中国平安资产管理（香港）
PING AN OF CHINA ASSET MANAGEMENT (HONG KONG)

PRODUCT KEY FACTS

Ping An of China CSI 5-10Y CGB ETF
a sub-fund of the Ping An of China Trust
(Stock Code: 3080)

April 2023

This is a passive exchange traded fund.
This statement provides you with key information about this product.
This statement is a part of the offering documents and must be read in conjunction with the Prospectus.
You should not invest in this product based on this statement alone.

Quick facts

Stock code:	3080	**Trading lot size:**	100 units
Fund Manager:	Ping An of China Asset Management (Hong Kong) Company Limited	**Underlying index:**	CSI 5-10y Liquid CGB Index
Trustee:	HSBC Institutional Trust Services (Asia) Limited	**Base currency:**	Renminbi (RMB)
Ongoing charges over a year*:	0.89%	**Trading currency:**	Hong Kong Dollars (HK$)
Tracking difference of the last calendar year †	-0.19%	**Exchange listing:**	SEHK – Main Board
Financial year end of this fund:	31 December	**Dividend policy:**	Semi-annually at the discretion of the Manager, usually in June and December. All Units will receive distributions in the base currency (RMB) only.
Fund website:	http://asset.pingan.com.hk/eng/3080 (This website is not reviewed by the Securities and Futures Commission of Hong Kong ("**SFC**").)		

What is this product?

The Ping An of China CSI 5-10Y CGB ETF ("**CGB ETF**") is a sub-fund of the Ping An of China Trust, which is an umbrella unit trust established under Hong Kong law. The CGB ETF is a passively managed index tracking exchange traded fund under Chapter 8.6 of the SFC Code on Unit Trusts and Mutual Funds. It is listed on The Stock Exchange of Hong Kong Limited ("**the SEHK**"). The Units are traded on the SEHK like listed stocks.

Objective and Investment Strategy

Objective

The CGB ETF's investment objective is to seek to track the performance of the CSI 5-10y Liquid CGB Index (the "**Underlying Index**").

Investment Strategy

In order to achieve the investment objective, the CGB ETF intends to primarily adopt a full replication strategy to

* *The ongoing charges figure is based on actual expenses in audited financial statements, excluding transactional costs for the year ended 31 December 2022. This figure may vary from year to year.*

† *This is an actual tracking difference of the last calendar year ended 31 December 2022. Investors should refer to the fund website for more up to date information on actual tracking difference.*

track the performance of the Underlying Index. The CGB ETF will directly invest in substantially all of the China government bonds issued by the Ministry of Finance of the PRC (the "**MOF**"), ("**CGBs**"), denominated and settled in RMB and issued and distributed within Mainland China, which are included as constituents of the Underlying Index in substantially the same weighting (i.e. proportions) as these CGBs have in the Underlying Index. Up to 100% of the Net Asset Value ("**NAV**") will be invested in CGBs.

Where it is not possible to acquire certain CGBs which are constituents of the Index due to restrictions or limited availability, the CGB ETF may also pursue a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying Index, pursuant to which the CGB ETF may or may not hold all the constituents of the Underlying Index and may overweight certain constituents of the Underlying Index relative to the relevant CGB's weighting in the Underlying Index. The CGB ETF may invest in CGBs not included as constituents of the Underlying Index, but will not invest in securities other than CGBs. CGBs which are not constituents will have a term to maturity of 5 to 10 years, provided that the sample closely reflects the overall characteristics of the Underlying Index which the Manager believes will help the CGB ETF achieve its investment objective. Not more than 30% of the NAV may be invested in Government and other Public Securities (as defined in the Prospectus) of the same issue; and the CGB ETF may invest all of its assets in Government and other Public Securities in at least 6 different issues.

As the Underlying Index comprises only CGBs, there is no credit rating requirement for inclusion in the Underlying Index. The credit rating of the PRC government as the issuer of CGBs is A+ by Standard & Poor's and A1 by Moody's.

Exposure to CGBs will be gained via investing in the PRC inter-bank bond market primarily (i.e. at least 70% of its NAV) through the "Bond Connect", the initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China, however the Manager may, in exceptional circumstances, invest in CGBs distributed outside of Mainland China and settled in offshore RMB (CNH), provided that the portfolio closely reflects the overall characteristics of the Underlying Index. The CGB ETF may also utilise the "Foreign Access Regime", the regime which allows foreign institutional investors to invest in the PRC inter-bank bond market, and/or other means as may be permitted by the relevant regulations from time to time.

