

# Product Key Facts

## iShares NASDAQ 100 ETF

BlackRock Asset Management North Asia Limited

30 April 2024

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Prospectus.*

*You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b>	09834 USD counter	02834 HKD counter
<b>Trading lot size:</b>	100 units (for USD and HKD counters)	
<b>Manager:</b>	BlackRock Asset Management North Asia Limited	
<b>Sub-Managers:</b>	BlackRock (Singapore) Limited (internal delegation, Singapore)	
	BlackRock Investment Management (UK) Limited (internal delegation, United Kingdom)	
	BlackRock Japan Co., Ltd. (internal delegation, Japan)	
<b>Trustee, Registrar and Custodian:</b>	HSBC Institutional Trust Services (Asia) Limited	
<b>Ongoing charges over a year<sup>#</sup>:</b>	0.28%	
<b>Tracking difference of the last calendar year<sup>##</sup>:</b>	-0.48%	
<b>Underlying Index:</b>	NASDAQ 100 Index	
<b>Base currency:</b>	US dollars (USD)	
<b>Trading currency</b>	USD, HKD	
<b>Financial year end of this fund:</b>	31 December	
<b>Distribution policy:</b>	Annually, at the Manager's discretion (usually in November/December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. <b>All units will receive distributions in the Base Currency (USD) only.</b> Please refer to "Other currencies distributions risk" and "Distributions payable out of capital or effectively out of capital risk" on page 6 below.	
<b>ETF website:</b>	<a href="http://www.blackrock.com/hk">www.blackrock.com/hk</a> (Please refer to the section Additional Information on how to access the product webpage)	

# The ongoing charges figure for the NASDAQ 100 ETF 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 NASDAQ 100 ETF expressed as a percentage of the average Net Asset Value.

## This is the actual tracking difference of the calendar year ended 31 December 2023. Investors should refer to the website of the NASDAQ 100 ETF for more up-to-date information on actual tracking difference.

## What is this product?

This is a fund constituted in the form of a unit trust established under Hong Kong law and is a sub-fund of the iShares Asia Trust. The units of the iShares NASDAQ 100 ETF (the “**NASDAQ 100 ETF**”) are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These units are traded on SEHK like listed stocks. The NASDAQ 100 ETF is a passively managed index tracking ETF falling under Chapter 8.6 of the Code.

## Objective and Investment Strategy

### Objective

The NASDAQ 100 ETF aims to provide investment results that, before fees and expenses, closely correspond to the performance of the NASDAQ 100 Index (the “**Underlying Index**”).

### Investment Strategy

The NASDAQ 100 ETF adopts a representative sampling investment strategy to achieve its investment objective. A representative sampling investment strategy involves investing in a representative sample of the securities with high correlation to the Underlying Index (either directly or indirectly) selected by the Manager.

The NASDAQ 100 ETF will invest primarily in securities included in the Underlying Index, or in securities that are not included in the Underlying Index, but which the Manager believes will help the NASDAQ 100 ETF achieve its investment objective. The NASDAQ 100 ETF may also invest in investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, swaps and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the NASDAQ 100 ETF achieve its investment objective. The NASDAQ 100 ETF may invest in financial derivative instruments (“**FDIs**”) for non-hedging purposes subject to the limit that the NASDAQ 100 ETF’s net derivative exposure does not exceed 50% of NASDAQ 100 ETF’s Net Asset Value (“**NAV**”).

The Manager may switch between the representative sampling and the full replication investment strategies without notice to investors and in its absolute discretion. A full replication investment strategy involves investing in substantially all the securities (either directly or indirectly) in substantially the same weightings as those securities comprised in the Underlying Index.

The Manager may invest in other physical exchange traded fund(s) (“**ETFs**”) tracking indices that are closely correlated to the NASDAQ 100 Index for cash management and contingency purposes, where subject to the market conditions, investing in physical ETFs is in the best interest of unitholders. The NASDAQ 100 ETF may invest up to 10% of its NAV in one or more underlying ETFs, which may be eligible schemes or non-eligible schemes and may or may not be authorised by the SFC, including those which are managed by the Manager, any of the Sub-Managers or their Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

Although the NASDAQ 100 ETF may enter into securities lending transactions to a maximum level of 50% of its NAV, the Manager does not expect securities lending transactions in respect of the NASDAQ 100 ETF to exceed one-third of the NAV. The Manager will be able to recall the securities lent out at any time.

As part of the securities lending transactions, the NASDAQ 100 ETF must receive cash and/or non-cash collateral of at least 100% of the value of the securities lent. The collateral will be marked-to-market on a daily basis and be safekept by the Trustee (or its nominee, agent or delegate, or delegate(s) or agent(s) further appointed by such nominee, agent or delegate). Non-cash collateral received in connection with a

securities lending transaction may not be sold, reinvested or pledged by the NASDAQ 100 ETF. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the Code and the relevant sections of the Prospectus. To the extent the NASDAQ 100 ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the NASDAQ 100 ETF. The costs relating to securities lending transactions will be borne by the securities lending agent or the borrower.

