**Prospectus of ChinaAMC CSI A500 Exchange Traded Fund**

Fund Manager: China Asset Management Co., Ltd.

Fund Custodian: China Merchants Bank Co., Ltd.

**Important Information**

The ChinaAMC CSI A500Exchange Traded Fund (the "Fund") was approved for registration by the China Securities Regulatory Commission (CSRC) with approval document ZHENG JIAN XU KE [2024] No. 1521, dated 1 November 2024.

The Manager hereby warrants that the contents of the Prospectus are true, accurate and complete. While the Prospectus has been registered with the CSRC, such registration does not represent the CSRC's substantive judgement or guarantee of the Fund's investment value or market prospects, nor does it indicate that investing in the Fund is risk-free.

**The Fund invests in the securities market, and the Net Asset Value (NAV) of the Fund will fluctuate due to factors such as fluctuations in the securities markets. Investors are entitled to the Fund income and take the corresponding investment risk based on the units held. The risks associated with investing in the Fund include: systemic risks arising from the impact of political, economic, social and other environmental factors on securities market prices, non-systemic risks specific to individual securities, liquidity risks arising from continuous redemption requests for large amounts of shares by holders, risks arising from the fund manager’s management of the fund, risks specific to the fund, etc. The Fund is an index fund. Investors investing in the Fund face potential risks such as tracking error control not meeting the investment target, the suspension of services by index publisher, and the suspension of trading of constituent stocks. This fund is an equity fund with higher risks and returns than hybrid funds, bond funds, and money market funds. According to the Measures for the Suitability Management of Securities and Futures Investors, effective from 1 July 2017, the Manager and distributors have re-evaluated the risk rating of the Fund. The risk rating exercise does not alter the fundamental risk-return characteristics of the Fund. However, due to changes in risk classification standards, there may be corresponding changes in the description of the Fund's risk rating. The specific risk rating results shall be subject to the assessment results provided by the Manager and distributors.**

**Investors are required to have a Shanghai Stock Exchange account to invest in the Fund. However, it should be noted that the Shanghai Stock Exchange fund account can only be used for cash subscriptions and secondary market trading of the Fund. If investors need to participate in offline IPO subscriptions or creations and redemptions of the Fund using Shanghai Stock Exchange listed stocks among the constituent stocks of the CSI A500 Index, they should open a Shanghai Stock Exchange A-share account. Similarly, if investors need to participate in offline IPO subscriptions using Shenzhen Stock Exchange listed stocks among the constituent stocks of the CSI A500 Index, they should also open a Shenzhen Stock Exchange A-share account.**

**The Fund may invest in depositary receipts. The NAV of the Fund may be affected by fluctuations in the prices of the underlying overseas securities represented by the depositary receipts. Risks associated with the underlying overseas securities of the depositary receipts may directly or indirectly become risks of the Fund.**

**The Fund may invest in financial derivatives such as stock options, stock index futures, and treasury bond futures, and may face risks including market risk, credit risk, liquidity risk, operational risk, and legal risk. The Fund may invest in asset-backed securities, and may face risks including liquidity risk, the risk of securities being redeemed early, reinvestment risk, and special purpose vehicle (SPV) default risk. The Fund may participate in CSF securities lending, and face risks including, but not limited to, liquidity risk, credit risk, and market risk.**

**Investment involves risk. Before investing in the Fund, investors are advised to carefully read the Prospectus, the Fund Contract, and the Product Key Facts Statement to fully understand the Fund's risk-return characteristics and product features. Investors should also fully consider their own risk tolerance, make rational judgments about the market, and make investment decisions prudently. Investors should carefully read and fully understand the disclaimer in Part XXI and the dispute resolution method in Part XXII of the Fund Contract.**

**Past performance of the Fund is not indicative of future results.**

The Manager manages and utilises the fund assets in accordance with the principles of due diligence, good faith, and prudent dedication. However, there is no guarantee of profits or minimum returns.

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# I. Preface

The present Prospectus of ChinaAMC CSI A500 Exchange Traded Fund (hereinafter referred to as the "Prospectus") has been prepared in accordance with the Securities Law of the People's Republic of China (the “Securities Law”), Securities Investment Fund Law of the People's Republic of China (the “Funds Law"), Measures for the Supervision and Administration of Distributors of Publicly Offered Securities Investment Funds (the "Distribution Measures"), the Measures for the Administration of Operation of Publicly Offered Securities Investment Funds (the "Operation Measures"), the Measures for the Administration of Information Disclosure by Publicly Offered Securities Investment Funds (the "Information Disclosure Measures"), the Provisions on Liquidity Risk Management of Publicly Offered Open-ended Securities Investment Funds (the "Liquidity Risk Management Provisions"), Guidelines for the Operation of Publicly Offered Securities Investment Funds No. 3 – Guidelines for Index Funds (the “Index Fund Guidelines”), and other relevant regulations, as well as the Fund Contract of ChinaAMC CSI A500 Exchange Traded Fund (the "Fund Contract”).

The Manager undertakes that there is no false content, misleading statement or material omission in the Prospectus, and accepts legal liability for its truthfulness, accuracy and completeness. The Fund is offered based on the information contained in the Prospectus. The Manager does not entrust or authorise any other person to provide any information that is not stated in the Prospectus nor to make any interpretation or explanation of the Prospectus.

The Prospectus is prepared pursuant to the Fund Contract and registered with the CSRC. The Fund Contract is a legal document that stipulates the basic rights and obligations of the parties to the Fund Contract. Any other documents or statements related to the Fund that involve the rights and obligations of the parties to the Fund Contract shall be subject to the Fund Contract. The parties to the Fund Contract include the Manager, the Custodian, and the Fund Unitholders. When a fund investor acquires Fund units in accordance with the Fund Contract, they become a Fund Unitholder and a party to the Fund Contract, and the act of holding Fund units indicates their acknowledgment and acceptance of the Fund Contract. It is not a requirement for Fund Unitholders to sign or affix their seals on the Fund Contract to be considered parties thereto. The parties to the Fund Contract enjoy rights and assume obligations in accordance with the Funds Law, the Fund Contract, and other relevant regulations. **Investors in the Fund should read the Fund Contract carefully to understand the rights and obligations of Fund Unitholders.**

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# II. Definitions

Unless otherwise specified herein, the following terms or abbreviations in the Prospectus shall have the meanings given below:

1. Fund or the Fund: refers to ChinaAMC CSI A500 Exchange Traded Fund.

2. Fund Manager: refers to of China Asset Management Co., Ltd.

3. Fund Custodian: refers to China Merchants Bank Co., Ltd.

4. Fund Contract: refers to the Fund Contract of ChinaAMC CSI A500 Exchange Traded Fund and any valid amendments and supplements to the Fund Contract.

5. Custody Agreement: refers to the Custody Agreement of ChinaAMC CSI A500Exchange Traded Fund and any valid amendments and supplements to the Custody Agreement.

6. Prospectus: refers to the Prospectus of ChinaAMC CSI A500 Exchange Traded Fund and its updates.

7. Product Key Facts Statement: refers to the Product Key Facts Statement of ChinaAMC CSI A500Exchange Traded Fund and its updates.

8. Fund Unit Offering Announcement: refers to the Fund Unit Offering Announcement of ChinaAMC CSI A500 Exchange Traded Fund.

9. Listing Announcement: refers to the Listing Announcement of ChinaAMC CSI A500 Exchange Traded Fund.

10. Laws and Regulations: refers to the laws, administrative statutes, regulatory documents, judicial interpretations, and administrative regulations promulgated and currently in force in China and other decisions, resolutions, and notices with binding force on the Parties to the Fund Contract.

11. Funds Law: refers to the Securities Investment Fund Law of the People's Republic of China and its amendments from time to time by the issuing authority.

12. Distribution Measures: refers to the Measures for the Supervision and Administration of Distributors of Publicly Offered Securities Investment Funds and its amendments from time to time by the issuing authority.

13. Information Disclosure Measures: refers to the Measures for the Administration of Information Disclosure by Publicly Offered Securities Investment Funds and its amendments from time to time by the issuing authority.

14. Operation Measures: refers to the Measures for the Administration of Operation of Publicly Offered Securities Investment Funds and its amendments from time to time by the issuing authority.

15. Liquidity Risk Management Provisions: refers to the Provisions on Liquidity Risk Management of Publicly Offered Open-ended Securities Investment Funds promulgated by the CSRC on 31 August 2017 and effective as of 1 October 2017, and its amendments from time to time by the issuing authority.

16. Index Fund Guidelines: refers to the Guidelines for the Operation of Publicly Offered Securities Investment Funds No. 3 – Guidelines for Index Funds, promulgated by the CSRC on 22 January 2021, and effective as of 1 February 2021, and its amendments from time to time by the issuing authority.

17. Exchange Traded Fund: “Exchange traded fund" as defined in the Implementing Rules of Shanghai Stock Exchange for Exchange Traded Funds.

18. Feeder Fund: refers to an open-ended fund that invests substantially all of its assets in the Fund. It tracks the same underlying index as the Fund, closely mirroring the index's performance, and seeks to minimise tracking deviation and tracking error.

19. CSRC: refers to the China Securities Regulatory Commission.

20. Banking regulatory authorities: refers to the People’s Bank of China and/or the National Administration of Financial Regulation (NAFR).

21. Parties to the Fund Contract: refers to the legal entities bound by the Fund Contract and entitled to rights and obligations under the Fund Contract, including the Manager, the Custodian, and the Fund Unitholders.

22. Individual Investor: refers to a natural person who can invest in securities investment funds in accordance with relevant laws and regulations.

23. Institutional Investor: refers to a corporate legal person, institutional legal person, social organisation, or other organisation that is legally registered and existing within the territory of China or established with the approval of relevant government authorities and existing, and that can legally invest in securities investment funds.

24. Qualified Foreign Investor: refers to a foreign institutional investor that meets the requirements of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors and relevant laws and regulations, and can use funds from outside of China to invest in securities investment funds that are legally offered in China, including qualified foreign institutional investors and RMB qualified foreign institutional investors.

25. Investor: refers to the collective term for Individual Investors, Institutional Investors, Qualified Foreign Investors, and other investors who are permitted by the laws and regulations or the CSRC to invest in securities investment funds.

26. Fund Unitholders: refers to investors who have legally acquired Fund units in accordance with the Fund Contract and the Prospectus.

27. Fund Distribution Business: refers to the business of the Manager or Sales Institutions in promoting the Fund, selling Fund units, and processing Fund unit creations and redemptions.

28. Sales Institution: refers to Direct Sales Institution and Sales Agency.

29. Direct Sales Institution: refers to China Asset Management Co., Ltd.

30. Sales Agency: refers to Offering Agency and/or Authorised Participant.

31. Offering Agency: refers to an institution designated by the Manager to act as an agent for the Fund's offering.

32. Authorised Participant: refers to an institution designated by the Manager to act as an agent for the creation and redemption of Fund units.

33. Registration Business: refers to the fund registration, custody, transfer, clearing, and settlement business, specifically including the establishment and management of investor fund accounts, fund unit registration, confirmation of Fund Distribution Business, clearing and settlement, agent distribution of dividends, establishment and maintenance of the Fund Unitholders register, and handling of non-trade transfers.

34. Registrar: refers to the institution that handles the registration business for the Fund. The Fund’s Registrar is China Securities Depository and Clearing Corporation.

35. Effective Date of the Fund Contract: refers to the date on which the Fund offering meets the conditions stipulated by the laws and regulations and the Fund Contract, and the Manager completes the Fund filing procedures with the CSRC, and receives written confirmation from the CSRC.

36. Termination Date of the Fund Contract: refers to the date on which, after the occurrence of an event of termination of the Fund Contract as stipulated in the Fund Contract, the liquidation of Fund property is completed, and the liquidation results are filed with the CSRC and announced.

37. Offering Period: refers to the period from the date on which the Fund units are offered to the date on which the offering is closed, which shall not exceed three months.

38. Operating Period: refers to the indefinite period between the effective date and the termination date of the Fund Contract.

39: Business Day: refers to a day on which the Shanghai Stock Exchange and the Shenzhen Stock Exchange are open for normal trading.

39. T Day: refers to an Open Day on which Sales Institutions accept investors' applications for creation, redemption, or other businesses within a stipulated time.

40. T+n Day: refers to the n-th business day from T Day (excluding T Day).

42. Open Day: refers to a business day on which the Fund processes creation, redemption, or other businesses for investors.

43. Open Time: refers to the time period during an Open Day when the Fund accepts creations, redemptions, or other transactions.

43. Business Rules: refers to the relevant business rules and regulations of the Manager, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation, and Sales Institutions.

45. Subscription: refers to the act of an investor applying to purchase Fund units during the Fund offering period, according to the provisions of the Fund Contract and the Prospectus.

46. Creation: refers to the act of investors, after the Fund Contract becomes effective, applying for the purchase of Fund units according to the provisions of the Fund Contract and the Prospectus.

47. Redemption: refers to the act of Fund Unitholders, after the Fund Contract becomes effective, requesting to exchange their Fund units for the redemption consideration under the conditions stipulated in the Fund Contract and the Prospectus.

48. Portfolio Composition File: refers to a document prepared by the Manager that announces information such as the creation basket and redemption basket.

49. Creation Consideration: refers to the basket of securities, cash substitutes, cash components, and/or other considerations that investors are required to deliver when applying for the creation of Fund units, as specified in the Fund Contract and the Prospectus.

50. Redemption Consideration: refers to the basket of securities, cash substitutes, cash components, and/or other considerations that the Manager is required to deliver to the redeemer when investors redeem Fund units, as specified in the Fund Contract and the Prospectus.

51. Portfolio Securities: refers to all or part of the securities included in the Fund’s underlying Index.

52: Index: refers to the CSI A500 Index compiled and published by China Securities Index Co., Ltd., and any future changes made to it.

53. Cash-in-lieu refers to a certain amount of cash that investors use to replace some securities in the portfolio securities during creation and redemption, as stipulated in the Fund Contract and the Prospectus.

54. Creation Unit: refers to the minimum number of Fund units for creation and redemption. The number of Fund units created or redeemed by an investor shall be an integral multiple of the Creation Unit.

55. RMB: Renminbi Yuan, the lawful currency of the People’s Republic of China.

56. Fund Income: refers to the bonus, dividends, coupons, bid-ask spreads of securities, interests of bank deposits, other lawful incomes realised, and savings of costs and expenses incurred by the use of Fund property, as derived from the investment of the Fund.

57. Total Asset Value of the Fund: refers to the total value of all marketable securities, bank deposits (principal and interest), creation receivables, and other assets owned by the Fund.

58. NAV of the Fund: refers to the value obtained by subtracting the Fund's liabilities from the Total Asset Value of the Fund.

59. NAV per Unit: refers to the value obtained after dividing the NAV of the Fund by the total number of Fund units on the calculation day.

60. Valuation of Fund Assets: refers to the process of valuation of assets and liabilities of the Fund in order to determine the NAV of the Fund and the NAV per Unit.

61. Designated Media: refers to the national newspapers and periodicals that meet the requirements of the CSRC and the internet websites (including the Manager’s website, the Custodian's website, and the CSRC’s fund Electronic Information Disclosure website) as stipulated in the Information Disclosure Measures, which are used for information disclosure.

62. Liquidity Restricted Assets: refers to assets that cannot be realised at a reasonable price due to laws and regulations or regulatory, contractual or operational constraints, including but not limited to reverse repurchases and bank time deposits (including bank deposits with agreed conditions for early withdrawal) with a maturity longer than 10 trading days, shares suspended from trading, new shares with trading restrictions and non-publicly offered shares, asset-backed securities, and bonds rendered not transferable or tradable by the bond issuer’s default.

63. CSF Securities Lending: refers to the business where funds lend securities to the China Securities Finance Corporation Limited (hereinafter referred to as the "Securities Finance Corporation") at a certain rate through the comprehensive business platform of the stock exchange and the Securities Finance Corporation returns the securities borrowed on the due date, makes the corresponding equity compensation, and pays fees.

64. Force Majeure: refers to events that are unforeseeable, unavoidable, and insurmountable by the Parties to the Fund Contract.

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# III. The Manager

(I) Profile of the Manager

Name: China Asset Management Co., Ltd.