There is no current intention for the CGB ETF to (i) invest in any financial derivatives (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, (ii) invest in urban investment bonds (城投債), (iii) invest in structured products or instruments, structured deposits, asset backed securities, asset backed commercial papers and mortgage backed securities, or (iv) enter into securities lending, sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter ("**OTC**") transactions, but this may change in light of market circumstances and where the CGB ETF does engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than one month's prior notice will be given to the Unitholders.

The Manager may switch between the replication strategy and the representative sampling strategy without prior notice to investors, in its absolute discretion, and as often as it believes is appropriate in order to achieve the investment objective of the CGB ETF by tracking the Underlying Index as closely as possible to the benefit of investors.

The Underlying Index (Bloomberg Ticker: SH931018)

The Underlying Index, launched on 25 October 2017, is an index designed to effectively reflect and track the liquid 5-10 years tenor CGB market. The Underlying Index is a total return index. A total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested. The Underlying Index is calculated and denominated in RMB.

The Underlying Index is compiled and managed by the China Securities Index Co., Ltd. (the "**Index Provider**"). CGBs listed on both PRC inter-bank bond market and Stock Exchange Market with a minimum size of RMB10 billion, issue terms of 5, 7 or 10 years, and a remaining term to maturity of no less than 4 years (for 5-year CGB), 5.5 years (for 7-year CGB) and 8 years (for 10-year CGB), are eligible for inclusion in the Underlying Index. The constituents of the Index are fixed-rate interest bearing. Weighting of the Underlying Index is calculated using a formula based on size, issue date and remaining term of each eligible CGB. For more information, please refer to the section "Index" of the Prospectus. The Manager and its Connected Persons are independent of the Index Provider.

As at 31 December 2022, the Underlying Index had a total par value of RMB3,258.46 billion comprising 15 constituents.

For details about the most updated list of the constituents of the Index, their respective weightings and other information about the Index, please refer to the website of the Index Provider at www.csindex.com.cn (this website has not been reviewed by the SFC).

Use of derivatives / Investment in derivatives

The CGB ETF will not use derivatives for any purposes.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

Investment risk

- The CGB ETF's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the CGB ETF may suffer losses. There is no guarantee of the repayment of principal.

Risks associated with PRC inter-bank bond market and Bond Connect

- Investing in the PRC inter-bank bond market via Bond Connect and/or Foreign Access Regime is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the PRC inter-bank bond market via Foreign Access Regime and/or Bond Connect are subject to change which may have potential retrospective effect.

- In the event that the relevant PRC authorities suspend account opening or trading on the PRC inter-bank bond market or trading through Bond Connect, the CGB ETF's ability to invest in the PRC inter-bank bond market will be adversely affected. Where a suspension in the trading through Bond Connect is effected, the CGB ETF will have to increase its reliance on the Foreign Access Regime, and its ability to achieve its investment objective could be negatively affected.

Risks associated with debt securities

- *Credit / Counterparty risk:* The CGB ETF is exposed to the credit/default risk of issuers of the debt securities that the CGB ETF may invest in.
- *Interest rate risk:* Investment in the CGB ETF is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- *Volatility and liquidity risk*: The debt securities in Chinese markets may be subject to higher volatility and lower liquidity compared to more developed markets. 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 the CGB ETF may incur significant trading costs.
- *Downgrading risk:* The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the CGB ETF may be adversely affected. There is no assurance that the CGBs invested by the CGB ETF or the issuer of the CGB will continue to have an investment grade rating or continue to be rated.
- *Sovereign debt risk*: The CGB ETF's investment in securities issued by the MOF may be exposed to political, social and economic risks. In adverse situations, the sovereign issuer may not be able or willing to repay the principal and/or interest when due or may request the CGB ETF to participate in restructuring such debts. The CGB ETF may suffer significant losses when there is a default of sovereign debt issuer.
- *Valuation risk:* Valuation of the CGB ETF's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the CGB ETF.
- *Credit rating risk:* Credit ratings assigned by rating agencies are subjec*t to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.*
- *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 Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.

Operational and settlement risk

- The CGB ETF may be exposed to risks associated with settlement procedures and default of counterparties on the PRC inter-bank bond market. All trades settled through China Central Depository and Clearing Co., Ltd are on delivery versus payment basis, i.e. the CGB ETF will only pay the counterparty upon receipt of the securities. If a counterparty defaults in delivering the securities, the trade may be cancelled and this may adversely affect the value of the CGB ETF.