Save for the foregoing, the NASDAQ 100 ETF currently does not intend to engage in any sale and repurchase transactions, reverse repurchase transactions or other similar over the counter transactions. One month's prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

### **Underlying Index**

The Underlying Index is a modified market capitalisation weighted index. It includes 100 of the largest US and international non-financial companies listed on The NASDAQ Stock Market LLC ("NASDAQ") based on market capitalisation. It is calculated and maintained by The NASDAQ OMX Group Inc. or its affiliates. The Underlying Index is a net total return index, meaning the performance of the Underlying Index is calculated on the basis that dividends net of tax are reinvested.

The Underlying Index is denominated in USD. The Underlying Index was launched on 31 January 1985, it is comprised of 100 constituents listed on NASDAQ with total market capitalisation of US\$21,628.06 billion as at 31 March 2024. The base date of the Underlying Index is 31 January 1985.

The Manager and its connected persons are independent of the index provider of the Underlying Index.

For details (including the last closing index level, constituents of the Index and their respective weightings, and other important news), please refer to the index website at <https://www.nasdaq.com/solutions/nasdaq-global-index-policies> (this website has not been reviewed by the SFC).

The Bloomberg ticker of the Underlying Index is NXDXNNR and the Reuters ticker of the Underlying Index is .XNDXNNR.

### **Use of derivatives/investment in derivatives**

The NASDAQ 100 ETF's net derivative exposure may be up to 50% of the NASDAQ 100 ETF's NAV.

### **What are the key risks?**

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

#### **1. General investment risk**

The NASDAQ 100 ETF's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the NASDAQ 100 ETF may suffer losses. There is no guarantee of the repayment of principal.

**2. Equity market risk**

The NASDAQ 100 ETF's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

**3. Concentration risk**

The NASDAQ 100 ETF's investments are concentrated in a specific market, i.e. the US. The value of the NASDAQ 100 ETF may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the NASDAQ 100 ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market.

**4. NASDAQ 100 constituent risks**

Companies in the technology sector are often smaller; they are characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector also face intense competition which may have an adverse effect on profit margins. Investment in NASDAQ constituents may therefore be more volatile. The price volatility of the NASDAQ 100 ETF may be greater than the price volatility of funds tracking more broad-based indices.

**5. Investment in ETFs risk**

- The NASDAQ 100 ETF will be subject to the risks associated with the underlying ETFs it invests in. The NASDAQ 100 ETF does not have control of the investments of the underlying ETFs and there is no assurance that the investment objective and strategy of the underlying ETFs will be successfully achieved which may have a negative impact to the NAV of the NASDAQ 100 ETF. Any tracking error of these ETFs will also contribute to the tracking error of the NASDAQ 100 ETF.
- The underlying ETFs may not be regulated by the SFC. There may be additional costs involved when investing into these underlying ETFs.

**6. Risks associated with investment in FDIs**

Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the NASDAQ 100 ETF. Exposure to FDI may lead to a high risk of significant loss by the NASDAQ 100 ETF.

**7. Securities lending transactions risks**

- The borrower may fail to return the securities in a timely manner or at all. The NASDAQ 100 ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the NASDAQ 100 ETF's ability in meeting delivery or payment obligations from redemption requests.
- As part of the securities lending transactions, the NASDAQ 100 ETF must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent or if a borrower does not provide additional collateral when required. This may cause significant losses to the NASDAQ 100 ETF. The NASDAQ 100 ETF may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.
- By undertaking securities lending transactions, the NASDAQ 100 ETF is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the NASDAQ 100 ETF's ability in meeting delivery or payment obligations from redemption requests.

**8. Passive investment risk**

The NASDAQ 100 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 NASDAQ 100 ETF. Falls in the Underlying Index are expected to result in corresponding falls in the value of the NASDAQ 100 ETF.

**9. Foreign exchange risks**

- The NASDAQ 100 ETF's Base Currency, NAV and underlying assets are in USD but has units traded in HKD (in addition to USD). Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the HKD trading currency when trading units in the secondary market.

**10. Tracking error risk**

The NASDAQ 100 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, fees and expenses, liquidity of the index constituents and changes to the Underlying Index. 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.

**11. Trading differences risks**

- As the NASDAQ may be open when units in the NASDAQ 100 ETF are not priced, the value of the securities in the NASDAQ 100 ETF's portfolio may change on days when investors will not be able to purchase or sell the units.
- Differences in trading hours between the NASDAQ and the SEHK may also increase the level of premium or discount of the unit price to its NAV.

