

# PRODUCT KEY FACTS

## AMUNDI FTSE China A50 Index ETF

(a sub-fund of AMUNDI ETF Series)

Amundi Hong Kong Limited

31 January 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 codes:</b>	02843 – HKD counter 82843 – RMB counter
<b>Trading lot size:</b>	200 Units – HKD counter 200 Units – RMB counter
<b>Manager:</b>	Amundi Hong Kong Limited 東方匯理資產管理香港有限公司
<b>RQFII Holder:</b>	Amundi Asset Management (France)
<b>Trustee:</b>	BOCI-Prudential Trustee Limited 中銀國際英國保誠信託有限公司
<b>Custodian:</b>	Bank of China (Hong Kong) Limited
<b>PRC Custodian:</b>	Bank of China Limited
<b>Ongoing charges over a year*:</b>	0.48%
<b>Tracking difference of the last calendar year**:</b>	-0.56%
<b>Underlying Index:</b>	FTSE China A50 Index
<b>Base currency:</b>	Renminbi (RMB)
<b>Trading currencies:</b>	Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
<b>Financial year end of this fund:</b>	30 September
<b>Distribution policy:</b>	The Manager intends to pay distributions to Unitholders at least annually (in September each year). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. Where distributions are made out of capital or effectively out of capital, this may result in an immediate reduction in the Net Asset Value per Unit. <b>Distributions on all Units (RMB counter Units and HKD counter Units) will be in RMB only.</b>
<b>ETF website:</b>	<a href="http://www.amundiETF.com.hk">www.amundiETF.com.hk</a>

\* The ongoing charges figure is based on expenses for the period from 1 October 2022 to 30 September 2023 and expressed as a percentage of the average net asset value for the corresponding period. This figure may vary from year to year.

\*\* This is the actual tracking difference of the last calendar year. Investors should refer to the Sub-Fund's website for more information on the actual tracking difference.

## What is this product?

AMUNDI FTSE China A50 Index ETF (the “**Sub-Fund**”) is a sub-fund of AMUNDI ETF Series, which is an umbrella unit trust established under Hong Kong law. The units of the Sub-Fund (“**Units**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Units are traded on the SEHK like listed stocks. The Sub-Fund is a passively managed index tracking exchange traded fund under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the “**Code**”).

The Sub-Fund is a physical ETF which invests directly in the PRC’s domestic securities markets mainly through the RMB qualified foreign institutional investor (“**RQFII**”) status granted to Amundi Asset Management (the “**RQFII Holder**”) and/or through Stock Connect (as defined below).

## Objective and investment strategy

### Objective

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE China A50 Index (the “**Index**”).

### Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager currently uses a full replication strategy through investing directly in securities included in the Index in substantially the same weightings in which they are included in the Index, through the RQFII status granted to the RQFII Holder by the State Administration of Foreign Exchange of the PRC and/or the Stock Connect programme which consists of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (“**Stock Connect**”). The Manager may invest up to 100% of the Net Asset Value of the Sub-Fund through either the RQFII status granted to the RQFII Holder and/or Stock Connect.

The Sub-Fund may also invest in money market funds and in cash deposits for cash management purposes although such investments are not anticipated to exceed 5% of the Net Asset Value of the Sub-Fund.

Currently the Manager has no intention to invest the Sub-Fund in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, and will not enter into securities lending transactions, sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. Where required, the Manager will seek the prior approval of the SFC and provide at least 1 month’s prior notice to Unitholders before the Manager engages in any such investments.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in the Prospectus.

### Index

The Index is a free float-adjusted market capitalisation-weighted index compiled and published by FTSE International Limited (“**FTSE**” or the “**Index Provider**”). The Manager (and each of its Connected Persons) is independent of the Index Provider. The Index is a real-time, tradable index comprising the largest 50 A-Share companies by full market capitalisation of the FTSE China A All Cap Free Index. The Index offers the optimal balance between representativeness and tradability for the PRC’s A-Share market and includes stocks listed on the Shanghai and Shenzhen Stock Exchanges.

The Index is a net total return index which means that the Index captures the sum of its constituents’ free float weighted market capitalisation returns including dividends as if these are reinvested net of any withholding tax. The Index is denominated and quoted in RMB.

The Index was launched on 13 December 2003. As of 29 December 2023, it had a total market capitalisation of RMB18,617 billion.