Concentration risks and China investment risks

- The Underlying Index tracks the performance of a single geographical region, namely the PRC and is concentrated in bonds of a single issuer. The NAV of the CGB ETF is therefore likely to be more volatile than a more broad-based fund, such as a global bond fund, as the Underlying Index is more susceptible to fluctuations in value resulting from adverse changes in the financial condition of the PRC government and changes in economic or political conditions which affect the PRC.
- Investments in the PRC 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.
- As at 31 December 2022, the aggregate weighting of the top 10 constituents of the Underlying Index accounts for around 94.63% of the Underlying Index. CGB ETF is relatively concentrated in a limited number of CGB. The CGB ETF is likely to be more volatile than a fund tracking an index with a greater number of constituents, as the adverse performance of a constituent will have a greater impact on the value of the CGB ETF.

RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to 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 CGB ETF.
- 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.

Currency risk

- Underlying investments of the CGB ETF may be denominated in currencies other than the base currency of the CGB ETF. The NAV of the CGB ETF may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

PRC tax risk

- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via the CGB ETF's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the CGB ETF may adversely affect its value. Having considered independent professional tax advice and in accordance with such advice, the Manager decided that no withholding provision will be made on the gross unrealised and realised capital gains derived from disposal of CGB.
- It is possible that the applicable tax laws may be changed, that the PRC tax authorities may hold a different view as to the enforcement of the PRC withholding tax collection on capital gains. In such case the CGB ETF will bear the actual tax liabilities as no tax provision has been made. This may have an adverse impact to the CGB ETF's NAV. In this case, existing and subsequent investors will be disadvantaged as they bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment.

Distribution risk

- Dividend distributions are not guaranteed and are subject to the discretion of the Manager. Therefore, investors may not receive any dividends from the CGB ETF, notwithstanding that the CGB ETF may receive interest income from the CGB it holds.
- Unitholders will receive distributions in the base currency (RMB) only. In the event that a Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from RMB to HKD, and bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Passive investment risk

- The CGB ETF is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the CGB ETF. Falls in the Underlying Index are expected to result in corresponding falls in the value of the CGB ETF.

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 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.

Tracking error risk

- The CGB ETF 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

Trading differences risks

- As the PRC inter-bank bond market may be open when units in the CGB ETF are not priced, the value of the CGB in the CGB ETF's portfolio may change on days when investors will not be able to purchase or sell the CGB ETF's units. Differences in trading hours between the PRC inter-bank bond market and the SEHK may also increase the level of premium or discount of the unit price to its NAV.

Termination risk

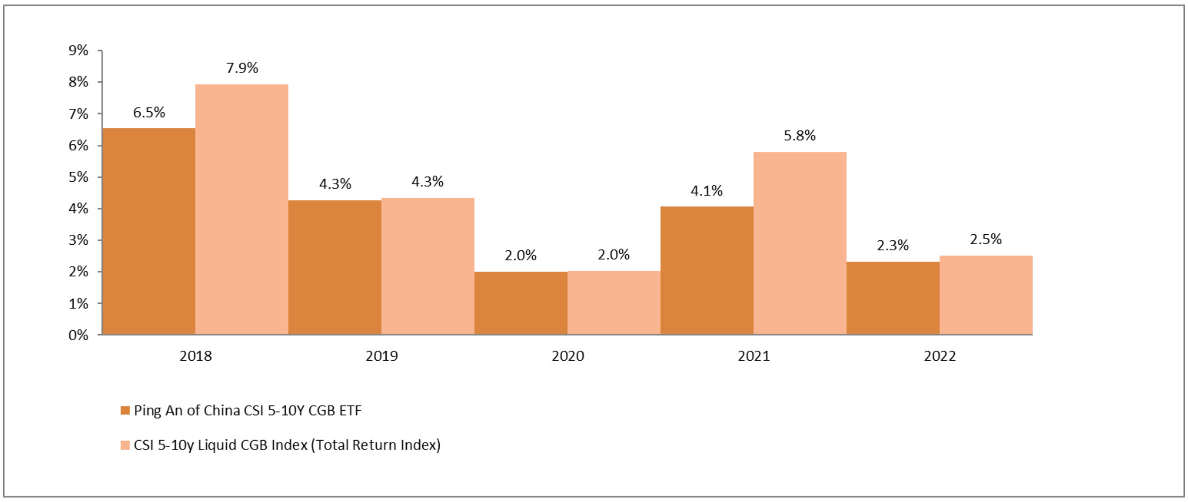
- The CGB ETF may be terminated early under certain circumstances, for example, where the Underlying Index is no longer available for benchmarking or if the size of the CGB ETF falls below HK$200,000,000. Investors may not be able to recover their investments and suffer a loss when the CGB ETF is terminated.