Domicile: Compound A3, Anqing Street, Shunyi District, Beijing

Office Address: 8/F, Tower B, Tongtai Building, No.33 Finance Street, Xicheng District, Beijing

Date of Establishment: 9 April 1998

Legal Representative: ZHANG Youjun

Contact Person: QIU Xi

Customer Service Telephone Number: 400-818-6666

Fax: 010-63136700

The registered capital of China Asset Management Co., Ltd. is RMB238 million, and its ownership structure is as follows:

|  |  |
| --- | --- |
| **Shareholder** | **Shareholding Percentage** |
| CITIC Securities Co., Ltd. | 62.2% |
| MACKENZIE FINANCIAL CORPORATION | 27.8% |
| Tianjin Haipeng Technology Consulting Co., Ltd. | 10% |
| **Total** | **100%** |

(II) Information of Key Personnel

1. Basic Information of Directors, Supervisors, Managers and other Senior Management Personnel of the Manager

Mr. ZHANG Youjun: Chairman, Secretary of the Party Committee, master's degree holder. He is currently the Secretary of the Party Committee, Executive Director, and Chairman of CITIC Securities Co., Ltd. He also serves as Assistant General Manager of CITIC Group, CITIC Limited and CITIC Corporation Limited, and Vice Chairman of CITIC Financial Holdings. Formerly General Manager, Assistant General Manager, and Deputy General Manager of Trading Department of CITIC Securities; Director of CITIC Securities; General Manager of Changsheng Fund Management Co., Ltd.; General Manager of CITIC Securities; General Manager and Chairman of China Securities; Director of the Board Office of CITIC Group; Director of Zhongzheng International; Chairman of CITIC Securities International and CITIC CLSA (i.e., CLSA B.V. and its subsidiaries); Director of CITIC CLSA and Sailing Capital Management Co., Ltd.; Chairman of Goldstone Investment; and Chairman of CITIC Securities Investment.

Mr. J Luke Gregoire Gould: Director, bachelor’s degree holder. Mr. Gould serves as President and Chief Operating Officer at Mackenzie Financial Corporation. His previous roles include executive vice present and chief financial officer at IGM Financial Inc., chief financial officer at Mackenzie Investments, and senior vice president and chief financial officer at Investors Group.

Mr. LI Xing: Director, master’s degree holder. Mr. LI serves as Executive Director at Primavera Capital where he is responsible for investment in the financial services sector. Formerly with Goldman Sachs Group's Beijing Investment Banking Division, and Primavera Capital Group as an Analyst and Investment Manager.

Mr. SHI Benliang: Director, Certified Public Accountant, master’s degree holder. He is currently a member of the Party Committee, Executive Committee Member, Head of the Wealth Management Committee, and Secretary of the Party Committee of Wealth Management Division, CITIC Securities Co., Ltd. Formerly Deputy Head, Director, Co-Head, and Administrative Head of Planning and Finance Department, Deputy Chief Financial Officer, and Chief Financial Officer of CITIC Securities Co., Ltd.

Mr. XUE Jirui: Director, doctoral degree holder. He is currently an Executive Committee member of CITIC Securities Co., Ltd. His previous roles include manager of the Financial Products Development Group, Analyst of the Research Department, head of the Product Development Group of the Trading and Derivatives Business Line, Administrative Head of the Equity Derivatives Business Line, Administrative Head of the Prime Service Business Line, and Administrative Head of the Equity Investment Department of CITIC Securities Co., Ltd.

Ms. LI Yimei: Director and General Manager, master’s degree holder. Currently Deputy Secretary of the Party Committee of China Asset Management Co., Ltd. She concurrently serves as Chairperson of China Asset Management (Hong Kong) Limited, and Executive Director of China Equity Investment Fund Management (Beijing) Co., Ltd. Formerly Executive Vice President, Director of Marketing, Chief Marketing Officer, General Manager of Sales Department, and Administrative Head of Data Center (concurrent) of China Asset Management Co., Ltd.; Executive Director and General Manager of Shanghai China Wealth Investment Management Co., Ltd.; Executive Director of China Equity Investment Fund Management (Beijing) Co., Ltd. (concurrent); and Director of E-Capital Transfer Co., Ltd.

Mr. LIU Xiahui: Independent Director, master’s degree holder. He is currently a recipient of the Special Government Allowance of the State Council, Research Scientist II, and Doctoral Supervisor at the Institute of Economics, Chinese Academy of Social Sciences. He concurrently serves as Chairman of Economic Strategy Professional Committee of the China Center for Strategic Studies, Adjunct Professor at the Institute of Economic and Social Research of Shandong University, and an advisory expert to the Nanning Municipal Government in Guangxi. He previously served in the General Office of Department of Policies and Regulations, Ministry of Human Resources and Social Security.

Mr. YIN Shaoping: Independent Director, doctoral degree holder. Mr. YIN serves as Associate Professor and master’s supervisor at the Renmin University of China. His previous roles include Judge and Senior Judge of the Third Civil Tribunal of the Supreme People's Court; Vice President and Judgment Committee Member of Zhuzhou Intermediate People's Court, Hunan Province; Independent Director of Beijing Tongrentang Co., Ltd. and Hebei Taihang Cement Co., Ltd.; Deputy Head of Xixiangtang District Government, Nanning, Guangxi Zhuang Autonomous Region; and Part-time Lawyer at Beijing Dishi Law Firm.

Ms. YI Zhihong: Independent Director, doctoral degree holder. Professor and Doctoral Supervisor, with research interests in financial management, capital markets, and consumer economics. Formerly Vice President, Dean of Renmin Business School, and Dean of Renmin University of China Law School. Recipient of the Special Government Allowance of the State Council. Concurrently Convener of the Seventh Discipline Evaluation Group (Business Administration) of the State Council Academic Degrees Committee, a member of the Eighth Discipline Evaluation Group, Vice Chairman of the Fifth China National MBA Education Supervisory Committee, Vice Chairman of the Ministry of Education’s Teaching Guidance Committee for Business Administration, Vice President of the Financial Accounting Society of China (FASC), a Board Member of the European Foundation for Management Development (EFMD), and a member of the Initial Accreditation Committee of the Association to Advance Collegiate Schools of Business (AACSB).

Ms. HOU Weiwei: Chairperson of the Board of Supervisors. Currently President and Chief Executive Officer of Power Pacific Corporation Ltd. Concurrently Director and Member of the Investment Management Committee of Power Pacific Investment Management, a subsidiary of Power Corporation of Canada, and Member of the International Board of Directors of the Canada China Business Council. Formerly Member of the Global Management Committee, Chief Business Development Officer, and China Strategist at Harvest Global Investments Limited (HGI).

Ms. XI Zhiying: Supervisor, Certified Public Accountant, master's degree holder. Currently Administrative Head of the Planning and Finance Department of CITIC Securities Co., Ltd. Formerly Head of Statistics, Head of General Ledger Accounting, Role B, and Role B (Executive) of the Planning and Finance Department of CITIC Securities Co., Ltd.

Mr. TANG Shichao: Supervisor, doctoral degree holder. Currently Deputy Head of the Risk Management Department of CITIC Securities Co., Ltd. Formerly engaged in risk analysis, risk measurement, market risk management, and liquidity risk management at the Risk Management Department of CITIC Securities Co., Ltd.

Mr. NING Chenxin: Supervisor, Senior Editor, doctoral degree holder. Currently General Office Executive Director and Administrative Head, and Board Secretary of China Asset Management Co., Ltd. Concurrently Director of E-Capital Transfer Co., Ltd. Previously, he served as a Reporter, Editor, Office Head, and Deputy Editor-in-Chief at *China Securities Journal*, and as a Lecturer at China University of Political Science and Law, among other roles.

Ms. CHEN Qian: Supervisor, master's degree holder. Currently Executive Director and Administrative Head of the Marketing Department of China Asset Management Co., Ltd. She previously served as a Business Manager at China Investment Bank, Senior Business Manager at Beijing Securities Co., Ltd., and Deputy General Manager of the Beijing Branch and Deputy General Manager of the Marketing Department at China Asset Management Co., Ltd., among other roles.

Mr. ZHU Wei: Supervisor, master's degree holder. Currently Executive Director and Administrative Head of the Fund Operation Department of China Asset Management Co., Ltd. Formerly Deputy Head of the Fund Operations Department of China Asset Management Co., Ltd.

Mr. LIU Yi: Executive Vice President, master’s degree holder. Mr. LIU serves as Party Committee Member at China Asset Management Co., Ltd. His previous roles include senior staff member and principal staff member of Planning and Funding Department of the People’s Bank of China, deputy director (executive) of Information and General Office of Information and Computer Department of Head Office of the Agricultural Development Bank of China, supervisor, Party Affairs Office director and pension business director at China Asset Management Co., Ltd., and executive director and general manager at China Capital Management Co., Ltd.

Mr. YANG Kun: Executive Vice President and Investment Director, master’s degree holder. Mr. YANG serves as Party Committee Member at China Asset Management Co., Ltd. His previous roles include manager of Finance Department of China Foreign Economy and Trade Trust Investment Co., Ltd., assistant fund manager at Baoying Fund Management Co., Ltd., manager of Investment Department of Yimin Asset Management Co., Ltd., and deputy manager of Equity Investment Department of China Asset Management Co., Ltd.

Ms. ZHENG Yu: Executive Vice President, master’s degree holder. Ms. ZHENG serves as Deputy Party Secretary and Portfolio Manager at China Asset Management Co., Ltd. Her previous roles include senior analyst at China Securities Co., Ltd., senior analyst and investment manager at Da Cheng Fund Management, director of Equity Investment Department of former CITIC Fund Management, and assistant general manager and secretary of Discipline Inspection Committee.

Mr. SUN Bin: Deputy General Manager, master’s degree holder. Mr. SUN serves as Party Committee Member and Investment Manager at China Asset Management Co., Ltd. His previous roles at China Asset Management Co., Ltd. include industry analyst, assistant fund manager, fund manager and assistant general manager.

Mr. ZHANG Degen: Executive Vice President, master’s degree holder. He previously served at *New Economics* magazine and China Great Wall Securities and as assistant general manager, deputy general manager, and general manager at ChinaAMC Shenzhen branch, general manager at ChinaAMC Guangzhou branch, deputy general manager at Shanghai China Wealth Management Co., Ltd., and assistant general manager and Research and Development Department administrative head at China Asset Management Co., Ltd.

Ms. LI Bin: Chief Inspector, master’s degree holder. Ms. LI serves as Party Committee Member, Secretary of Discipline Inspection Committee, and Administrative Head of Legal Department at China Asset Management Co., Ltd. Formerly with CITIC Securities Co., Ltd. and the former CITIC Fund Management Co., Ltd. Her previous roles at China Asset Management Co., Ltd. include assistant general manager of Monitoring and Audit Department, deputy manager and joint head of Legal Supervision Department, and administrative head of Compliance Department.

Mr. SUN Liqiang: Financial Director, master’s degree holder. Mr. SUN serves as administrative head of Finance Department at China Asset Management Co., Ltd., supervisor at China Capital Management Co., Ltd., supervisor at Shanghai China Wealth Management Co., Ltd., and director at China Asset Management (Hong Kong) Limited. He previously served in Planning and Finance Department of Shenzhen Airlines Co., Ltd. and as role B of Fund Operations Department and role B of Finance Department of China Asset Management Co., Ltd.

Mr. GUI Yong: Chief Information Officer, bachelor’s degree holder. Mr. GUI concurrently serves as Administrative Head of Financial Technology Department of China Asset Management Co., Ltd. Formerly with Shenzhen Great Wall Fiber Optic Network Co., Ltd. and Shenzhen Zhongda Investment Management Co., Ltd. Formerly Head of the Information Technology Department of CITIC Fund Management Co., Ltd., Assistant General Manager, Deputy General Manager, and Administrative Head of the Information Technology Department of China Asset Management Co., Ltd.

2. Portfolio Managers of the Fund

Mr. LI Jun, master’s degree holder. He previously worked at the securities department of King & Wood Mallesons Beijing Office. He previously worked at the securities department of King & Wood Mallesons Beijing Office. He joined China Asset Management Co., Ltd. in December 2008, having served successively as Researcher in the Quantitative Investment Department, Associate Portfolio Manager, and Portfolio Manager for: ChinaAMC New Trend Flexible Allocation Mixed Securities Investment Fund (17 January 2018 to 26 May 2021); ChinaAMC New Splendour Flexible Allocation Mixed Securities Investment Fund (31 January 2019 to 26 May 2021); ChinaAMC CSI All-Share Securities Companies ETF (17 September 2019 to 13 December 2021); ChinaAMC CSI All-Share Securities Companies ETF Seed Feeder Fund (3 April 2020 to 13 December 2021); SSE Financials & Real Estate Traded Open-End Index Seed Securities Investment Fund (11 December 2017 to 14 March 2022); ChinaAMC CSI Intelligent Vehicle Index ETF (13 May 2021 to 22 August 2022); SSE Pharmaceuticals & Healthcare Traded Open-End Index Seed Securities Investment Fund (27 May 2021 to 22 August 2022); ChinaAMC CSI Agriculture ETF (29 December 2021 to 31 May 2024); ChinaAMC CSI New Energy Index ETF Seed Feeder Fund (27 December 2022 to 31 May 2024). He currently serves as Portfolio Manager for: ChinaAMC CSI 5G Communications ETF (since 17 September 2019); ChinaAMC CSI Banks ETF (since 24 October 2019); ChinaAMC CSI All-Share Real Estate ETF and its Seed Feeder Fund (both since 28 November 2019); ChinaAMC CSI Banks ETF Seed Feeder Fund (since 6 December 2019); ChinaAMC CSI Artificial Intelligence Index ETF (since 9 December 2019); ChinaAMC CSI 5G Communications ETF Seed Feeder Fund (since 10 December 2019); ChinaAMC CSI New Energy Vehicles Index ETF (since 20 February 2020); ChinaAMC CSI Artificial Intelligence Index ETF Seed Feeder Fund (since 16 June 2020); ChinaAMC Shanghai-Hong Kong Stock Connect Hang Seng ETF and its Feeder Fund (both since 1 February 2021); ChinaAMC CSI Biotechnology Thematic Index ETF (since 4 March 2021); ChinaAMC CSI Internet of Things Index ETF (since 22 July 2021); ChinaAMC CSI Solar Industry Index Seed Securities Investment Fund (since 17 August 2021); ChinaAMC CSI New Energy Vehicles Index ETF Seed Feeder Fund (since 9 September 2021); ChinaAMC CSI HK Connect Overseas 50 Index ETF (since 16 December 2021); ChinaAMC BSE 50 Securities Investment Fund (since 28 December 2022); ChinaAMC CSI Biotechnology ETF Seed Feeder Fund (since 16 March 2023); ChinaAMC CSI HK Connect Overseas 50 Index ETF Seed Feeder Fund (since 6 July 2023).

3. Members of the Quantitative Investment Decision Committee of the Company

Chairman: Mr. ZHANG Hongtao, Assistant General Manager, Portfolio Manager, and Investment Manager of China Asset Management Co., Ltd.

Members: Mr. YANG Kun, Executive Vice President, Chief Investment Officer, and Portfolio Manager of China Asset Management Co., Ltd.

Mr. XU Meng, Executive Director of the Quantitative Investment Department and Portfolio Manager of China Asset Management Co., Ltd.

Mr. YUAN Yingjie, Head of the Quantitative Investment Department, Portfolio Manager, and Investment Manager of China Asset Management Co., Ltd.

Ms. RONG Ying, Head of the Quantitative Investment Department and Portfolio Manager of China Asset Management Co., Ltd.

Mr. SUN Meng, Senior Vice President of the Quantitative Investment Department and Portfolio Manager of China Asset Management Co., Ltd.

4. The persons listed above are not close relatives to one another.

(III) Duties and Responsibilities of the Fund Manager

1. To carry out the offering of the Fund according to the laws, and to undertake or entrust other institutions which are recognised by the securities supervisory authorities under the State Council to undertake the offering, creation, redemption and registration of Fund units.

2. To compete the filing procedures for the Fund.

3. To manage and account for different Fund properties separately and to conduct securities investment.

4. To formulate Fund Income distribution plans in accordance with the Fund Contract and distribute income to Fund Unitholders in a timely manner.

5. To carry out accounting and prepare financial and accounting reports in respect of the Fund.

6. To prepare quarterly, interim, and annual reports.

7. To calculate and announce the NAV of the Fund, and to determine the considerations for creations and redemptions.

8. To carry out information disclosures related to property management activities of the Fund.

9. To convene Fund Unitholders meetings.

10. To keep records, books, statements, and other relevant materials relating to property management of the Fund.

11. To exercise the right to institute legal actions or other legal proceedings on behalf of the Fund Unitholders in the name of the Manager.

12. To perform such other obligations prescribed by the securities supervisory authorities under the State Council.

(IV) Undertakings of the Manager

1. The Fund Manager shall have the full discretion to manage the investments of the Fund, pursuant to the provisions of the Fund Contract and in accordance with the investment objectives, strategies and restrictions stated in this Prospectus.