**12. Trading risks**

- 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 NASDAQ 100 ETF's 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.

**13. Multi-counter risks**

If there is a suspension of the inter-counter transfer of units between the counters and/or any limitation on the level of services by brokers and CCASS participants, Unitholders will only be able to trade their units in one counter only, which may inhibit or delay an investor dealing. The market price of units traded in each counter may deviate significantly. As such, investors may pay more or receive less when buying or selling units traded in one counter on the SEHK than in respect of units traded in another counter.

**14. 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 traded in each counter and that at least one market maker to each counter gives not less than 3 months' notice prior to termination of the market making arrangement, liquidity in the market for the units may be adversely affected if there is no or only one market maker for the units on any counter. There is also no guarantee that any market making activity will be effective.

**15. Other currencies distributions risk**

All units will receive distributions in the Base Currency (USD) only. In the event that a Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from USD to HKD or any other currency. The Unitholder may also have to 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.

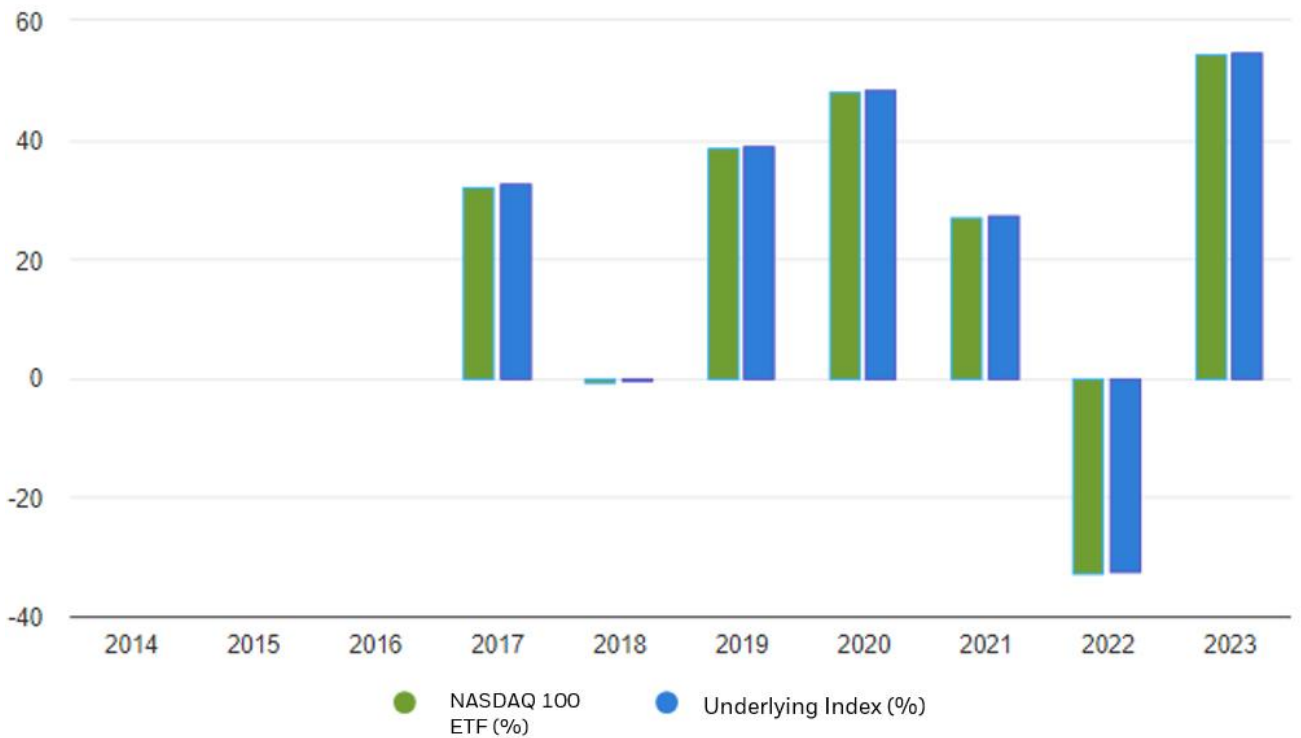
**16. Distributions payable out of capital or effectively out of capital risk**

The Manager may at its discretion pay distributions out of capital, or effectively out of capital, of the NASDAQ 100 ETF. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor’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.

**17. Termination risk**

The NASDAQ 100 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 NASDAQ 100 ETF falls below a pre-determined NAV threshold as set out in the constitutive documents and offering documents. Investors may not be able to recover their investments and suffer a loss when the NASDAQ 100 ETF is terminated.