Reliance on market maker risks

- 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 and that at least one market maker 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 units. There is also no guarantee that any market making activity will be effective.

How has the CGB ETF performed?

Fund Performance vs Underlying Index Performance



- 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, assumes reinvestment of distributions.
- These figures show by how much the CGB ETF increased or decreased in value during the calendar year being shown. Performance data has been calculated in CNH including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The underlying index of the CGB ETF is CSI 5-10y Liquid CGB Index.
- From Feb 2018 onwards, the underlying index currency is calculated in CNH.
- CGB ETF launch date: 27 December 2017.

Is there any guarantee?

The CGB ETF does not provide any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

Please refer to Schedule 1 of the Prospectus for details of other fees and expenses applicable to the creation or redemption, or dealing in the Units of the CGB ETF.

Charges incurred when trading the CGB ETF on SEHK

Fee	What you pay
Brokerage fee	At each broker's discretion
Transaction levy	0.0027% of the trading price of the Units[1]
Trading fee	0.00565% of the trading price of the Units[2]
Financial Reporting Council ("FRC") transaction levy	0.00015% of the trading price of the Units[3]
Stamp duty	Nil

1. Transaction levy of 0.0027% of the price of the Units, payable by each of the buyer and the seller.
2. Trading fee of 0.00565% of the price of the Units, payable by each of the buyer and the seller.
3 FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

Ongoing fees payable by the CGB ETF

The following expenses will be paid out of the CGB ETF. They affect you because they reduce the NAV which may affect the trading price.

	Annual rate (as a % of the Sub-Fund's NAV)

Management fee*	Currently 0.35% per annum
Trustee fee*	Currently 0.09 % per annum for the first HK$800 million; 0.08% per annum for the next HK$800 million and 0.07% per annum for the remaining balance of the fund's NAV, subject to a monthly minimum of HK$37,000.
Administration fee	None
Performance fee	None
Other ongoing costs	Please refer to Schedule 1 of the Prospectus for details of the ongoing costs payable by the CGB ETF.

* Please note that some fees may be increased up to a permitted maximum amount by providing 3 months' prior notice (or such shorter period approved by the SFC) to Unitholders. Please refer to the section on "Fees and Charges" in the Prospectus.

Additional Information

You can find the following information of the CGB ETF on the Fund Manager's website (http://asset.pingan.com.hk/eng/3080):

- The last published prospectus and its product key facts statement;
- Latest annual and semi-annual financial reports of the CGB ETF in English;
- Any public announcements and notices made by the CGB ETF, including information in relation to the CGB ETF and the Underlying Index, notices of the suspension of calculation of NAV, changes in fees and charges, the suspension and resumption of trading of Units;
- Any notices relating to material changes to the CGB ETF which may have an impact on its investors such as material alterations or additions to the offering documents or the constitutive documents of the CGB ETF;
- Latest list of Participating Dealers and Market Makers;
- Full portfolio information of the CGB ETF (updated on a daily basis);
- The last NAV and NAV per Unit of the CGB ETF in RMB and HK$;
- Near real-time indicative NAV per Unit of the CGB ETF updated every 15 seconds throughout each Dealing Day in RMB and HK$;
- The ongoing charges figure and the past performance information of the CGB ETF; and
- The annual tracking difference and tracking error of the CGB ETF.

The near real time indicative NAV per Unit in HK$ are indicative and for reference only. This is updated every 15 seconds during SEHK trading hours. The near real time indicative NAV per Unit in HK$ do not use a real time HK$:RMB foreign exchange rate – it is calculated using the near real time estimated NAV per Unit in RMB, multiplied by an assumed foreign exchange rate as determined by the Hong Kong Monetary Authority for offshore RMB (CNH) on the previous SEHK trading day. Since the indicative NAV per Unit in RMB will not be updated when the PRC inter-bank bond market is closed, the changes in the indicative NAV per Unit in HK$ (if any) during such period is solely due to the change in the foreign exchange rate.

The last NAV per Unit in HK$ is indicative and for reference only and is calculated using the last NAV per Unit in RMB multiplied by an assumed foreign exchange rate as determined by the Hong Kong Monetary Authority for offshore RMB (CNH) as of the same Dealing Day.

Note: Investors should note that the aforesaid 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.