2. The Manager shall not engage in any activity that violates the Securities Investment Fund Law of the People's Republic of China and shall establish and improve its internal control system and take effective measures to prevent the occurrence of any activity that violates the Securities Investment Fund Law of the People's Republic of China.

3. The Fund Manager shall not engage in activities that violate the Funds Law and shall establish and improve internal control systems, taking effective measures to ensure that the Fund's property is not used for the following investments or activities:

(1) To engage in securities underwriting;

(2) To provide loans or guarantees to third parties;

(3) To engage in any investments which may result in the Fund being subject to unlimited liabilities;

(4) To make capital contribution to the Manager or the Custodian;

(5) To engage in insider trading, manipulation of securities prices, or other misconduct in securities dealing;

(6) Other activities prohibited by any law or administrative regulation or the provisions of CSRC.

If any of the aforementioned prohibitions are rescinded or amended by any law, administrative regulation, or the relevant regulatory authorities, the Fund may, after the Manager completes the appropriate procedures, disregard the relevant restrictions or adhere to the amended regulations.

4. The Fund Manager shall enhance personnel management, strengthen professional code of conduct, urge the staff to comply with the relevant laws, regulations and industry standards, and to conform to the principles of honesty, good faith and due diligence, and shall not engage in the following activities:

(1) Mixing its own property or the property of others with the Fund's property for securities investment.

(2) Treating different Fund properties under its management unfairly.

(3) Using the Fund’s property to obtain benefits for third parties other than the Fund's Unitholders.

(4) Promising returns or assuming losses for Fund Unitholders in violation of regulations.

(5) Misappropriating or embezzling Fund properties.

(6) Disclosing non-public information obtained through the course of employment, or using such information to engage in, or explicitly or implicitly advising others to engage in, related trading activities.

(7) Dereliction of duty or failure to perform duties as prescribed.

(8) Other acts prohibited by the securities supervisory authorities under the State Council in accordance with the relevant provisions of laws and administrative regulations.

5. Undertakings of the Portfolio Managers

(1) To act in the best interests of the Fund Unitholders in accordance with applicable laws, regulations, and the Fund Contract, and with due care.

(2) Not to use their positions for improper gains for themselves, their principals, their representatives, their employees, or any other third parties.

(3) Not to disclose any confidential information relating to securities and funds, or any information relating to the Fund's investments and investment plans that has not been disclosed according to law.

(V) Internal Control System of the Fund Manager

The Fund Manager has established an integrated internal control system based on the principles of comprehensiveness, effectiveness, independence, checks and balance, firewall, and cost-effectiveness. This internal control system comprises a series of business management systems and corresponding operating and control procedures. Specifically, it includes elements such as the control environment, risk assessment, control activities, information communication, and internal monitoring. The Company has undergone and passed the ISAE 3402 (International Standard on Assurance Engagements 3402) certification, obtaining an unqualified opinion on the design and operational effectiveness of its controls.

1. Control Environment

A sound control environment encompasses factors such as robust corporate governance, effective supervision and management, a rational organisational structure, and a strong control culture.

(1) The Company has implemented an independent director system and currently has three independent directors. Under the Board of Directors, specialised committees, including an Audit Committee, have been established. The Company’s management has also set up professional committees, such as the Investment Committee and the Risk Management Committee.

(2) With clear authorisation and division of responsibilities among departments, the Company ensures both collaboration and mutual checks and balances, forming a rational organisational structure.

(3) The Company adheres to sound operations and standardised practices, placing significant emphasis on cultivating employees' awareness of compliance and professional ethics through continuous education.

2. Risk Assessment

The Company conducts risk analysis at various levels and across different business departments after setting their respective targets, analysing the risk factors that may affect the achievement of those targets. For uncontrollable risks, the purpose of risk assessment is to determine whether to accept or to mitigate the risk or reduce the related business activities. For controllable risks, the purpose of risk assessment is to analyse how to control the level of risk through institutional arrangements. Risk assessment also includes the reassessment of newly emerging risks in daily operations by each business department and the improvement of corresponding systems, as well as the assessment of relevant risks and the formulation of risk control systems during the design process of new businesses.

3. Control Activities

The Company has established stringent control systems for key aspects of business such as investments, accounting, technical systems, and human resources. In its operational management system, the Company has established scientific, rational, and standardised procedures for business operations, mandating comprehensive documentation, preservation, and rigorous inspection and review. In terms of job responsibility systems, internal job roles are properly divided with clear responsibilities, and incompatible duties and positions are segregated, ensuring mutual checks and balances.

(1) Investment Control Systems

The Investment Committee is the highest investment decision-making body of the Company, responsible for asset allocation and major investment decisions. The portfolio manager group is responsible for portfolio construction based on the asset allocation determined by the Investment Committee. The portfolio manager leads the portfolio manager group to conduct daily investment operations within the scope of the Fund Contract and investment decision-making authority. The Trading Management Department is responsible for the centralised execution of all trades.

(a) Separation of investment decision-making and execution. Investment decisions are strictly separated from trade execution, with a centralised trading system in place. A fair trade allocation system is established and continuously refined to ensure that each investment portfolio receives equitable execution opportunities.

(b) Investment authorisation control. A clear investment decision-making authorisation system is established to prevent unauthorised decisions. The Investment Committee is responsible for formulating investment principles and approving asset allocation ratios. Within the scope determined by the Investment Committee, the portfolio manager group is responsible for determining and implementing investment strategies, establishing and adjusting investment portfolios, and issuing investment instructions. Operations exceeding investment authorisation are subject to strict approval procedures. The Trading Management Department is responsible for trade execution based on instructions from the portfolio manager or authorised members of the portfolio management group.

(c) Warning control. Based on laws, regulations, and the Company's rules, warning lines are set for the investment ratios of various asset classes. The trading system automatically sends an alert when an investment ratio approaches a preset threshold.

(d) Prohibition control. Based on laws, regulations, and the Company's rules, the Fund is prohibited from investing in restricted securities and engaging in restricted activities. The trading system, through pre-set parameters, automatically prompts and restricts such prohibited actions.

(e) Multi-level monitoring and feedback. The Trading Management Department is responsible for ex-ante monitoring of investment activities, the Risk Management Department for in-process monitoring, and the Compliance and Audit Department for ex-post monitoring. Any abnormalities identified will be promptly reported, and corrective actions urged.

(2) Accounting Control Systems

(a) A work system and corresponding operational and control procedures for fund accounting have been established to ensure compliance with accounting practices.

(b) A review system for fund accounting operations and a mutual verification and supervision system with the custodian have been established based on the principle of checks and balances.

(c) To prevent overdraft risks in cash position management for fund accounting, a cash position management system has been implemented.

(d) A comprehensive archive management and financial handover system has been established.

(3) Technical System Control Systems

To ensure the safe and stable operation of its technical systems, the Company has formulated comprehensive protocols for the secure operation of hardware equipment, data transmission and network security management, hardware and software maintenance, data backup, IT personnel management, and crisis response.

(4) Human Resources Management Systems

The Company has established scientific personnel management systems for recruitment, termination, training, evaluation, and compensation to ensure effective human resource management.

(5) Supervisory Systems

The Company has established oversight departments responsible for legal affairs and monitoring. This includes procedures for investigating and addressing misconduct, as well as monitoring employee behaviour.

(6) Anti-money Laundering Systems

The Company has established an Anti-Money Laundering Working Group as a dedicated body for anti-money laundering efforts and has appointed dedicated personnel to be responsible for compliance management of anti-money laundering and counter-terrorist financing. Relevant departments have also set up anti-money laundering positions and assigned personnel responsible for these tasks. In addition to establishing a sound anti-money laundering organisational structure, the Company has also formulated the Internal Control Regulation on Anti-Money Laundering and related operating procedures to ensure the effective fulfilment of its anti-money laundering obligations as a financial institution in accordance with the law.

4. Information Communication

The Company has established an internal office automation information system and business reporting system. Through the establishment of effective information communication channels, the Company's employees and management personnel at all levels can be fully informed of information related to their responsibilities. Information is promptly delivered to appropriate personnel for processing. At present, the Company's operations have achieved office automation, and different personnel have varying levels of access depending on their job functions and hierarchy.

5. Internal Monitoring

The Company has established an audit department independent of all business departments. Through regular and ad-hoc inspections, the department evaluates the rationality, comprehensiveness, and effectiveness of the Company's internal controls, supervises the implementation of the Company's various internal control systems, and ensures the effective operation of the Company's various business management activities.

6. Statement on Internal Control of the Manager

(1) The Company acknowledges that the establishment, implementation, and maintenance of an internal control system are the responsibilities of the Company's Board of Directors and management.

(2) The above disclosures regarding internal control are true and accurate.

(3) The Company is committed to continuously improving its internal control system in accordance with changes in the market environment and the Company's development.

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# IV. The Custodian

(I) Overview of the Custodian

1. Basic Information

Name: China Merchants Bank Co., Ltd. (hereafter “China Merchants Bank”)

Date of Establishment: 8 April 1987

Registered Address: China Merchants Bank Tower, No. 7088 Shennan Boulevard, Shenzhen

Office Address: China Merchants Bank Tower, No. 7088 Shennan Boulevard, Shenzhen

Registered Capital: RMB25.22 billion

Legal Representative: MIAO Jianmin

President: WANG Liang

Asset Custody Business Approval Document: CSRC Fund Approval Document [2002] No. 83

Telephone Number: 4006195555

Fax: 0755-83195201

Information Disclosure Officer of the Asset Custody Department: ZHANG Shan

2. Development Overview

China Merchants Bank (CMB) was founded on 8 April 1987 as China’s first joint-stock commercial bank wholly owned by corporate legal entities, with its headquarters in Shenzhen. Since inception, CMB has completed three rounds of capital increases and share expansions. It successfully issued 1.5 billion A-shares in March 2002 and listed on the Shanghai Stock Exchange on 9 April 2002 (Stock Code: 600036), becoming China’s first listed company adopting international accounting standards. In September 2006, it issued 2.2 billion H-shares and listed on the Hong Kong Stock Exchange on 22 September 2006 (Stock Code: 3968), subsequently exercising the H-share over-allotment option to issue a total of 2.42 billion H-shares by 5 October 2006. As of 30 September 2024, the Group’s total assets amounted to RMB11,654.763 billion, with a capital adequacy ratio of 18.67% under the advanced approach and 15.33% under the standardised approach.

CMB established its Fund Custody Department in August 2002. Following CSRC approval in August 2005, the department was renamed the Asset Custody Department. It is organised into ten functional teams: the Fund & Securities Team, Bancassurance-Trust Team, Pension Team, Business Management Team, Product Development Team, Risk Management Team, Systems & Data Team, Project Support Team, Operations Management Team, and Fund Outsourcing Team, with a total of 249 employees. In November 2002, CMB became China’s first listed bank to obtain securities investment fund custody qualifications upon approval by the People’s Bank of China and the CSRC, formally commencing custody operations in April 2003. As one of China’s most comprehensively licensed custodians, CMB holds qualifications for securities investment fund custody, basic pension fund custody, mandated investment management custody, insurance fund custody, enterprise annuity custody, QFII custody, QDII custody, private fund outsourcing services, and depositary receipt pilot programmes.

Building on 22 years of custody expertise, CMB launched the “CMB Custody+” service brand, guided by its vision to become “the global custodian of choice through superior service, technological excellence, and collaborative synergy”. The brand is anchored by four strategic pillars: “Trusted Expertise, Attentive Stewardship, Value Enhancement, and Client-Centric Innovation”. Through its “service productisation” approach, CMB delivers tailored solutions across the asset management lifecycle, supporting sustainable industry growth. CMB has pioneered industry benchmarks through three sub-brands: Swift Operations, Panoramic Investment Research, and Insightful Data. The industry milestones it has delivered include the launch of China’s first online custody banking system, the establishment of integrated custody platforms, and the introduction of “6S” custody service standards. In addition, it released the first private fund performance analysis report, launched the first domestic custody bank portal, and developed the inaugural big data custody platform. CMB also executed market-first custody services for pioneering products such as the first FOF, TOT, QDII fund, and ETF fund, solidifying its transition from a traditional custodian to a comprehensive investor services provider.

CMB’s custody business has garnered extensive industry accolades. In 2016, it received The Chinese Banker’s “Top Ten Financial Product Innovation Award” for its “Custody Connect” platform in May, was named “China’s Best Custody Bank” by The Asset in June, and secured the “Best Asset Custody Bank” title at the China Asset Management Golden-shell Awards and the 21st Century Business Herald’s “2016 Best Asset Custody Bank” in July. The following year, CMB earned The Asian Banker’s “China Domestic Custody Bank of the Year” in May 2017, retained The Asset’s “China’s Best Custody Bank” accolade in June, and received another The Chinese Banker “Top Ten Financial Product Innovation Award” for its upgraded online custody platform in July. In 2018, CMB was honoured as an “Outstanding Asset Custodian” by China Central Depository & Clearing (CCDC) and won national financial innovation awards for its risk management systems in January, claimed Chinafund’s “Best Fund Custody Bank” in March, and again secured The Asian Banker’s “China Domestic Custody Bank of the Year” in May. The year concluded with Eastmoney naming it “Best Custody Bank 2018” and “Most Trusted Custodian over 20 Years” in December. Subsequent accolades include Chinafund’s “Best Fund Custody Bank 2018” in March 2019, The Asset’s triple awards for “China’s Best Custodian”, “Best Pension Custodian”, and “Best Retail Fund Administrator” in June 2019, and Eastmoney’s “Best Custody Bank 2019” in December. In 2020, CMB received CCDC’s “Outstanding Asset Custodian 2019” in January, The Asset’s triple honours for “Best Onshore Custodian”, “Best Public Fund Custodian”, and “Best Public Fund Administrator” in June, and Chinafund’s “Best Fund Custody Bank 2019” in October. The bank continued its award streak in 2021 with CCDC’s “Outstanding Asset Custodian 2020” in January, Eastmoney’s “Most Popular Custody Bank 2020” the same month, Securities Times’ “Outstanding Asset Custody Bank” in October, and Chinafund’s “Best Fund Custody Bank 2020” in December. In 2022, CMB secured CCDC’s “Outstanding Custodian & Valuation Service Provider 2021” in January, The Asset’s triple accolades for “China’s Best Custodian”, “Best Public Fund Custodian”, and “Best Wealth Management Custodian” in September, and Securities Times’ “Outstanding Asset Custody Bank” in December. 2023 brought further recognition: CCDC’s “Outstanding Asset Custodian 2022”, Shanghai Clearing House’s “Top Custodian 2022”, and Nation Interbank Funding Center’ “Market Innovation Award” in January; Chinafund’s “Custody Innovation Award” in April; Chinafund’s “Model Fund Custody Bank (National Joint-Stock Bank)” in September; and Eastmoney’s “Custody Bank of the Year 2023” in December. Most recently in 2024, CMB claimed CCDC’s quadruple awards for “Outstanding Custodian”, “Top Valuation Provider”, “Bond Market Leader”, and “Green Bond Underwriting Leader” in January; Taikang Pension & Insurance’s “Best Annuity Custody Partner 2023” in February; Chinafund’s “Outstanding ETF Custodian” in April; Shanghai Clearing House’s “Outstanding Custodian 2023” in June; the 21st Century Business Herald’s “2024 Most Influential Brand” for “CMB Custody+” in August; and Cailian Press’ “Top Asset Custody Bank 2024” in September.

(II) Information of Key Personnel

Mr. MIAO Jianmin serves as Chairman and Non-Executive Director of the Bank, having assumed these roles in September 2020. A senior economist holding a doctoral degree in Economics from Central University of Finance and Economics, Mr. Miao is an alternate member of the 19th and 20th Central Committees of the Communist Party of China. He concurrently chairs China Merchants Group Ltd. and previously held leadership positions including Vice Chairman and President of China Life Insurance (Group) Company, Vice Chairman, President and Chairman of PICC Group, as well as chairmanships of multiple PICC subsidiaries including PICC P&C, PICC Asset Management, PICC Health Insurance, PICC Hong Kong, PICC Capital Equity Investment, PICC Pension, and PICC Life Insurance.

