IMPORTANT: Investment involves risks. Investment value may rise or fall. Past performance information presented is not indicative of future performance. Investors should refer to the Prospectus and the Product Key Facts Statement for further details, including product features and risk factors. Investors should not base on this material alone to make investment decisions.

Product Risk Disclosure:

CSOP Bloomberg China Treasury + Policy Bank Bond Index ETF

- CSOP Bloomberg China Treasury + Policy Bank Bond Index ETF ("the Sub-Fund") is a "physical" ETF meaning it will invest directly in RMB denominated and settled fixed-rate bonds issued by the Ministry of Finance of the PRC, the China Development Bank, the Agricultural Development Bank of China or the Export-Import Bank of China and distributed within the PRC mainland (the "Treasury Bonds and Policy Bank Bonds") through the Manager's status as a Qualified Foreign Investor ("QFI"), and/or via the initiative for mutual bond market access between Hong Kong and Mainland China ("Bond Connect").
- Because the Sub-Fund invests in fixed-income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments.
- The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for bonds is not guaranteed. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly. There can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they would wish to.

Please note that the above listed investment risks are not exhaustive and investors should read the Prospectus and the Product Key Facts Statement in detail before making any investment decision.

CSOP relaunched CSOP Bloomberg China Treasury + Policy Bank Bond Index ETF (RMB Counter Stock Code: 83199, HKD Counter Stock Code: 3199) in partnership with ICBC AM (Global) – boosting the ETF AUM to over RMB 5 billion

CSOP Asset Management Limited ("CSOP") relaunched its first fixed income ETF—CSOP Bloomberg China Treasury + Policy Bank Bond Index ETF (RMB Counter Stock Code: 83199, HKD Counter Stock Code: 3199) by introduction of ICBC Asset Management (Global) Company Limited ("ICBC AM (Global)"), a wholly-owned subsidiary of Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)"), as the non-discretionary advisor. The relaunch has already attracted sizable additional investments from multiple institutional investors, boosting its asset under management to USD 785 million[1], equivalent to over RMB 5 billion, strengthening its leadership as one of the world's largest Chinese government bond ETFs. Listed as early as February 2014, 3199.HK has achieved returns of 30.54%.[2] As of 31 August 2021, its average yield to

[1] Source: Bloomberg, as of 15 November 2021

[2] Source: CSOP Asset Management Limited, as of 31 August 2021

maturity is 2.90% and effective duration is 5.86.[3] Strengthened by ICBC AM (Global)'s leading expertise in China's fixed income market, 3199.HK will continue to offer investment opportunities of China's fast growing onshore government bond market.

The investment objective, strategy, and trading lot size of 83199.HK/3199.HK will remain unchanged with minimum investment at around RMB 2,060 or HKD 2,500 over 2 currency counters.[4]

The significance of China onshore market has become too important to ignore. With the market size of USD 18 trillion, China's bond market has become the second largest in the world, trailing just behind the U.S.[5] The further opening-up of China's onshore bond market is suggestive of attractive opportunities to global investors. According to historical data, the China onshore bonds offer a higher yield with a relatively lower exchange rate volatility compared to other major economies. In addition, the low correlation between China onshore bonds and global bonds would potentially provide greater portfolio diversification for investors.

Worth mentioning, in the past few years, foreign investments continued to flow into China onshore market. As of July 2021, foreign institutions hold more than RMB 3.7 trillion (over USD 580 billion) of onshore Chinese bonds.[6] Albeit the enormous amount which is five times more than that of 2015, the foreign holding percentage is still below 3%, implying severe underinvestment by global institutions.[7]

If fully included in the three major global fixed income indices, the Chinese onshore bonds are expected to attract about USD 320 billion of inflow in aggregation.[8] In anticipation of the upcoming full inclusion, it is deemed a good timing for investors to tap into the promising China onshore bond market.

Ms. Gao Ming, Chairman and Executive Director of ICBC (Asia) said, "The National 14th Five-Year Plan reinforced Hong Kong's position as an international financial centre as well as the global offshore RMB business hub. As a RMB bond ETF listed on HKEX, 3199.HK helps further enrich the RMB product range in Hong Kong to meet international investors' demand for RMB asset allocation. ICBC (Asia) will continue to utilise our service competitiveness in cross-border finance to further enhance the status of RMB as a major

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[3] Source: FTSE Russell

[4] Source: CSOP Asset Management Limited

[5] Source: Bloomberg, as of 17 August, 2021

[6] Source: CCDC and Shanghai Clearing, as of July 2021

[7] Source: CCDC and Shanghai Clearing, as of July 2021

[8] Source: FTSE, Bloomberg, JPMorgan, UBS estimates as of 7 September 2020

international reserve asset, and promote high-quality development of capital markets in the Mainland and Hong Kong.”

Ms. Zhang Yue, Acting Chief Executive Officer of ICBC AM (Global) said, “The relaunch of 3199.HK provides global investors with a high-efficiency and low-cost tool to allocate Chinese government bonds and policy bank bonds, so as to gain from China's economic growth and capital market development. As the overseas asset management platform of ICBC Group, we expect to partner with CSOP to continuously provide investment management solutions for high-quality Chinese assets.”

Ji Zhuang, Bloomberg's APAC Head of Indices, said: "Since the inclusion of China's treasury and policy bank bonds in the Global Aggregate Index, investors have exhibited a robust and increasing appetite for these securities which make up over 85% of the total foreign ownership in onshore Chinese bonds. With the 3199.HK ETF, global investors can tap another avenue to capture the investment opportunity of Chinese bonds. We appreciate CSOP's partnership for almost a decade and look forward to deepening our collaboration by offering our best-in-class index solutions and thought leadership in the space."

CSOP is confident and happy about the relaunch of 3199.HK. Ms. Ding Chen, CEO of CSOP comments, “We are very glad to partner with ICBC (Asia) and ICBC AM (Global) again to relaunch 3199.HK in Hong Kong after our cooperation on successful listing of ICBC CSOP FTSE Chinses Government Bond Index ETF (CYB/CYC) on SGX. We firmly believe that with the support of ICBC AM (Global), we will bring 83199.HK/3199.HK to a new level, enabling more investors to gain benefits from investing in China onshore government bonds market.”

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About CSOP Asset Management Limited

CSOP Asset Management Limited (“CSOP”) was founded in 2008 as the first offshore asset manager set up by a regulated asset management company in China. With a dedicated focus on China investing, CSOP manages public and private funds, as well as providing investment advisory services to Asian and global investors. In addition, CSOP is best known as an ETF leader in Asia. As of 31 August 2021, CSOP has more than USD 10.2 billion in assets under management.

Disclaimer

This material has not been reviewed by the Securities and Futures Commission.

Issuer: CSOP Asset Management Limited

Please refer to the offering documents for the index provider disclaimer.