and subject to a minimum monthly fee of USD4,000
<b>Custodian fee*:</b>	Up to 0.1% per annum of the Sub-Fund's value (current level up to 0.025% per annum)
<b>Performance fee:</b>	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 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 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 NAV is calculated and the price of units is published each HK Business Day on 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](http://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.