Mr. WANG Liang serves as Secretary to the Party Committee, Executive Director and President of the Bank. A senior economist holding a master’s degree in Economics from Renmin University of China, he joined CMB in June 1995 and progressed through senior roles including Assistant General Manager, Deputy General Manager and General Manager of CMB Beijing Branch. Appointed Executive Assistant President, Executive Vice President and First Executive Vice President in June 2012, he started to preside over overall business of the Bank. He assumed the presidency on 15 June 2022 following his appointment as Party Committee Secretary on 19 May 2022. He concurrently serves as the Company’s authorised representative in charge of matters in relation to listing in Hong Kong, the Chairman of CMB International Capital Holdings Corporation Limited, the Chairman of CMB International Capital Corporation Limited, Chairman of CMB Wing Lung Bank, Vice Chairman of Merchants Union Consumer Finance Company Limited, Director of China Merchants Financial Holdings Co., Ltd., Vice President of the Payment & Clearing Association of China, a Director of the Fourth Session of the Professional Committee for Intermediate Business of China Banking Association and Executive Director of the Sixth Session of the Financial Accounting Society of China, and a Deputy of the 14th Guangdong Provincial People’s Congress.

Ms. Wang Ying is an Executive Vice President of the Company. She obtained a master’s degree in Political Economics from Nanjing University and is an economist. She joined the Company in January 1997, successively served as the Assistant General Manager and Deputy General Manager of Beijing Branch, General Manager of Tianjin Branch, General Manager of Shenzhen Branch and the Executive Assistant President of the Company, and has been serving as an Executive Vice President of the Company since November 2023.

Ms. SUN Le, General Manager of the Asset Custody Department, brings over two decades of banking expertise to her role. A master’s degree holder, she joined CMB in August 2001 and advanced through leadership positions including Deputy Manager and Manager of Risk Control Department, Assistant General Manager, Deputy General Manager and General Manager of Credit Management Department, and General Manager of Corporate Banking, SME Finance, and Investment Banking & Financial Markets Departments at Hefei Branch. She subsequently served as Assistant General Manager, Deputy General Manager and General Manager of Wuxi Branch, Deputy General Manager of Nanjing Branch, and now oversees custody operations, leveraging extensive experience in risk management, credit governance, corporate finance, and asset custody.

(III) Fund Custody Business Operations

As of 30 September 2024, CMB had cumulatively custodied 1,518 securities investment funds.

(IV) Custodian’s Internal Control System

1. Internal Control Objectives

CMB ensures strict compliance with national laws, regulations, and industry supervisory requirements in its custody operations, adhering to lawful and standardised practices. The objectives include: establishing scientific decision-making, execution, and oversight mechanisms to prevent and mitigate operational risks; safeguarding the sound operation of custody business and the security of entrusted assets; implementing a risk control system that facilitates error detection, eliminates loopholes, and removes potential risks to guarantee the stability of business operations and ensure accurate, complete, and timely business information; continuously improving internal control mechanisms and systems and refining business processes and procedures.

2. Internal Control Organisational Structure

CMB’s asset custody operations maintain a three-tier internal control and risk mitigation framework:

First Tier: Group-wide risk governance overseen by the Risk Management Department, Legal & Compliance Department, and Audit Department, which independently evaluate custody operations and propose control enhancements.

Second Tier: Dedicated risk compliance teams within the Asset Custody Department monitor internal controls, identify deficiencies, implement corrective actions, and report directly to senior management.

Third Tier: Role-specific checks and balances across operational posts, with tailored oversight mechanisms proportionate to risk exposure.

3. Internal Control Principles

(1) Principles of comprehensiveness: Controls encompass all business processes, operational steps, teams, and roles, with universal staff participation.

(2) Principle of prudence: Governance structures and internal policies prioritise risk prevention and prudent operations, reflecting “control-first” governance.

(3) Principle of independence. Teams and roles within the Asset Custody Department maintain relative independence. Custody assets are segregated from each other and from the Bank's proprietary assets. Departments responsible for internal control inspections and evaluations are independent of those responsible for establishing and executing internal controls.

(4) Principle of effectiveness: The effectiveness of internal control includes the design and execution. Effective design means that the control system addresses all significant risks with appropriate risk mitigation measures. Effective execution ensures strict adherence to the designed controls.

(5) Principle of adaptability: Internal controls are designed to meet the risk management needs of the custody business and are revised and improved in response to changes in internal factors like business strategies, policies, and philosophy, as well as external factors such as laws, regulations, and policies.

(6) Principle of firewalls: The Asset Custody Department’s office space is separated from other business areas, with physical separation between the office network and the business network. Firewall strategies are implemented to separate the business network of the department from the Bank's overall network, ensuring risk prevention.

(7) Principle of materiality: Internal control focuses on major custody business matters and high-risk areas while maintaining comprehensive control.

(8) Principle of checks and balances: Internal control ensures mutual checks and balances within the organisational structure, institutional setup, distribution of authority, and business processes while maintaining operational efficiency.

4. Internal Control Measures

(1) Robust policy framework. The Asset Custody Department has developed a series of regulations covering internal control management, product acceptance, accounting, fund clearing, role management, file management, and information management. A three-tier policy framework has been established, consisting of basic regulations, business management methods, and operational procedures. The clear structure and explicit management requirements ensure comprehensive risk management and the scientific, systematic, and standardised operation of the custody business.

(2) Business information security. Strict encryption and backup measures are in place for data transmission and storage. Data is transmitted using encrypted direct connections and is subject to real-time offsite backups. Access to all business information requires strict authorisation.

(3) Client confidentiality protocols. Client information obtained during business operations is kept strictly confidential. Disclosure to any institution, department, or individual is prohibited unless required by laws, regulations, supervisory authorities, or audit requirements.

(4) IT system controls. Dual-person, dual-role responsibility is implemented for the management of IT systems and permissions. Computer rooms are monitored around the clock with restricted access, and all computers are password-protected with assigned permissions. Separation is maintained between the business network and the office network, as well as between the custody business network and the Bank’s overall business network. Firewall protection is employed for external business interfaces. Emergency backup measures, including a two-location, three-centre framework, are implemented to ensure the security of IT systems.

(5) Human resource management: The Asset Custody Department manages human resources effectively by fostering a strong corporate culture, implementing training and incentive mechanisms, and enhancing human resource management. It has also established a talent pipeline and reserve mechanism to ensure continuity and efficiency in personnel management.

(V) Methods and Procedures for the Fund Custodian to Supervise the Fund Manager’s Operation of the Fund

Pursuant to the Securities Investment Fund Law of the People’s Republic of China, the Measures for the Administration of Operation of Publicly Offered Securities Investment Funds, and other relevant laws, regulations, the Fund Contract, and the Custody Agreement, the Custodian supervises and verifies the legality and compliance of the Fund’s investment scope, asset allocation ratios, and portfolio composition.

Within the fund clearing and accounting services provided for investment operations, the Custodian conducts oversight on investment instructions issued by the Manager and monitors the calculation and payment of Fund-related fees. The Custodian shall reject any instructions violating applicable laws, regulations, or the Fund Contract, immediately notifying the Manager of such rejections.

Should the Custodian identify that an executed investment instruction (processed through standard transaction procedures) contravenes laws, administrative regulations, or the Fund Contract, it shall promptly notify the Manager in writing to initiate rectification within timelines permissible under applicable laws and the Fund Contract. Upon receipt, the Manager shall promptly verify the matter, acknowledge in writing, and implement corrections. Should the Manager fail to rectify the violations within the specified timeframe, the Custodian will report the matter to the CSRC.

# V. Related Service Agencies

(I) Fund Unit Offering Institutions

1. Online Cash Offering Agencies

Online cash offerings are processed through Shanghai Stock Exchange (SSE) member institutions authorised for fund distribution. The current list is available on the SSE website.

2. Offline Cash and Offline Stock Offering Institutions

(1) Direct Sales Institution

Name: China Asset Management Co., Ltd.

Domicile: Compound A3, Anqing Street, Shunyi District, Beijing

Office Address: 8/F, Tower B, Tongtai Building, No.33 Finance Street, Xicheng District, Beijing

Legal Representative: ZHANG Youjun

Customer Service Telephone Number: 400-818-6666

Fax: 010-63136700

Contact Person: ZHANG Degen

Website: [www.ChinaAMC.com](http://www.ChinaAMC.com)

(2) Offering Agencies

The Manager may appoint qualified institutions to distribute the Fund in accordance with applicable laws and regulations. Current lists of offline cash and stock offering agencies are detailed in the Fund Unit Offering Announcement, subsequent adjustment notices, or the Manager’s website. Operational arrangements remain subject to each institution’s prevailing rules.

3. The Manager reserves the right to add or remove offline offering agencies. Distribution institutions may adjust their service locations. Investors should consult the Manager’s website for updated offline sales information.

(II) Registrar

Name: China Securities Depository and Clearing Corporation Limited

Domicile: No. 17 Taipingqiao Street, Xicheng District, Beijing

Office Address: No. 17 Taipingqiao Street, Xicheng District, Beijing

Legal Representative: YU Wenqiang

Telephone Number: 021-68419095

Fax: 021-68870311

Contact Person: CHEN Wenxiang

(III) Law Firm

Name: Shanghai Yuan Tai Law Offices

Registered Address: 14/F, Huaxia Bank Building, No. 256 Pudong South Road, Pudong New Area, Shanghai

Office Address: 14/F, Huaxia Bank Building, No. 256 Pudong South Road, Pudong New Area, Shanghai

Principal: LIAO Hai

Handling Attorneys: LIU Jia, HUANG Lihua

Telephone Number: (021)51150298

Fax: (021)51150398

Contact Person: LIU Jia

(IV) Accounting Firm

The statutory auditor engaged by the Manager is Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership).

Name: Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership)

Domicile: Rooms 01-12, 17/F, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Avenue, Dongcheng District, Beijing

Office Address: 17/F, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Avenue, Dongcheng District, Beijing

Legal Representative: MAO Anning

Telephone Number: 010-58153000

Fax: 010-85188298

Contact Person: JIANG Yanhua

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# VI. Fund Offering

(I) Legal Basis for Fund Offering

This Fund is offered by the Manager in compliance with the Funds Law, Operation Measures, Distribution Measures, Fund Contract, and related regulations. The offering was approved by the CSRC under permit [2024] No. 1521 dated 1 November 2024.

(II) Fund Type, Operation Method, and Operating Period

1. Fund type: Equity securities investment fund.

2. Operation method: Exchange-traded open-end.

3. Operating period: Indefinite.

(III) Offering Methods

The Fund is publicly offered through designated sales institutions. Current sales institutions are listed in the Fund Unit Offering Announcement, subsequent adjustment notices, or the Manager’s website.

Investors may subscribe through online cash subscription, offline cash subscription, and offline stock subscription. Detailed subscription procedures are outlined in the Fund Unit Offering Announcement or subsequent related announcements. The Manager may adjust the offering methods as necessary and will disclose such adjustments in the relevant announcements.

Online cash subscription: Investors subscribe via the offering agencies using the SSE online system with cash. Offline cash subscription: Investors subscribe via the Manager and its designated offering agencies using cash. Offline stock subscription: Investors subscribe via the Manager and its designated offering agencies using stocks.

Final validation rests with the Registrar. Investors must verify subscription status independently. The confirmation of subscription and the corresponding subscription amount shall be subject to the Registrar’s verification. Investors should promptly check the status of their subscription applications and exercise their legal rights accordingly.

(IV) Offering Period

The offering period shall not exceed three months from the initial offering date.

The Fund’s offering runs from 5 November 2024 to 8 November 2024 (inclusive): Online cash subscription: 5 November 2024 to 8 November 2024 (inclusive); offline cash subscription: 5 November 2024 to 8 November 2024 (inclusive). Specific timings are detailed in the Offering Announcement, subject to local agency rules. Should the Fund fail to meet filing conditions under Section VII(I) during this period, the offering may extend until requirements are met. The Manager may also extend or shorten the offering period based on sales conditions and will publish an announcement in a timely manner.

(V) Eligible Investors

The Fund is available to individual investors, institutional investors, Qualified Foreign Investors, and other investors permitted to purchase securities investment funds under applicable laws, regulations, or CSRC requirements.

(VI) Offering Size

The Fund may set an initial offering size cap. The specific cap and corresponding control measures will be detailed in the Fund Unit Offering Announcement or other announcements issued by the Manager. Once the Fund Contract becomes effective, the initial offering size cap will no longer apply.

(VII) Offering Venues

Investors should subscribe to the Fund at the business premises of the designated offering agencies or through other methods provided by such agencies. The list of offering agencies, contact details, and relevant information can be found in the Fund Unit Offering Announcement, adjustment notices, the Manager’s website, or the SSE website. Operational arrangements follow each institution’s policies.

The Manager may adjust the list of offline offering agencies and will publish updates on its website, where investors can check for the latest information.

(VIII) Initial Unit Par Value and Subscription Price

The Fund’s initial unit par value is RMB1.00, with a subscription price of RMB1.00 per unit.

(IX) Subscription Fees

Subscription fees are borne by investors, capped at 0.80%. The fee structure is as follows:

|  |  |
| --- | --- |
| **Subscription Units** | **Fee Rate** |
| Below 500,000 units | 0.80% | |
| 500,000 units (inclusive) – Below 1,000,000 units | 0.50% | |
| 1,000,000 units (inclusive) and above | RMB1,000.00 per transaction | |

The Manager applies the above rates for offline cash and stock subscriptions. Offering agencies may charge subscription fees/commissions for online cash, offline cash, or stock subscriptions based on this framework.

(X) Account Opening for Subscriptions

Investors must hold a Shanghai Stock Exchange account (SSE A-share or fund account) to subscribe.

1. For investors opening a new securities account:

(1) An SSE fund account permits cash subscriptions and secondary market trading only. To use SSE-listed constituent stocks of the CSI A500 Index for offline stock subscriptions, creation, or redemption, investors must open an SSE A-share account. For Shenzhen-listed constituent stocks, a Shenzhen A-share account is additionally required.

(2) Trading designation cannot be activated on the account opening day. Investors are advised to open accounts at least two business days before subscribing.

2. For investors with an existing securities account:

(1) f an investor has not activated designated trading, or their designated trading is assigned to a non-participating securities firm, they must designate or re-designate their account to an eligible offering agency.

(2) Investors who complete trading designation or re-designation on the same day cannot subscribe on that day. Investors should finalise designated trading procedures at least one business day before subscribing.

(XI) Online Cash Subscription

1. Subscription Period: 5–8 November 2024 (inclusive), subject to Manager and agency schedules.

2. Subscription limits: Subscriptions are denominated in Fund units. Investors must subscribe using an SSE account. Each subscription transaction must be in multiples of 1,000 units, with a maximum of 99,999,000 units per transaction. Multiple subscriptions are permitted, provided they comply with applicable laws, rules, and the Fund’s size control measures.

3. Commission calculation for online subscriptions via offering agencies:

Commission = Subscription price × Units × Commission rate

(For fixed fees: Commission = Fixed fee)

Total payment = Subscription price × Units × (1 + Commission rate)

(For fixed fees: Total payment = Subscription price × Units + Fixed fee)

Example 1: An investor subscribes to 10,000 units through an agency with a 0.80% commission rate:

Commission = 1.00 × 10,000 × 0.80% = RMB80.00

Total payment = 1.00 × 10,000 × (1 + 0.80%) = RMB10,080.00

The investor thus pays RMB10,080.00 to acquire 10,000 units.

4. Subscription process: Investors must ensure sufficient funds are available and follow agency procedures.

5. Clearing and settlement: Subscription funds are frozen by the agency on T Day. The Registrar processes settlement and transmits valid subscription data to the offering coordinator, and the coordinator transfers net proceeds to the Fund’s dedicated account within four business days post-subscription.

6. Confirmation: Post-Fund Contract effectiveness, investors may verify subscription status via the sales channel used.

(XII) Offline Cash Subscription

1. Subscription Period: 5–8 November 2024 (inclusive). Specific timings are detailed in the Fund Unit Offering Announcement or subsequent notices, subject to agency schedules.

2. Subscription Limits: Subscriptions are denominated in Fund units. For subscriptions via offering agencies, each transaction must be in multiples of 1,000 units. For subscriptions via the Manager, each transaction must be at least 50,000 units (inclusive). Multiple subscriptions are permitted, provided they comply with applicable laws, rules, and the Fund’s size control measures.

3. Subscription Amount Calculation

(1) For subscriptions via the Manager: Once submitted, subscription applications cannot be cancelled. Formulas:

Subscription fee = Subscription price × Units × Subscription rate

(For fixed fees: Subscription fee = Fixed fee)

Total payment = Subscription price × Units × (1 + Subscription rate)

(For fixed fees: Total payment = Subscription price × Units + Fixed fee)

Interest-converted units = Interest accrued / Subscription price

Example 2: An investor subscribes to 100,000 units via the Manager’s direct sales channel. Assuming interest accrued during the offering period is RMB2.00, the required subscription amount and the interest-converted units are calculated as follows:

Subscription fee = 1.00 × 100,000 × 0.80% = RMB800.00

Total payment = 1.00 × 100,000 × (1 + 0.80%) = RMB100,800.00

Interest-converted units = 2.00 / 1.00 = 2 units

Thus, the investor must prepare RMB100,800.00 and will receive 100,002 fund units (including interest-converted units).