FTSE or its affiliates are the proprietors and absolute owners of the Index and the designations FTSE®. FTSE has granted the RQFII Holder (the parent company of the Manager), by way of a

licence, subject to the terms of an index licence agreement between FTSE and the RQFII Holder, among other things the non-transferable and non-exclusive right to use the Index as the basis for determining the composition of the Index in respect of the Sub-Fund and to sponsor, issue, establish, market, list and distribute the Sub-Fund. The licence agreement permits the Manager to use the Index for the Sub-Fund.

The constituents of the Index and their respective weightings are published on FTSE's website at <https://www.ftserussell.com/products/indices/china> (this website has not been reviewed by the SFC).

#### **Vendor codes**

Bloomberg: XINA50NC  
Thomson Reuters: .TRIXINA50N

#### **Use of derivatives**

The Sub-Fund will not use derivatives for any purpose.

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

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

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

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

##### **2. Equity market risk**

- The Sub-Fund'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 / PRC market risks**

- The Sub-Fund's investments are concentrated in the PRC. 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 economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC market.
- The A-Share market in the PRC is highly volatile and may be subject to potential settlement difficulties. Prices of A-Shares may rise and fall significantly and may fluctuate to a greater degree than more developed markets. Such volatility may result in suspension of A-Shares or imposition of other measures by the PRC authorities affecting the dealing/trading of Units and adversely affecting the value of the Sub-Fund.
- Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The PRC government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

##### **4. Distributions out of or effectively out of capital risks**

- Payment of dividends 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 in the Net Asset Value per Unit of the Sub-Fund.

##### **5. RMB currency and conversion risks**

- RMB is currently not freely convertible and is subject to exchange controls and restrictions. 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. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed, or redemptions may be paid in US dollars or HKD instead, due to the exchange controls and restrictions applicable to RMB.

- Any depreciation of RMB could adversely affect the value of any investor's investment in the Sub-Fund. 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.

#### **6. Investment made through the RQFII regime risks**

- The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
- The Sub-Fund may suffer substantial losses if the approval of the RQFII is being revoked, terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including the PRC Custodian and PRC Broker(s)) is bankrupt, in default and/or disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### **7. Stock Connect associated risk**

- The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. Stock Connect is subject to quota limitations. Where a suspension in the trading through Stock Connect is effected, the Sub-Fund's ability to invest in A-Shares or access the PRC market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

#### **8. Passive investments risk**

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

#### **9. Tracking error risk**

- The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used and/or fees and expenses. The Manager will monitor and seek to manage such risk and minimise tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

#### **10. Trading risks**

- The trading price of Units on the SEHK is driven by market factors such as the demand and supply of Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.
- 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 Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.
- Units under the RMB counter are RMB-denominated securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of RMB-traded Units. The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB-traded Units.

**11. Trading differences risks**

- As the PRC stock exchanges (i.e. the Shanghai and Shenzhen Stock Exchanges) may be open when Units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund’s portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund’s Units.
- Differences in trading hours between the PRC stock exchanges and the SEHK may also increase the level of premium or discount of the Unit price to Sub-Fund’s Net Asset Value.
- PRC A-Shares are subject to trading bands which restrict increase and decrease in the trading price, while Units listed on the SEHK are not. This difference may also increase the level of premium or discount of the Unit price to Sub-Fund’s Net Asset Value.

**12. Termination risks**

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the size of the Sub-Fund falls below HKD100 million. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

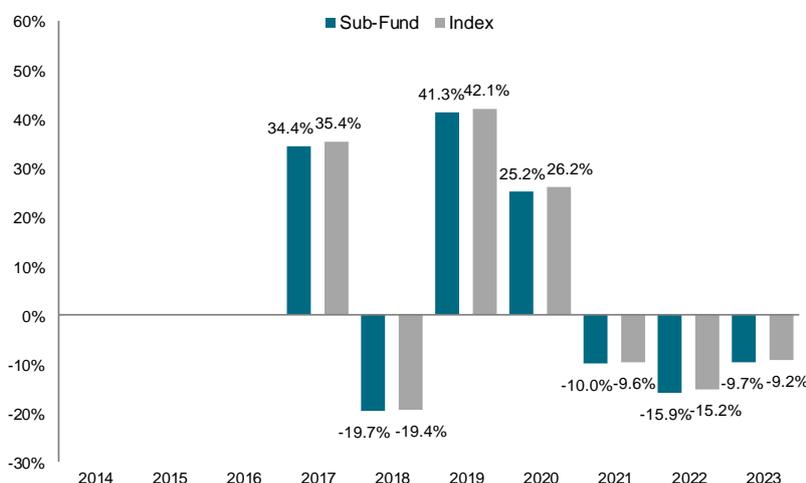
**13. Reliance on market maker and liquidity risks**

- 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 terminating market making arrangement under the relevant market maker agreement, liquidity in the market for Units may be adversely affected if there is no or only one Market Maker for the RMB or HKD traded Units. There is also no guarantee that any market making activity will be effective.
- There may be less interest by potential Market Makers making a market in Units denominated and traded in RMB. Any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for Units.