**How has the fund performed?**



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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NASDAQ 100 ETF Return (%)				32.05	-0.58	38.55	47.95	26.88	-32.74	54.22
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Underlying Index Return (%)				32.53	-0.29	38.99	48.48	27.24	-32.56	54.70
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**Note: The performance of the NASDAQ 100 ETF prior to 30 April 2024 was achieved under circumstances that no longer apply as the investment strategy of the NASDAQ 100 ETF was amended on 30 April 2024 to enable securities lending.**

- 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 dividends (if any) reinvested.
- These figures show by how much the NASDAQ 100 ETF increased or decreased in value during the calendar year shown. Performance is calculated in the base currency of the NASDAQ 100 ETF, including ongoing charges and excluding your trading costs on SEHK.
- Where no past performance is shown, there was insufficient data available in that year to provide performance.
- Underlying Index: NASDAQ 100 Index.
- Launch date of NASDAQ 100 ETF: 22 June 2016.

**Is there any guarantee?**

The NASDAQ 100 ETF does not have any guarantees. You may not get back the amount of money you invest.

**What are the fees and charges?**

**Charges incurred when trading the NASDAQ 100 ETF on SEHK**

Fee	What you pay
<b>Brokerage fee</b>	Market Rate
<b>Transaction levy</b>	0.0027% <sup>1</sup> of the trading price
<b>Accounting and Financial Reporting Council transaction levy</b>	0.00015% <sup>2</sup> of the trading price
<b>Trading fee</b>	0.00565% <sup>3</sup> of the trading price
<b>Stamp duty</b>	Nil
<b>Inter-counter transfer fee</b>	Nil

<sup>1</sup> Transaction levy of 0.0027% of the price of the units, payable by the buyer and the seller.

<sup>2</sup> Accounting and Financial Reporting Council transaction levy of 0.00015% of the price of the units, payable by the buyer and the seller.

<sup>3</sup> Trading fee of 0.00565% of the price of the units, payable by the buyer and the seller.

**Ongoing fees payable by the NASDAQ 100 ETF**

The following expenses will be paid out of the NASDAQ 100 ETF. They affect you because they reduce the net asset value of the NASDAQ 100 ETF which may affect the trading price.

	<b>Annual rate (as a % of the fund's value)</b>
<b>Management fee</b>	0.28% p.a. of net asset value calculated daily
<b>Sub-Managers fee</b>	Included in the management fee
<b>Custodian fee</b>	Included in the management fee
<b>Administration fee</b>	Included in the management fee

**Other Fees**

You may have to pay other fees when dealing in the units of the NASDAQ 100 ETF. Please refer to the Prospectus for fees and expenses applicable to investing in the NASDAQ 100 ETF.

**Additional information**

You can find the following information of the NASDAQ 100 ETF at the following website at [www.blackrock.com/hk](http://www.blackrock.com/hk).

- The NASDAQ 100 ETF's Prospectus and this statement (as revised from time to time);
- Latest annual audited financial reports and interim half yearly unaudited financial report;
- Last NAV (in the Base Currency only i.e. USD) and last NAV per unit (in each of the trading currencies i.e. USD and HKD);
- Near real time indicative NAV per unit throughout each dealing day (in each of the trading currencies i.e. USD and HKD);
- The NASDAQ 100 ETF's holdings (updated on a daily basis);
- The past performance of the NASDAQ 100 ETF;
- Public notices and announcements made by the NASDAQ 100 ETF;
- Latest list of participating dealers and market makers;
- The tracking difference and tracking error of the NASDAQ 100 ETF; and
- Composition of any distributions paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months.

Please note that the near real time indicative NAV per Unit (in each of the trading currencies i.e. USD and HKD) and the last NAV per Unit in HKD are for reference only. The near real time indicative NAV per Unit in HKD uses a real time exchange rate between the Base Currency (i.e. USD) and the other trading currency (i.e. HKD). It is calculated using the indicative NAV per Unit in USD multiplied by the real time exchange rate for HKD provided by ICE Data Services. The last NAV per Unit in HKD is calculated using the last NAV per Unit in the Base Currency (i.e. USD) multiplied by the WM Reuters 4:00p.m (London time)\* rate for HKD for that Dealing Day.

All of the information outlined above can be found on the product webpage of the NASDAQ 100 ETF. The product webpage of the NASDAQ 100 ETF can be located by using the search function and inserting the ticker number of the NASDAQ 100 ETF (i.e. 02834 or 09834) at [www.blackrock.com/hk](http://www.blackrock.com/hk). Investors should



note that the website has not been reviewed by the SFC. The product webpage also provides a link to the announcements and notices section of the website where public announcements and notices can be found.

*\*Please note 4:00p.m (London time) (i) during British Summer Time is equivalent to 11:00p.m Hong Kong Time and (ii) otherwise is equivalent to 12:00a.m. Hong Kong Time*

**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.