(2) For subscriptions via offering agencies: The calculation of the subscription amount follows the same method as online cash subscriptions processed through offering agencies.

4. Subscription process: Investors must ensure sufficient funds are available and follow agency procedures.

5. Clearing and settlement: For subscriptions via the Manager: Offline cash subscription applications submitted on T Day will be cleared and settled by the Manager within T+2 days. The Manager will transfer the aggregated subscription funds to the designated fund-raising account within four business days after the offering period ends. Interest accrued on the subscription funds during the offering period will be converted into fund units and allocated to investors. Interest-converted units are calculated using truncation, retaining only whole units. Any fractional units (less than 1 unit) will be added to the Fund’s assets.

For subscriptions via offering agencies: Subscription applications submitted on T Day will result in the freezing of the corresponding subscription funds by the offering agencies. On the final offering day, agencies aggregate all offline cash subscription applications from investors and submit them via the SSE Online Fixed Pricing Offering System as online cash subscription applications. The Registrar then conducts clearing and settlement, transmit valid subscription data to the offering coordinator, and transfer the actual subscription funds to the Manager’s designated fund-raising account.

6. Confirmation: Post-Fund Contract effectiveness, investors may verify subscription status via the sales channel used.

(XIII) Offline Stock Subscription

1. Subscription Period: If offline stock subscription is offered, the Manager will issue a separate announcement.

2. Subscription Limits: Subscriptions are submitted in shares of a single stock via A-share accounts. The stocks used for subscription must be constituent stocks of the Fund’s underlying index or announced reserve constituent stocks (as specified in the Fund Unit Offering Announcement and subsequent related announcements). The minimum subscription per stock is 1,000 shares, with increments of 100 shares. Multiple applications are permitted, subject to laws, regulations, and the Fund’s scale control measures.

3. Subscription Process: Investors must follow sales institutions’ procedures with sufficient quantity of subscription stocks. Submissions are irrevocable once confirmed.

4. Special Notes: Investors must comply with applicable laws and regulations, exchange rules, and regulatory requirements for stock subscriptions, including shareholding reduction rules and disclosure obligations arising from such transactions.

5. Special Cases

(1) Subscription Caps on Individual Stocks: The Manager may impose limits on subscription quantities for specific stocks based on trading volume, price volatility, or other anomalies observed during the three-month period preceding the subscription date. Restricted stocks will be announced at least three business days prior to the subscription period.

(2) Ad Hoc Rejection of Submissions: The Manager reserves the right to reject all or part of a stock subscription for any security exhibiting abnormal price movements, unusual subscription volumes, or other concerns during the subscription period, without prior notice.

6. Clearing and Settlement: On T Day (the final day of the Fund Offering Period), offering agencies submit aggregated stock subscription data to the Manager for preliminary validation of eligible subscription quantities. From T+1 Day onwards, the Registrar freezes SSE-listed subscription shares in investor accounts and transfers SZSE-listed shares to the dedicated securities subscription account of China Securities Depository and Clearing Corporation Limited (CSDC) Shenzhen Branch. Where commissions are settled in Fund units, the Manager calculates the commission payable based on data provided by offering agencies, deducts it from the investor’s subscription units, and allocates corresponding units to offering agencies. Upon Fund establishment, the Registrar performs the initial registration of investors’ subscription units based on the detailed net subscription data provided by the Fund Manager. The Registrar then transfers the SSE and SZSE shares into the Fund’s securities account based on the effective stock subscription data provided by the Fund Manager.

7. Calculation of Subscription Units

Subscription Units = (Average Price of Stock i on Final Offline Stock Subscription Day × Valid Subscription Shares for Stock i) / 1.00)

Where:

(1) i denotes each stock in the investor’s subscription application (e.g., i = 1 for a single-stock application).

(2) The “Average Price of Stock i on Final Offline Stock Subscription Day” is calculated by the Manager as the total trading value divided by total traded shares for that day, rounded to two decimal places. For suspended or untraded stocks, the average price of the most recent trading day shall apply.

If a stock undergoes corporate actions such as ex-dividend, bonus share distribution (capitalisation), or rights issue during the freeze period from the final day of the offline stock subscription period to the day of share transfer by the Registrar, then, as investors will receive the corresponding entitlements, the Fund Manager will adjust the average price on the final day of the offline stock subscription period for that stock as follows:

(a) Ex-dividend: Adjusted Price = Final Day Average Price – Dividend per Share

(b) Bonus share issuance: Adjusted Price = Final Day Average Price / (1 + Bonus Ratio)

(c) Rights issue: Adjusted Price = (Final Day Average Price + Rights Issue Price × Rights Ratio) / (1 + Rights Ratio)

(d) Combined bonus share issuance and rights issue: Adjusted Price = (Final Day Average Price + Rights Issue Price × Rights Ratio) / (1 + Bonus Ratio + Rights Ratio)

(e) Ex-dividend with bonus share issuance: Adjusted Price = (Final Day Average Price – Dividend per Share) / (1 + Bonus Ratio)

(f) Ex-dividend with rights issue: Adjusted Price = (Final Day Average Price + Rights Issue Price × Rights Ratio – Dividend per Share) / (1 + Rights Ratio)

(g) Ex-dividend, bonus share issuance, and rights issue: Adjusted Price = (Final Day Average Price + Rights Issue Price × Rights Ratio – Dividend per Share) / (1 + Bonus Ratio + Rights Ratio)

(3) Valid Subscription Shares refers to the quantity of shares confirmed by the Manager and settled by the Registrar. Where:

(a) For stocks subject to published subscription limits, the Manager may cap confirmable quantities at: qmax = (Cash + Σ(pjqj)) × 105% × w/p



Where: *qmax* is the maximum confirmable subscription quantity for a restricted stock; *Cash* is the aggregate amount of online and offline cash subscriptions; *pjqj* is the total value of non-restricted and non-rejected stocks, calculated as the sum of each stock’s average price on the final day of the offline subscription period multiplied by its subscription quantity; *w* is the weight of the stock in the Fund’s benchmark index on the final offline subscription day (adjusted for index constituent changes announced during the subscription period, based on the revised constituent list and index methodology); *p* is the average price of the restricted stock on the final offline subscription day.

If total subscription applications exceed the maximum confirmable subscription quantity, subscriptions will be accepted in ascending order of application size.

(b) For stocks subject to judicial enforcement between the subscription day and share transfer date, the Manager will adjust investors’ valid subscription quantities based on the actual transferred shares confirmed by the Registrar.

8. Subscription commissions are collected by Offering Agencies at the time of investor confirmation, and investors may elect to pay commissions in cash or Fund units, subject to the terms permitted by the Offering Agencies.

If an investor chooses to pay the commission in cash, the commission payable shall be calculated as follows:

Commission = Subscription Price × Subscription Units × Commission Rate

(or, where a fixed fee applies, Commission = Fixed Fee).

If an investor elects to pay the commission in Fund units, the Manager will calculate the commission payable in units based on data provided by the Offering Agency, deducting the corresponding units from the investor’s subscription and allocating them to the Offering Agency. Units used for commission payment are rounded down to the nearest whole number. The commission and net subscription units are calculated as follows:

Commission = (Subscription Price × Subscription Units / (1 + Commission Rate)) × Commission Rate / 1.00

(or, where a fixed fee applies, Commission = Fixed Fee)

Net Subscription Units = Subscription Units – Commission

Example 3: An investor subscribes with 10,000 shares of Stock A and 20,000 shares of Stock B, both constituents of the Fund’s index, through an Offering Agency, opting to pay the commission in cash. Assuming the final-day average prices of Stock A and Stock B are RMB14.94 and RMB4.50 respectively, the Manager validates the subscription of 10,000 shares of Stock A and 20,000 shares of Stock B, and the Offering Agency applies a commission rate of 0.80%. The investor’s subscription units and commission payable are calculated as follows:

Subscription Units = (10,000 × 14.94) / 1.00 + (20,000 × 4.50) / 1.00 = 239,400 units

Subscription Commission = 1.00 × 239,400 × 0.80% = RMB1,915.20.

Thus, the investor receives 239,400 Fund units and pays an additional RMB1,915.20 in commission to the Offering Agency.

Example 4: Using the same parameters as Example 3 but with commission paid in Fund units, the commission and net subscription units are calculated as follows:

Subscription Commission = (1.00 × 239,400 / (1 + 0.80%)) × 0.80% = 1,900.00 units

Net Subscription Units = 239,400 – 1,900.00 = 237,500.00 units

The investor therefore receives 237,500.00 Fund units, while the Offering Agency is allocated 1,900.00 units.

9. Subscription Confirmation: Following the Fund Contract’s effective date, investors may verify their subscription status through the agency where the subscription was processed.

(XIV) Treatment of Interest Income and Corporate Actions During the Offering Period

Interest generated on offline cash subscriptions placed through the Manager during the Offering Period shall be converted into Fund units and allocated to unitholders, with the interest amount determined by the Manager’s records. For online cash subscriptions and offline cash subscriptions placed through Offering Agencies, interest accruing after the Registrar’s settlement but prior to the transfer of funds into the Fund’s custody account shall be allocated to the Fund’s assets. Rights attaching to subscription shares during the freeze period (from the subscription date to share transfer by the Registrar) shall belong to investors.

(XV) Treatment of Subscription Proceeds and Stocks during the Offering Period

Subscription proceeds raised during the Fund’s offering period shall be deposited into a dedicated account, with no party permitted to access these funds prior to the offering’s conclusion. Raised stocks shall be frozen by the Registrar and transferred to a pre-established dedicated account post-offering, with rights attaching to frozen stocks belonging to investors.

Offering-related expenses (including disclosure fees, auditor fees, legal fees, and other costs) shall not be charged to the Fund’s assets.

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# VII. Effectiveness of the Fund Contract

(I) Conditions for Fund Registration

Within three months from the commencement of the Fund’s unit offering, if the total number of units offered reaches no fewer than 200 million, the total offering proceeds (including the market value of contributed stocks) amount to no less than RMB200 million, and the number of subscribers exceeds 200 investors, the Manager may close the offering period or cease the offering in accordance with laws, regulations, and the Prospectus. The Manager shall engage a statutory capital verification institution within 10 days thereafter and submit an application to the CSRC for Fund registration within 10 days of receiving the verification report.

The Fund Contract shall take effect on the date the CSRC confirms completion of registration procedures. If the offering fails to meet the registration criteria, the Fund Contract shall not take effect. The Manager shall announce the effectiveness of the Fund Contract on the next business day after receiving the CSRC’s confirmation. All proceeds raised during the offering period shall be held in a dedicated account, and no party may access these funds prior to the conclusion of the offering.

(II) Treatment of Proceeds and Stocks if the Fund Contract Fails to Take Effect

If the offering fails to meet the registration criteria by the offering deadline, the Manager shall:

1. Use its own assets to settle all liabilities and expenses arising from the offering.

2. Return all subscription proceeds to investors within 30 days after the offering deadline, including bank deposit interest for the corresponding period, and release any frozen stocks. The Manager assumes no liability for price fluctuations of frozen stocks during the holding period.

3. Forgo any claim to remuneration. All expenses incurred by the Manager, Custodian, and Sales Institutions during the offering shall be borne separately by each party.

(III) Unitholder Numbers and Asset Scale During the Fund’s Operating Period

Following the effective date of the Fund Contract, if the number of Fund Unitholders falls below 200 or the Fund's NAV falls below RMB50 million for 20 consecutive business days, the Manager must disclose this information in its periodic reports. If this situation persists for 60 consecutive business days, the Manager must report to the CSRC within 10 business days and propose a solution, such as continued operation, conversion of the operation method, merger with another fund, or termination of the Fund Contract. The Manager must also convene a Fund Unitholders' meeting within six months.

In the event of conflicting provisions in other laws and regulations or CSRC stipulations, those provisions shall prevail.

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# VIII. Creation and Redemption of Fund Units

(I) Venues for Creation and Redemption

Investors may create or redeem Fund units through the business premises of Authorised Participants or via other channels provided by them.

The Manager shall publish the list of Authorised Participants prior to commencing creation and redemption operations. The Manager reserves the right to add or remove Authorised Participants as necessary, with updates disclosed on its official website.

(II) Open Days and Hours for Creation and Redemption

1. Open Days and Hours

Investors can create and redeem Fund units on Open Days during the normal trading hours of the Shanghai Stock Exchange and the Shenzhen Stock Exchange, except when the Manager announces a suspension of creations or redemptions pursuant to laws and regulations, CSRC requirements, or the Fund Contract.

After the Fund Contract becomes effective, the Manager may adjust the aforementioned Open Days and Hours as necessary to reflect new securities trading markets, changes in securities exchange trading hours, or practical needs. Any such adjustments will be announced in advance in the Designated Media in accordance with the relevant provisions of the Information Disclosure Measures.

2. Commencement Date of Creation and Redemption and Business Hours

The Manager will commence creation services within three months of the Fund Contract’s effective date. Specific timelines will be detailed in a separate creation commencement announcement.

The Manager will commence redemption services within three months of the Fund Contract’s effective date. Specific timelines will be detailed in a separate redemption commencement announcement.

The Fund may process creations and redemptions prior to its listing. However, such services may be suspended during the listing application period. Specific timelines will be announced in accordance with the Information Disclosure Measures.

Following the determination of creation and redemption commencement dates, the Manager shall publish the operational timelines on Designated Media in accordance with the Information Disclosure Measures, prior to the first Open Day.

(III) Principles of Creation and Redemption

1. Both on-exchange and off-exchange creation and redemption of Fund units adopt the method of unit creation and unit redemption, i.e., both creation and redemption are applied for in units.

2. The Consideration for Creation and the Consideration for Redemption include Portfolio Securities, Cash-in-lieu, cash differences, and other consideration.

3. Creation and redemption applications cannot be revoked once submitted.

4. Creation and redemption must comply with the Business Rules and other relevant regulations.

5. The Manager may adjust the above principles without violating laws and regulations. The Manager must make an announcement in Designated Media in accordance with the relevant provisions of the Information Disclosure Measures before implementing any new rules.

(IV) Procedures for Creation and Redemption

1. Application Procedures for Creation and Redemption

Investors must submit creation and redemption applications during the designated business hours on Open Days, following the procedures stipulated by the Sales Institutions.

When creating Fund units, investors must deliver the full amount of the Consideration for Creation based on the corresponding Portfolio Composition File. Fund Unitholders must hold sufficient Fund unit balances and cash when submitting redemption applications.

Subject to the provisions of the Fund Contract and the Prospectus, the specific requirements of each Sales Institution shall prevail regarding the documents and procedures, processing time, and handling rules for creation, redemption, and other transactions.

2. Confirmation of Creation and Redemption Applications

Confirmation of investors' creation and redemption applications will be completed on the day of acceptance. If the investor fails to provide the required Consideration for Creation, the creation application will be rejected. If the investor does not hold sufficient eligible Fund units or fails to prepare sufficient cash as required, or if the Fund portfolio does not have sufficient eligible Consideration for Redemption, the redemption application will be rejected. Acceptance of creation and redemption applications by an Authorised Participant does not guarantee the success of the application but only confirms receipt of the application. Confirmation of creation and redemption is subject to the Registrar's confirmation. Investors should promptly inquire about the confirmation status of their creation and redemption applications and exercise their legal rights accordingly. Investors can inquire about the confirmation status through the Sales Institutions where they submitted their application or through other methods specified by the Sales Institutions.

3. Clearing, Settlement, and Registration of Creations and Redemptions

The clearing and settlement of Fund units, Portfolio Securities, Cash-in-lieu, cash differences, and other consideration involved in the Fund's creation and redemption process are subject to the latest rules of CSDC and relevant stock exchanges, as well as the relevant provisions of agreements between participating parties.

If an investor's creation is successful on T Day, the Registrar will complete the settlement of Fund units and Shanghai Stock Exchange-listed constituent stocks, as well as the clearing of cash-in-lieu, for the investor after the market closes on T Day. The clearing of cash-in-lieu and clearing of the cash component will be completed on T+1 Day, and the settlement of the cash component will be completed on T+2 Day. The results will be sent to the Authorised Participant, the Manager, and the Custodian.