**14. Dual 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’s 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 HKD on the SEHK than in respect of Units traded in RMB, and vice versa.

**How has the fund performed?**



- Past Performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB 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.
- The Index of the Sub-Fund is “FTSE China A50 Index”
- Fund launch date: 2016

## Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

Please refer to the section entitled “Fees and Expenses” of the Prospectus for details of other fees and expenses.

### Charges incurred when trading the Sub-Fund on the SEHK

Fees	What you pay
Brokerage fee	Market rates
Transaction levy	0.0027% <sup>1</sup> of the trading price
Trading fee	0.00565% <sup>2</sup> of the trading price
Accounting and Financial Reporting Council (“AFRC”) transaction levy	0.00015% <sup>3</sup> of the trading price
Stamp duty	Nil
Inter-counter transfer	HKD5 <sup>4</sup>

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

<sup>2</sup> Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>3</sup> AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>4</sup> The Hong Kong Securities Clearing Company Limited will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer between one counter and the other counter. Investors should check with their brokers regarding any additional fees.

### 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 Net Asset Value of the Sub-Fund which may affect the trading price.

Fees	Annual rate (as a % of the Sub-Fund’s value)
Management fee*	0.48%
Trustee fee	No separate Trustee Fee is charged. The Trustee Fee is included in the management fee.
Performance fee	Nil
Administration and custody fees	No separate administration or custody fees are charged. These are included in the management fee.

\* Please note that this fee may be increased up to a permitted maximum on giving 1 month’s notice to unitholders.

### Other fees

You may have to pay other fees when dealing in the Units of the Sub-Fund.

## Additional information

You can find the following information relating to the Sub-Fund (in English and in Chinese) at the following website [www.amundiETF.com.hk](http://www.amundiETF.com.hk) (which has not been reviewed or approved by the SFC):

- The Prospectus including the Product Key Facts Statement (as revised from time to time)
- The latest annual audited financial reports and interim half yearly unaudited financial reports of the Sub-Fund (in English only)

- Any notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the Prospectus including the Product Key Facts Statement or the constitutive documents of the Trust and/or the Sub-Fund
- Any public announcements made by the Manager in respect of the Sub-Fund, including information with regard to the Sub-Fund and the Index, the suspension of creations and redemptions of Units, the suspension of the calculation of its Net Asset Value, changes in its fees and the suspension and resumption of trading in its Units
- The near real time indicative Net Asset Value per Unit of the Sub-Fund (updated every 15 seconds throughout each dealing day) in RMB and in HKD
- The last Net Asset Value of the Sub-Fund in RMB only and the last Net Asset Value per Unit of the Sub-Fund in RMB and in HKD
- The past performance information of the Sub-Fund
- The annual tracking difference and tracking error of the Sub-Fund
- The full portfolio information of the Sub-Fund (updated on a daily basis)
- The latest list of the Participating Dealers and Market Makers of the Sub-Fund
- The composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period

The near real time indicative Net Asset Value per Unit in HKD is indicative and for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by Interactive Data Hong Kong Limited using the near real time indicative Net Asset Value per Unit in RMB multiplied by a near real time HKD:RMB foreign exchange rate for offshore RMB (CNH) quoted by Interactive Data Hong Kong Limited. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying A-Shares market is closed, the change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the near real time foreign exchange rate.

The last Net Asset Value per Unit in HKD, is indicative and for reference only and is calculated by the Trustee using the official last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate (i.e. not a real time exchange rate) being the fixing exchange rate provided by Bloomberg for offshore RMB (CNH) at 3:00 p.m. (Hong Kong time) as of the same dealing day. Similarly, the last Net Asset Value per Unit in RMB and the last Net Asset Value per Unit in HKD will remain unchanged during the period when the A-Share market is closed for normal trading. Please refer to the Prospectus for details.

### **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.