If an investor's redemption is successful on T Day, the Registrar will complete the cancellation of Fund units and settlement of Shanghai Stock Exchange-listed constituent stocks, as well as the clearing of cash-in-lieu, for the investor after the market closes on T Day. The settlement of cash-in-lieu and clearing of the cash component will be completed on T+1 Day, and the settlement of the cash component will be completed on T+2 Day. The results will be sent to the Authorised Participant, the Manager, and the Custodian.

If the Registrar and the Manager find any failure to perform obligations normally during clearing and settlement, they shall handle the matter in accordance with the latest rules of CSDC and relevant stock exchanges, as well as the relevant provisions of agreements between participating parties.

4. The Manager, the Shanghai Stock Exchange, and the Registrar may, within the scope permitted by laws and regulations, adjust the procedures for creation and redemption, as well as the time, method, and processing rules for clearing, settlement, and registration, and shall make an announcement in Designated Media in accordance with the relevant provisions of the Information Disclosure Measures before implementation.

(V) Limits on Creation and Redemption Amounts

1. The Fund units subscribed to or redeemed by investors must be an integer multiple of the Fund’s Creation Unit. Currently, the Fund’s Creation Unit is 3,000,000 units.

The Manager may adjust the Creation Unit based on the Fund's operation, market conditions, and investor demand, and will make an announcement in advance.

2. When accepting creation applications that may potentially and materially adversely affect the interests of existing Fund Unitholders, the Manager shall take measures to effectively protect the legitimate rights and interests of existing Fund Unitholders. These measures may include setting a maximum creation amount for a single investor, setting a maximum daily net creation ratio for the Fund, rejecting large-scale creations, or suspending Fund creations. The Manager, based on the needs of investment operation and risk control, may take the above measures to control the size of the Fund, as specified in relevant Manager announcements.

3. The Manager may, within the scope permitted by laws and regulations, adjust the abovementioned limits on creation and redemption amounts. The Manager must make an announcement in Designated Media in accordance with the relevant provisions of the Information Disclosure Measures prior to making any adjustments.

(VI) Creation and Redemption Consideration, Fees, and Applications

1. The calculation of the NAV per Unit of the Fund shall be rounded to four decimal places, with the fifth decimal place rounded up or down. Any resulting gains or losses shall be borne by the Fund properties. The NAV per Unit for T Day is calculated after the market closes on that day and is announced within T+1 Day. In special circumstances, the calculation or announcement may be delayed after appropriate procedures are followed.

2. Consideration and Fees for Creation and Redemption

(1) The Consideration for Creation refers to the portfolio securities, cash-in-lieu, cash component, and other consideration that an investor shall deliver when creating Fund units. The Consideration for Redemption refers to the portfolio securities, cash-in-lieu, cash component, and other consideration that the Manager shall deliver when a Fund Unitholder redeems Fund units. The Consideration for Creation and the Consideration for Redemption are determined based on the Portfolio Composition File and the number of Fund units being created or redeemed by the investor.

(2) The Portfolio Composition File for T Day is announced before the opening of the Shanghai Stock Exchange on that day. In the future, if market conditions change or relevant business rules are amended, the Manager may adjust the calculation and announcement time of the Portfolio Composition File, without violating relevant laws and regulations, and will make an announcement in advance.

(3) When investors create or redeem Fund units, Authorised Participants may charge a commission of no more than 0.5%, which includes fees charged by the stock exchange, Registrar, and other relevant parties.

(VII) Content and Format of the Portfolio Composition File

1. Content of the Portfolio Composition File

The content of the Portfolio Composition File announcement on T Day includes data on each constituent security within the portfolio securities corresponding to the Creation Unit, cash-in-lieu, the estimated cash component for T Day, the actual cash component for T-1 Day, the NAV per Unit on T-1 Day, and other relevant information.

2. Information on Portfolio Securities

Portfolio securities refer to all or part of the securities included in the Fund's Underlying Index. The Portfolio Composition File will announce the name, stock code, and quantity of each constituent security corresponding to the Creation Unit.

3. Information on Cash-in-Lieu

Cash-in-lieu refers to a certain amount of cash used by investors in the creation and redemption process to substitute for a portion of the securities in the portfolio securities, as stipulated in the Fund Contract and Prospectus.

(1) There are four types of cash-in-lieu: Cash-in-lieu prohibited (marked as "Prohibited"), cash-in-lieu optional (marked as “Optional"), cash-in-lieu required (marked as “Required"), and cash-in-lieu subject to adjustment (marked as "Adjustment”).

"Cash-in-lieu prohibited" applies to constituent stocks listed on the Shanghai Stock Exchange, meaning that cash is not permitted as a substitute for the constituent security during the creation and redemption of Fund units.

"Cash-in-lieu optional" applies to constituent stocks listed on the Shanghai Stock Exchange, meaning that cash is allowed to be used as a substitute for all or part of the constituent securities when creating Fund units, but cash is not allowed to be used as a substitute for the constituent securities when redeeming Fund units.

"Cash-in-lieu required" applies to all constituent stocks, meaning that a fixed amount of cash must be used as a substitute for the constituent security during the creation and redemption of Fund units.

"Cash-in-lieu subject to adjustment" applies to constituent stocks listed on the Shenzhen Stock Exchange, meaning that cash must be used as a substitute for the constituent security during the creation and redemption of Fund units. The Manager will refund or request additional payment from the investor based on the Manager's trading activities.

(2) "Cash-in-Lieu Optional"

(a) Applicable Circumstances: Securities designated as "cash-in-lieu optional" are typically those that investors cannot purchase during creation due to trading suspensions or other reasons. Currently, it only applies to Shanghai Stock Exchange stocks within the CSI 500 Index.

(b) Cash-in-Lieu Amount: For securities designated as "cash-in-lieu optional," the cash-in-lieu amount is calculated as follows:

Cash-in-Lieu Amount = Quantity of the Substituted Security × Reference Price of the Security × (1 + Cash-in-Lieu Premium Ratio for Creation)

Among them, the "Reference Price of the Security" is currently the closing ex-right and ex-dividend price of the security on the previous trading day. If the Shanghai Stock Exchange modifies its principles for determining the Reference Price, the Reference Price specified in the Shanghai Stock Exchange's notice shall prevail.

The Cash-in-Lieu Premium for Creation is levied because, for securities using cash-in-lieu, the Manager needs to purchase the securities after trading resumes. The actual purchase price, plus relevant transaction fees, may differ from the latest price at the time of creation. For operational efficiency, the Manager predetermines the Cash-in-Lieu Premium Ratio for Creation in the Portfolio Composition File and collects the cash-in-lieu amount accordingly. If the amount collected in advance exceeds the actual cost of purchasing the securities, the Manager will refund the difference. Conversely, if the amount collected in advance is less than the actual cost, the Manager will collect the shortfall from the investor.

(c) Procedures for Handling the Cash-in-Lieu Amount

On T Day, the Manager announces the Cash-in-Lieu Premium Ratio for Creation in the Portfolio Composition File and collects the cash-in-lieu amount accordingly.

Within two trading days (referred to as T+2 Day) after T Day, during which normal trading of the substituted constituent securities resumes, the Manager may purchase the substituted securities using the received cash-in-lieu amount. At the end of T+2 Day, if all substituted securities have been purchased, the difference between the cash-in-lieu amount and the actual purchase cost of the substituted securities (including purchase price and transaction fees) will determine the amount the Fund should refund to the investor or the amount the investor should pay; if not all substituted securities have been purchased, the difference between the cash-in-lieu amount and the sum of the actual purchase cost of the partially purchased substituted securities and the value of the unpurchased portion of the substituted securities (calculated based on the closing price on T+2 Day) will determine the amount the Fund should refund to the investor or the amount the investor should pay.

Special Case: If, from T Day onwards, 20 trading days have passed on the Shanghai Stock Exchange and the normal trading days for the security are less than 2 days, the amount the Fund should refund to the investor or the amount the investor should pay will be determined by the difference between the cash-in-lieu amount and the sum of the actual purchase cost of the partially purchased substituted securities and the value of the unpurchased portion of the substituted securities (calculated based on the last closing price).

If there are any equity adjustments, such as dividend distribution, bonus share issuance (capitalisation), or rights issue, between the cash-in-lieu date (T Day) and T+2 Day (or the 20th trading day from T Day in the special case), corresponding adjustments will be made.

On the first business day after T+2 Day (or the 21st trading day from T Day in the special case), the Manager will send the details and summary data of the refunds and additional payments to the relevant Authorised Participants and the Custodian. The clearing and settlement of the relevant amounts will be completed within 3 business days thereafter.

(d) Substitution Limits: To effectively control the Fund's tracking difference and tracking error, the Manager may stipulate that the total proportion of "cash-in-lieu optional" used by investors shall not exceed a certain percentage of the net asset value of the created Fund units. The cash-in-lieu ratio is calculated as follows:

Cash-in-lieu Ratio (%) = ∑ni=1(Number of Shares of the i-th Substitute Security × Reference Price of the i-th Security)) / (Created Fund Units × IOPV per Unit) × 100%

(3) "Cash-in-Lieu Required"

(a) Applicable Circumstances: Securities designated as "cash-in-lieu required" are typically constituent securities that are about to be removed from the Index due to index adjustments; constituent securities that are suspended from trading; constituent securities that are restricted from investment due to laws and regulations; or constituent securities that the Manager deems necessary to designate as "cash-in-lieu required" for reasons such as protecting the interests of Unitholders.

(b) Cash-in-Lieu Amount: For securities designated as "cash-in-lieu required," the Manager will announce a fixed amount of cash for substitution in the Portfolio Composition File, referred to as the "Fixed Cash-in-Lieu Amount." The Fixed Cash-in-Lieu Amount is calculated by multiplying the quantity of the security in the Portfolio Composition File by its opening reference price on T Day.

(4) "Cash-in-Lieu Subject to Adjustment"

(a) Applicable Circumstances: Currently, securities designated as "cash-in-lieu subject to adjustment" only apply to Shenzhen Stock Exchange stocks included in the CSI 500 Index.

(b) For securities designated as "cash-in-lieu subject to adjustment," the cash-in-lieu amount is calculated as follows:

Cash-in-Lieu Amount for Creation = Quantity of the Substituted Security × Adjusted Opening Reference Price of the Security on T Day × (1 + Cash-in-Lieu Premium Ratio for Creation).

Cash-in-Lieu Amount for Redemption = Quantity of the Substituted Security × Adjusted Opening Reference Price of the Security on T Day × (1 + Cash-in-Lieu Discount Ratio for Redemption).

(c) Procedures for Handling the Cash-in-Lieu Amount

For "cash-in-lieu subject to adjustment" securities, the Cash-in-Lieu Premium for Creation is levied because, for securities using cash-in-lieu, the Fund Manager will purchase the securities. The actual purchase price, plus relevant transaction fees, may differ from the security's adjusted opening reference price on T Day. For operational efficiency, the Manager predetermines the Cash-in-Lieu Premium Ratio for Creation in the Portfolio Composition File and collects the cash-in-lieu amount accordingly. If the amount collected in advance exceeds the actual cost of purchasing the securities, the Manager will refund the difference. Conversely, if the amount collected in advance is less than the actual cost, the Manager will collect the shortfall from the investor.

Similarly, the Cash-in-Lieu Discount for Redemption is applied because, for securities using cash-in-lieu, the Manager will sell the securities. The actual selling price, less relevant transaction fees, may differ from the security's adjusted opening reference price on T Day. For operational efficiency, the Manager predetermines the Cash-in-Lieu Discount Ratio for Redemption in the Portfolio Composition File and disburses the cash-in-lieu amount accordingly. If the amount disbursed in advance is less than the actual proceeds from selling the securities, the Manager will refund the difference. Conversely, if the amount disbursed in advance is more than the actual proceeds, the Manager will collect the difference from the investor.

From T Day onwards, the Fund Manager will, upon receiving confirmation of creation transactions, purchase the substituted portion of the securities for creation sequentially based on the principles of "time priority, real-time declaration." Upon receiving confirmation of redemption transactions, the Fund Manager will sell the substituted portion of the securities for redemption sequentially based on the same principles. For transactions not completed on T Day, the Manager will complete the aforementioned transactions within two trading days (referred to as T+2 Day) after T Day, during which normal trading of the substituted constituent securities resumes.

The principle of "time priority" means that for transactions in the same direction (creation or redemption), those confirmed earlier take precedence over those confirmed later. The order is determined by the time the Shanghai Stock Exchange confirms the creation or redemption.

The principle of "real-time declaration" means that during the continuous auction session of the Shenzhen Stock Exchange, the Manager, based on the received confirmation records of creations and redemptions from the Shanghai Stock Exchange, submits trading orders for the substituted securities to the Shenzhen Stock Exchange in real-time, subject to the technical system's capabilities.

The Fund Manager makes no promises or guarantees regarding the execution efficiency of the "time priority, real-time declaration" principle. The calculation of the cash-in-lieu make-up payment shall be based on the actual transaction price and the stipulations of the Fund Prospectus.

On T Day, the Manager will determine the amount the Fund should refund to or collect from each creation investor sequentially based on the principle of "time priority." This means determining the difference between the cash-in-lieu amount and the actual purchase cost (including purchase price and transaction fees) of the substituted securities, in the order of creation time. The same principle applies to determining the amount the Fund should refund to or collect from each redemption investor, based on the difference between the cash-in-lieu amount and the actual sales proceeds (selling price less transaction fees) of the substituted securities, in the order of redemption time.

For the portion of substituted securities that were not purchased or sold on T Day due to trading suspension, insufficient liquidity, or other reasons, the Fund Manager may continue to buy and sell the substituted securities after T Day and determine the amount the Fund should refund to or collect from investors according to the aforementioned principles.

At the end of T+2 Day, if all substituted securities for creation have been purchased, the difference between the cash-in-lieu amount and the actual purchase cost (including purchase price and transaction fees) of the substituted securities will determine the amount the Fund should refund to or collect from the creation investor. If not all substituted securities have been purchased, the difference between the cash-in-lieu amount and the sum of the actual purchase cost (including purchase price and transaction fees) of the partially purchased substituted securities and the value of the unpurchased portion of the substituted securities (calculated based on the closing price on T+2 Day) will determine the amount to be refunded or collected.

At the end of T+2 Day, if all substituted securities for redemption have been sold, the difference between the cash-in-lieu amount and the actual sales proceeds (selling price less transaction fees) of the substituted securities will determine the amount the Fund should refund to or collect from the redemption investor. If not all substituted securities have been sold, the difference between the cash-in-lieu amount and the sum of the actual sales proceeds (selling price less transaction fees) of the partially sold substituted securities and the value of the unsold portion of the substituted securities (calculated based on the closing price on T+2 Day) will determine the amount to be refunded or collected.

Special Case: If, from T Day onwards, 20 trading days have passed on the Shenzhen Stock Exchange and the normal trading days for the security are less than 2 days, the amount the Fund should refund to or collect from the creation investor will be determined by the difference between the cash-in-lieu amount and the sum of the actual purchase cost (including purchase price and transaction fees) of the partially purchased substituted securities and the value of the unpurchased portion of the substituted securities (calculated based on the last closing price). Similarly, for redemption investors, the amount will be determined by the difference between the cash-in-lieu amount and the sum of the actual sales proceeds (selling price less transaction fees) of the partially sold substituted securities and the value of the unsold portion of the substituted securities (calculated based on the last closing price).

If there are any equity adjustments, such as dividend distribution, bonus share issuance (capitalisation), or rights issue, between the cash-in-lieu date (T Day) and T+2 Day (or the 20th trading day from T Day in the special case), corresponding adjustments will be made.

On the first business day after T+2 Day (or the 21st trading day from T Day in the special case), the Manager will send the details and summary data of the refunds and additional payments to the relevant Authorised Participants and the Custodian. The clearing and settlement of the relevant amounts will be completed within 3 business days thereafter.

4. Information on Estimated Cash Component

The Estimated Cash Component refers to the cash amount calculated by the Manager to facilitate the calculation of the IOPV and the pre-freezing of funds for investors who have submitted creation and redemption applications.

The Estimated Cash Component on T Day is announced in the Portfolio Composition File on T Day. Its calculation formula is as follows:

Estimated Cash Component on T Day = NAV of the Fund’s Creation Unit on T-1 Day - (Fixed Cash-in-Lieu Amount for "Cash-in-Lieu Required" Securities in the Portfolio Composition File + Sum of (Quantity of Each "Cash-in-Lieu Subject to Adjustment" Security in the Portfolio Composition File × Adjusted Opening Reference Price of the Corresponding Security on T Day) + Sum of (Quantity of Each "Cash-in-Lieu Optional" Security in the Portfolio Composition File × Adjusted Opening Reference Price of the Corresponding Security on T Day) + Sum of (Quantity of Each "Cash-in-Lieu Prohibited" Security in the Portfolio Composition File × Adjusted Opening Reference Price of the Corresponding Security on T Day))

If T Day is a dividend distribution date for the Fund, the "NAV of the Fund’s Creation Unit on T-1 Day" in the calculation formula should be reduced by the corresponding dividend distribution amount. The Estimated Cash Component may be positive, negative, or zero.

5. Information on Actual Cash Component

**The Cash Component on T Day is announced in the Portfolio Composition File on T+1 Day.** Its calculation formula is as follows:

Cash Component on T Day = NAV of the Fund’s Creation Unit on T Day - (Fixed Cash-in-Lieu Amount for "Cash-in-Lieu Required" Securities in the Portfolio Composition File + Sum of (Quantity of Each "Cash-in-Lieu Subject to Adjustment" Security in the Portfolio Composition File × Closing Price of the Corresponding Security on T Day) + Sum of (Quantity of Each "Cash-in-Lieu Optional" Security in the Portfolio Composition File × Closing Price of the Corresponding Security on T Day) + Sum of (Quantity of Each "Cash-in-Lieu Prohibited" Security in the Portfolio Composition File × Closing Price of the Corresponding Security on T Day))

**Investors conducting creation and redemption of Fund units on T Day will settle funds based on the Cash Component on T Day announced on T+1 Day.**

**The Cash Component may be positive, negative, or zero. During investor creation, if the Cash Component is positive, the investor shall pay the corresponding cash amount based on the number of Fund units created; if the Cash Component is negative, the investor will receive the corresponding cash amount based on the number of Fund units created. During investor redemption, if the Cash Component is positive, the investor will receive the corresponding cash amount based on the number of Fund units redeemed; if the Cash Component is negative, the investor shall pay the corresponding cash amount based on the number of Fund units redeemed.**

6. Format of the Portfolio Composition File

The format of the Portfolio Composition File is exemplified as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Basic Information** | | | | | | | |
| Date of Latest Announcement | | | 20\*\*-\*-\* (T Day) | | | | |
| Fund Name | | | X | | | | |
| Manager Name | | | China Asset Management Co., Ltd. | | | | |
| Fund Code | | | X | | | | |
| **Information as of Date (T-1 Day)** | | | | | | | |
| Cash Component (RMB) | | | X | | | | |
| Creation Unit NAV (RMB) | | | X | | | | |
| NAV per Unit (RMB) | | | X | | | | |
| **Information as of Date (T Day)** | | | | | | | |
| Estimated Cash Component (RMB) | | | X | | | | |
| Cash-in-Lieu Optional Ratio Cap | | | X | | | | |
| Creation Limit | | | X | | | | |
| Redemption Limit | | | X | | | | |
| IOPV Publication Required (Yes/No) | | | Yes | | | | |
| Creation Unit (Number of Fund Units) | | | X | | | | |
| Creation/Redemption Status | | | Permitted | | | | |
| **Information of Constituent Stocks as of Date (T Day)** | | | | | | | |
| Ticker | Stock abbreviation | Quantity | | Cash-in-Lieu Flag | Cash-in-Lieu Premium Ratio for Creation | Cash-in-Lieu Discount Ratio for Redemption | Cash-in-Lieu Amount |
| ...... | X | X | | X | X | X | X |

Notes: The above Portfolio Composition File is for illustrative purposes only. The actual published version shall prevail.

(VIII) Circumstances for Rejection or Suspension of Creation

The Manager may reject or suspend acceptance of creation applications from investors under the following circumstances:

1. The Fund is unable to operate normally due to Force Majeure.

2. When the circumstances stipulated in the Fund Contract regarding the suspension of valuation of Fund assets arise, the Manager may suspend the acceptance of investors' creation applications.

3. Abnormal trading halts at stock/futures exchanges prevent the Manager from calculating the daily NAV of the Fund.

4. The acceptance of a particular creation application or applications might impact or prejudice the interests of existing Fund Unitholders.

5. The Fund's asset scale becomes excessively large, making it impossible for the Manager to find suitable investment instruments, or other circumstances occur that may negatively impact the Fund's performance or harm the interests of existing Fund Unitholders.

6. If, on the previous valuation date, more than 50% of the NAV of the Fund comprises assets without a readily available active market price, and the use of valuation techniques still results in significant uncertainty in the fair value, the Manager shall, after consultation and confirmation with the Custodian, suspend the acceptance of creation applications for Fund units.

7. Relevant stock exchanges, futures exchanges, the Registrar, Authorised Participants, or securities brokerage firms are unable to process creation business due to abnormal circumstances.

8. The Manager, due to abnormal circumstances, fails to publish the Portfolio Composition File before the market opens, or discovers that the Portfolio Composition File is incorrectly prepared after the market opens, or discovers that the reference NAV per unit is incorrectly calculated after the market opens.

10. There is a significant change in the valuation of the investment classes in which the Fund invests.

10. Other circumstances stipulated by laws and regulations, or as determined by the CSRC or the Shanghai Stock Exchange.

When any of the circumstances described in items 1-3 and 5-10 above that warrant the suspension of creations arise, and the Manager decides to suspend the acceptance of investors' creation applications, the Manager shall promptly issue an announcement. If an investor's creation application is rejected, the rejected Creation Consideration will be returned to the investor. The Manager shall promptly resume processing creation transactions once the circumstances leading to the suspension of creation are resolved.

**(IX) Suspension of Redemption or Postponement of Payment of Redemption Consideration**

**Under the following circumstances, the Manager may suspend the acceptance of investors' redemption applications or postpone the payment of Redemption Consideration:**

**1. The Fund Manager is unable to pay the Redemption Consideration due to Force Majeure.**

**2. When the circumstances stipulated in the Fund Contract regarding the suspension of valuation of Fund assets arise, the Manager may suspend the acceptance of investors' redemption applications or postpone the payment of Redemption Consideration.**

**3. Abnormal trading halts at stock/futures exchanges prevent the Manager from calculating the daily NAV of the Fund.**

**4. If continuing to accept redemption applications would be detrimental to the interests of existing Fund Unitholders, the Manager may suspend the acceptance of Fund Unitholders' redemption applications.**

**5. If, on the previous valuation date, more than 50% of the NAV of the Fund comprises assets without a referenceable active market price, and the use of valuation techniques still results in significant uncertainty in the fair value, the Manager shall, after consultation and confirmation with the Custodian, postpone payment of the Redemption Consideration or suspend the acceptance of redemption applications.**

**6. There is a significant change in the valuation of the investment classes in which the Fund invests.**

**7. Other circumstances stipulated by laws and regulations or as determined by the CSRC or the Shanghai Stock Exchange.**

**When any of the aforementioned circumstances arise, and the Manager decides to suspend redemptions or postpone the payment of Redemption Consideration, the Manager shall promptly issue an announcement. The Manager shall promptly resume processing redemption transactions and make an announcement accordingly once the circumstances leading to the suspension of redemption are resolved.**

(X) Other Creation and Redemption Methods

1. The Manager may adjust the Fund's creation and redemption methods or the composition of Creation Consideration and Redemption Consideration, subject to compliance with laws and regulations and without materially adversely affecting the interests of Unitholders, with prior announcement.

2. An ETF feeder fund is an open-ended fund that invests the majority of its property in an ETF tracking the same underlying index, aiming to closely track the performance of the index while minimising tracking difference and tracking error. If the Fund launches a Feeder Fund, the Feeder Fund may use stocks or cash for special creations of Fund units without incurring creation fees.

3. When conditions permit, the Manager may introduce block creation. Provided that it does not materially adversely affect the interests of Fund Unitholders, the Manager has the right to formulate the relevant rules for block creation business.

4. Agencies designated by the Manager may provide other services in accordance with the Fund Contract, subject to a signed written agency agreement and announcement.

5. The Manager may, depending on specific circumstances and after completing the appropriate procedures, introduce off-exchange creation and redemption services for the Fund without the need to convene a Fund Unitholders' meeting. Specific arrangements, rules, and other relevant matters regarding off-exchange creations and redemptions will be announced separately at the appropriate time.

(XI) Conversion of Fund Units

To enhance trading convenience or as required (e.g., changes to the Index), the Manager may apply to the Registrar for a fund unit conversion and registration modification. After the fund unit conversion, the total number of Fund units and the number of Fund units held by Fund Unitholders will be adjusted. However, the proportion of Fund units held by each Fund Unitholder relative to the total number of Fund units will remain unchanged. The fund unit conversion will have no material impact on the interests of Fund Unitholders (except for gains or losses arising from the handling of fractional units). After the fund unit conversion, Fund Unitholders will enjoy rights and assume obligations in accordance with the adjusted number of Fund units held. The Fund Manager shall make necessary announcements regarding the specific details of the conversion and notify the Fund Custodian in advance.

(XII) Other Services Relating to Fund Units, such as Designation Transfer, Non-Trade Transfer, Pledge, Freezing, and Unfreezing

The Registrar may, according to laws and regulations and its business rules, accept applications for other services, such as designation transfer, non-trade transfer, freezing and unfreezing of Fund units, and charge certain service fees.

(XIII) If the Shanghai Stock Exchange and CSDC adjust or introduce new clearing, settlement, and registration models for Exchange Traded Funds and introduce new creation and redemption methods, the Manager has the right to adjust the Fund's clearing, settlement, and registration model and creation and redemption methods, or add new clearing, settlement, and registration models for the Fund and introduce new creation and redemption methods. Such changes will be disclosed through an announcement and updated in the Fund Contract and the Prospectus and its updates, without the need to convene a Fund Unitholders' meeting for deliberation.

(XIV) The Manager may, within the scope permitted by laws and regulations and without affecting the substantial interests of Fund Unitholders, supplement and adjust the aforementioned creation and redemption arrangements based on market conditions, subject to prior announcement.

# IX. Listing and Trading of Fund Units

(I) Listing of the Fund on the Shanghai Stock Exchange

Following the Fund Contract’s effectiveness, the Manager may apply to list the Fund on the Shanghai Stock Exchange (SSE) under the Rules Governing the Listing of Securities Investment Funds on the Shanghai Stock Exchange if the following conditions are met:

1. The on-exchange net asset value of the Fund is no less than RMB200 million;

2. The number of on-exchange Fund unitholders totals no fewer than 1,000;

3. Other requirements stipulated by the SSE are satisfied.

(II) Trading of the Fund on the Shanghai Stock Exchange

The listing and trading of the Fund on the Shanghai Stock Exchange are subject to the Trading Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities Investment Funds on the Shanghai Stock Exchange, the Implementing Rules of the Shanghai Stock Exchange for Exchange Traded Funds, and other relevant regulations.

(III) Calculation of Indicative Optimised Portfolio Value (IOPV)

The Manager will announce the Portfolio Composition File for the day before the opening of each trading day. After the market opens, China Securities Index Co., Ltd. will calculate the Indicative Optimised Portfolio Value (IOPV) of the Fund units based on the Portfolio Composition File and the real-time transaction data of each security in the portfolio. The calculation results will be sent to the Shanghai Stock Exchange for publication and are **only for investors' reference when trading, creating, or redeeming Fund units.** The specific calculation method of IOPV is as follows:

1. The calculation formula for the IOPV of Fund units is as follows:

IOPV of Fund Units = (Cash-in-lieu Amount Required in the Portfolio Composition File + Sum of the Product of the Number of Securities Subject to Cash Substitution Replenishment in the Portfolio Composition File and Their Latest Transaction Prices + Sum of the Product of the Number of Securities Permitted for Cash Substitution in the Portfolio Composition File and Their Latest Transaction Prices + Sum of the Product of the Number of Securities Prohibited from Cash Substitution in the Portfolio Composition File and Their Latest Transaction Prices + Estimated Cash Component in the Portfolio Composition File) / Number of Fund Units Corresponding to the Creation Unit.

2. The IOPV of Fund units shall be rounded to four decimal places.

3. The Fund Manager may adjust the calculation formula for the IOPV of Fund units and make an announcement accordingly.

(IV) Circumstances for Termination of Listing and Trading of the Fund on the Shanghai Stock Exchange

If any of the following circumstances arise after the Fund units are listed, the Shanghai Stock Exchange may terminate the listing of the Fund and report to the CSRC for record:

1. The Fund no longer meets the listing requirements stipulated in Section (I) of this Article;

2. The Fund Contract is terminated;

3. A resolution is passed at a Fund Unitholders' meeting to terminate the listing;

4. Other circumstances for termination of listing as stipulated in the Fund Contract;

5. Other circumstances where the Shanghai Stock Exchange deems it necessary to terminate the listing.

If the Fund no longer qualifies for listing due to reasons 1, 3, 4, or 5 above, and the Shanghai Stock Exchange terminates the listing, the Fund will be converted from an Exchange Traded Fund to an unlisted open-ended index fund tracking the Index. The Fund name will be changed accordingly to "ChinaAMC CSI A500 Index Securities Investment Fund" without the need to convene a Fund Unitholders' meeting. At that time, the Manager may change the Fund's Registrar and adjust the subscription and redemption business rules accordingly. Specific arrangements for the Fund's conversion will be disclosed in relevant announcements issued by the Manager at the appropriate time.

(V) If there are adjustments to the relevant laws and regulations, CSRC regulations, and rules related to the listing and trading of the Fund, or to the content of the business rules of the Shanghai Stock Exchange, the Fund Contract and Prospectus shall be amended accordingly to comply with the new regulations, and this amendment shall not require a Fund Unitholders' meeting.

(VI) If the Shanghai Stock Exchange and CSDC introduce new functions for the listing and trading of funds, the Manager may, after completing the appropriate procedures, add corresponding functions without the need to convene a Fund Unitholders' meeting.

(VII) Without violating laws and regulations and without prejudice to the interests of Fund Unitholders, the Fund may apply for listing on other stock exchanges, including overseas exchanges, without the need to convene a Fund Unitholders' meeting.

(VIII) In case of any discrepancy between the above and the provisions of laws and regulations, regulatory authorities, and the Shanghai Stock Exchange regarding the listing of the Fund, the latter shall prevail.

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# X. Fund Investments

(I) Investment Objective

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. It also aims to maintain the daily tracking difference at not more than 0.2% and the annual tracking error at not more than 2%.

(II) Scope of Investment

The Fund primarily invests in constituent stocks and alternative constituent stocks of the Index. In order to better achieve its investment goals, the fund can also invest in non-constituent stocks (including STAR Market, ChiNext, depositary receipts, and other stocks registered or approved for listing by the CSRC), bonds (including government bonds, central bank bills, financial bonds, enterprise bonds, corporate bonds, medium-term notes, short-term financing bonds, ultra-short-term financing bonds, subordinated bonds, local government bonds, convertible bonds, convertible bonds and other bonds permitted by the CSRC), financial derivatives (including stock index futures, stock options, treasury bond futures, etc.), asset-backed securities, money market instruments (including negotiable certificate of deposits, bond repurchases, etc.), bank deposits, and other financial instruments permitted by laws and regulations or the CSRC for the fund to invest in. The Fund may participate in margin trading and CSF securities lending business in compliance with laws and regulations.

Should the relevant laws, regulations, or regulatory authorities permit other types of financial instruments to be invested in by funds, subject to the Manager completing appropriate procedures, such financial instruments may be included in the Fund’s investment scope.

Investment portfolio composition: The Fund shall invest no less than 90% of its NAV in constituent stocks and alternate constituents of the underlying index, with such holdings comprising at least 80% of non-cash Fund assets. At the end of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock option contracts, the Fund shall maintain cash of not less than the margin amount. Cash excludes settlement deposits, refundable deposits, Creation Consideration, etc.

If laws, regulations, or regulatory authorities change the investment proportion limits for investment instruments, the Manager may adjust the investment proportions of the aforementioned investment instruments after fulfilling appropriate procedures.

(III) Investment Strategies

The Fund mainly adopts a full replication strategy and an appropriate substitution strategy to better track the Index and achieve the Fund's investment objectives.

1. Full Replication Strategy

The Fund mainly employs a full replication approach, which involves constructing the Fund's stock portfolio based on the constituent stocks and their respective weightings in the Index. The stock portfolio will be adjusted accordingly based on changes in the constituent stocks and their weightings in the Index.

2. Substitution Strategy

When special circumstances prevent the Fund from fully investing in Index constituent stocks, the Manager may employ other index investing techniques, including a constituent stock substitution strategy, to adjust the Fund's investment portfolio appropriately to closely track the Index. Special circumstances include but are not limited to: (1) restrictions imposed by laws and regulations; (2) severe illiquidity of Index constituent stocks; (3) prolonged suspension of trading of Index constituent stocks; (4) Index constituent stocks undergoing rights issues, placements, or mergers; (5) Index constituent stocks distributing cash dividends; (6) regular or temporary Index rebalancing; (7) changes in the Index compilation methodology; (8) other stocks deemed unsuitable for investment by the Manager or other reasonable grounds that may restrict the Fund from tracking the Index.

3. Depositary Receipt Investment Strategy

For depositary receipt investments, the Fund will, based on thorough research, select appropriate depositary receipts as investment targets through qualitative and quantitative analysis.

4. Financial Derivatives Investment Strategy

To better achieve the investment objectives, the Fund also has the right to invest in stock index futures, stock options, and treasury bond futures.

The Fund's participation in stock index futures trading shall be based on the principle of risk management and for hedging purposes. On this basis, the Fund will primarily select highly liquid and actively traded derivative contracts to improve investment efficiency and better track the Index.

The Fund’s participation in stock options transactions shall adhere to risk management principles, primarily for hedging purposes. The Manager will, under the principle of prudence, establish an options trading decision-making department or team, and authorise specific management personnel to be responsible for the approval of options investments to prevent risks associated with options investment.

The Fund's participation in treasury bond futures trading shall be based on the principle of risk management and for hedging purposes. The Manager will fully consider the liquidity and risk-return characteristics of treasury bond futures and, under the premise of controllable risk, participate in treasury bond futures investment appropriately.

5. Bond Investment Strategy

The Fund utilises active management strategies such as duration adjustment strategy, yield curve placement strategy, bond category placement strategy and spread rotation strategy based on the expected trend of market interest rate, and conducts rigorous research to identify the undervalued bonds and market investment opportunities so as to build a bond portfolio with stable income and good liquidity.

6. Convertible Bond and Exchangeable Bond Investment Strategy

The Fund will conduct in-depth analysis and research on the underlying stocks of convertible bonds and exchangeable bonds, focusing on convertible bonds and exchangeable bonds of listed companies with good profitability or growth prospects. The Fund will invest when the corresponding convertible bonds and exchangeable bonds are reasonably valued, to benefit from the appreciation of the underlying stocks. At the same time, the Fund will closely monitor the listed companies’ operating performance, evaluating their financial stress, financing arrangements, and future investment plans. These assessments, combined with on-site due diligence, will help determine the likelihood of conversion price adjustments and the probability of conversion option exercise.

7. Asset-Backed Securities Investment Strategy

The Fund will select undervalued asset-backed securities categories or individual securities for investment and reduce the credit risk, prepayment risk, interest rate risk, and liquidity risk of the portfolio's investment in asset-backed securities through diversification of maturities and types. At the same time, the Fund will rely on a disciplined investment process and an integrated risk budget mechanism to control and improve the risk-adjusted return of the investment portfolio.

8. Margin Financing and CSF Securities Lending Investment Strategy

When conditions permit and under the premise of controllable risk, the Fund will, adhering to the principle of prudence, appropriately participate in margin financing and CSF Securities Lending.

The Fund will use margin financing to purchase securities as a portfolio liquidity management tool, improving the efficiency of the Fund's capital utilisation to meet liquidity needs such as spot transactions, futures transactions, and redemption payments.

To better achieve the investment objectives, while strengthening risk prevention and adhering to the principle of prudence, the Fund may participate in CSF Securities Lending according to investment management needs. The Fund will, based on an analysis of market conditions, investor types and structure, the Fund's historical creation and redemption status, and the liquidity of the securities lent out, reasonably determine the scope, duration, and proportion of securities lending.

In the future, with the development and enrichment of securities market investment instruments, the Fund may, without changing the investment objectives and the Fund's risk-return characteristics, and in accordance with the provisions of laws and regulations, adjust and update the relevant investment strategies accordingly after completing the appropriate procedures, and announce them in the Prospectus updates.

(IV) Investment Restrictions

1. Portfolio Restrictions

The Fund's investment portfolio shall be subject to the following restrictions:

(1) The fund invests not less than 90% of NAV the underlying index’s constituent stocks and other stocks in its equity universe, and such investments shall not be less than 80% of its non-cash fund assets;

(2) The Fund's investment in various asset-backed securities of the same original beneficiary shall not exceed 10% of the Fund NAV;

(3) The market value of all asset-backed securities held by the Fund shall not exceed 20% of the Fund NAV;

(4) The proportion of the same asset-backed securities (with the same credit rating) held by the Fund shall not exceed the 10% of the total scale of such asset-backed securities;

(5) The capital amount invested by all funds managed by the Fund Manager in the various asset-backed securities of the same originator shall not exceed 10% of the total scale of all asset-backed securities;

(6) The Fund shall invest in asset-backed securities with a credit rating of BBB or above. If the credit rating of an asset-backed security held by the Fund falls and no longer meets such investment standard, the Fund shall sell all of holdings in such security within three months from the date of issuance of the rating report;

(7) When the Fund's property participates in the initial public offering of stocks, the amount subscribed by the Fund shall not exceed the total assets of the Fund, and the number of shares subscribed by the Fund shall not exceed the total number of shares issued by the issuer in the offering;

(8) The Fund’s outstanding balance from bond reverse repurchase agreements or repurchase agreements shall not exceed 40% of its NAV on the preceding day, and the maximum term for bond repurchase transactions shall not exceed one year;

(9) The market value of assets with restricted liquidity in which the Fund proactively invested shall not exceed 15% of the Fund NAV; In the event that this investment limit is violated due to factors beyond the Manager’s control, e.g. securities market fluctuations, suspension of trading of listed companies' stocks, and changes in fund size, the Manager shall not proactively increase investment in such assets with restricted liquidity;

(10) When the Fund engages in reverse repurchase transactions with private securities investment fund products and other entities recognised by the CSRC as counterparties, the requirements on the qualifications of acceptable collaterals shall be consistent with the investment scope stipulated in the Fund Contract;

(11) At the end of any trading day, the value of long stock index futures held by the Fund shall not exceed 10% of the Fund’s NAV; at the end of any trading day, the value of the short stock index futures contracts shall not exceed 20% of the total market value of stocks held by the Fund; the trading volume of the stock index futures contract traded (excluding closing out) within any trading day shall not exceed 20% of the Fund’s NAV on the previous trading day;

(12) At the end of any trading day, the value of long government bond futures held by the Fund shall not exceed 15% of the Fund’s NAV; at the end of any trading day, the value of the short government bond futures contracts held by the Fund shall not exceed 30% of the total market value of stocks held by the Fund; the trading volume of the government bond futures contract traded (excluding closing out) within any trading day shall not exceed 30% of the Fund’s NAV on the previous trading day;

(13) At the close of any trading day, the aggregate value of long positions in stock index futures and treasury bond futures contracts, combined with the market value of securities, shall not exceed 100% of the Fund's NAV. In this context, securities refer to stocks, bonds (excluding government bonds with a maturity date within one year), asset-backed securities, financial assets purchased under resale agreements (excluding pledged repos), and similar instruments. At the close of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock option contracts, the Fund shall maintain a cash balance not less than the margin amount;

(14) The total amount of premium paid and collected in an open option contract shall not exceed 10% of the Fund’s NAV; if a call option is written and sold, the full amount of underlying securities shall be held by the Fund; if a put option is written and sold, the full amount of cash required for the exercise of the contract or the cash equivalent that can offset option margin approved by the exchange’s rules shall be held; the face value of open option contracts shall not exceed 20% of the Fund’s NAV; with the notional value calculated as the strike price multiplied by the contract multiplier;

(15) The Fund’s gross asset shall not exceed 140% of the Fund NAV;

(16) At the close of any trading day, the aggregate market value of stocks purchased on margin and other securities held by the Fund shall not exceed 95% of the Fund's NAV;

(17) The Fund's participation in CSF Securities Lending shall adhere to the following requirements:

A. The assets lent out shall not exceed 30% of the Fund's NAV, and securities lent out for a period exceeding 10 trading days shall be classified as illiquid securities as defined in the Liquidity Risk Management Provisions;

B. The amount of a single security lent out in the lending transactions shall not exceed 30% of the total amount of that security held by the Fund;

C. The average daily NAV of the Fund over the preceding six months shall not be less than RMB200 million;

D. The weighted average remaining term of the Fund's participation in securities lending, calculated on a market value-weighted basis, shall not exceed 30 days;

(18) The investment limit for depositary receipts shall be subject to the same restrictions as domestically listed and traded stocks, and shall be calculated in aggregation with domestically listed and traded stocks;

(19) Other investment restrictions as stipulated by laws, regulations, and the CSRC, as well as the Fund Contract.

Except under items (6), (9), (10), and (17) above, if the investment percentages deviate from the aforementioned provisions due to factors beyond the Manager’s control, such as securities/futures market fluctuations, mergers of securities issuers, changes in fund scale, adjustments to the constituents of the Index, or liquidity restrictions on constituents of the Index, the Fund Manager shall make adjustments within 10 trading days, unless otherwise stipulated by the CSRC for special circumstances. If the Fund's investments fail to comply with the provisions of (17) above due to factors beyond the Manager's control, such as securities market fluctuations, listed company mergers, or changes in Fund scale, the Fund Manager shall not engage in new securities lending transactions. Where otherwise stipulated by laws and regulations, such stipulations shall prevail.

The Manager shall, within 6 months from the effective date of the Fund Contract, make the investment portfolio proportion of the Fund conform to the relevant provisions of the Fund Contract. During the above period, the investment scope and investment strategy of the Fund shall abide by the provisions of the Fund Contract. The Custodian shall commence supervision and inspection of the Fund's investments from the effective date of the Fund Contract.

If the above investment portfolio proportion restrictions are changed by laws and regulations, the Manager may adjust the provisions on investment proportion restrictions accordingly after performing appropriate procedures. If laws and regulations or regulatory authorities remove the aforementioned restrictions, and if applicable to the Fund, the Fund Manager, after completing the appropriate procedures, will no longer be subject to such restrictions, and the Fund will automatically comply with the then-effective laws and regulations or regulatory provisions.

2. Prohibited Activities

In protect the legitimate rights and interests of Unitholders, the Fund’s assets shall not be used for the following investments or activities:

(1) To engage in securities underwriting;

(2) To provide loans or guarantees to third parties;

(3) Trading in units of other funds, unless otherwise permitted by the CSRC.

(4) To engage in any investments which may result in the Fund being subject to unlimited liabilities;

(5) To make capital contribution to the Manager or the Custodian;

(6) Engaging in insider trading, manipulating securities prices, or other improper securities trading activities;

(7) Other activities prohibited by any law or administrative regulation or the provisions of CSRC.

If any of the aforementioned prohibitions are rescinded or amended by any law, administrative regulation, or the relevant regulatory authorities, the Fund may, after the Manager completes the appropriate procedures, disregard the relevant restrictions or adhere to the amended regulations.

When the Manager uses Fund assets to purchase securities issued by the Manager, the Custodian, their controlling shareholders, actual controllers, or companies with which they have a material interest, or securities underwritten during the underwriting period, or engages in other material related-party transactions, it shall comply with the Fund's investment objectives and investment strategies, follow the principle of prioritising the interests of the Fund Unitholders, prevent conflicts of interest, establish sound internal approval and evaluation mechanisms, and execute transactions at fair market prices. Such transactions must obtain prior consent from the Custodian and be disclosed in accordance with laws and regulations. Material related-party transactions shall be submitted to the Manager's Board of Directors for review and approved by at least two-thirds of the independent directors. The Manager’s Board of Directors shall conduct reviews of all related-party transactions at least semi-annually.

(V) Underlying Index

1. The Fund’s underlying index is the CSI A500 Index.

If the Index ceases to meet the requisite criteria (except in cases where changes in constituent stock prices or other alterations to the index compilation methodology cause the Index to fall short of the requirements), the index provider withdraws, or other such circumstances arise, the Manager shall, within ten business days of the event, report to the CSRC and propose a solution, such as converting the Fund's operation method, merging with another fund, or terminating the Fund Contract. The Manager shall convene a Fund Unitholders’ meeting within six months to vote on the proposed solution. If the Fund Unitholders' meeting is not successfully convened or the proposed solution fails to pass, the Fund Contract shall be terminated.

Between the cessation of the Index's compilation and publication by the index provider and the finalisation of a solution, the Manager shall maintain the Fund's investment operations in accordance with the most recently available index information provided by the index provider, adhering to the principle of prioritising the interests of the Fund Unitholders.

During the operation of the Fund, if a constituent stock of the Index experiences significant negative events and faces delisting or default risks prior to any index provider adjustments, the Manager will promptly adjust the relevant holdings after completing internal decision-making procedures, in accordance with the principle of prioritising Unitholder interests.

If laws and regulations or regulatory authorities stipulate otherwise, those stipulations shall apply.

2. CSI 500 Index

For details of the index compilation methodology, please refer to the Appendix of the Prospectus. Investors can access index information at http://www.csindex.com.cn.

(VI) Benchmark

The Fund's performance benchmark is the return of the Index, namely the CSI A500 Index.

(VII) Risk and Return Characteristics

The Fund is an equity fund, carrying higher expected risks and expected returns than hybrid funds, bond funds, and money market funds.

(VIII) Principles and Methods for the Manager to Exercise Shareholder or Creditor Rights on Behalf of the Fund

1. The Manager shall independently exercise shareholder or creditor rights on behalf of the Fund in accordance with relevant national regulations, so as to protect the interests of the Fund Unitholders;

2. The Manager shall not seek to control listed companies;

3. The Manager shall act in a manner that is conducive to the security and appreciation of the Fund's properties;

4. The Manager shall not engage in related-party transactions to seek any undue benefit for itself, its employees, its authorised agents, or any third party with a conflict of interest.

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# XI. Property of the Fund

(I) Total Asset Value of the Fund

The Total Asset Value of the Fund refers to the total value of all marketable securities, bank deposits (principal and interest), receivables from creations, and other assets owned by the Fund.

(II) Net Asset Value of the Fund

The NAV of the Fund refers to the value obtained by subtracting the Fund's liabilities from the Total Asset Value of the Fund.

(III) Accounts for the Fund’s Property

The Custodian shall open capital accounts, securities accounts, futures settlement accounts, and other dedicated accounts required for investment for the Fund in accordance with relevant laws and regulations and normative documents. The Fund's dedicated accounts shall be independent from the proprietary accounts of the Manager, the Custodian, securities/futures brokerage firms, the Sales Institutions, and the Registrar, as well as from other accounts for the Fund's property.

(IV) Custody and Disposal of the Fund’s Property

The Fund's property is legally distinct from that of the Manager, the Custodian, securities/futures brokerage firms, and the Sales Institutions, and is held under the custody of the Custodian. The Manager, the Custodian, securities/futures brokerage firms, the Registrar, and the Sales Institutions shall bear their respective legal responsibilities with their own property, and their creditors shall not have the right to freeze, seize, or exercise other rights over the Fund's property. Except as provided by laws and regulations, and the Fund Contract, the Fund's property shall not be disposed of.

If the Manager or the Custodian is liquidated due to legal dissolution, revocation, or bankruptcy, the Fund's property shall not be part of their liquidation property. Claims arising from the management and operation of the Fund's property by the Manager shall not be offset against debts arising from their own assets; claims and debts arising from the management and operation of different funds' properties by the Manager shall not be offset against each other. No enforcement action shall be taken against the Fund's property for debts not attributable to the Fund's property itself.

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# XII. Valuation of Fund Assets

(I) Valuation Days

The Fund's valuation days are the trading days of the relevant securities trading venues and non-trading days on which the NAV of the Fund shall be disclosed according to laws and regulations.

(II) Valuation Objects

The valuation objects are the stocks, depositary receipts, bonds, principal and interest on bank deposits, receivables, asset-backed securities, financial derivatives, other investments, and liabilities owned by the Fund.

(III) Valuation Principles

When determining the fair value of relevant financial assets and liabilities, the Manager shall comply with the Enterprise Accounting Standards and relevant regulations issued by regulatory authorities.

1. For investment products with active markets and available price quotes for identical assets or liabilities, if a price quote is available on the valuation day, it shall be applied without adjustment to the fair value measurement of the asset or liability, except as otherwise provided in the Enterprise Accounting Standards. If no price quote is available on the valuation day and no significant event affecting the fair value measurement has occurred since the most recent trading day, the price quote from the most recent trading day shall be used to determine the fair value. If there is sufficient evidence that the price quote on the valuation day or the most recent trading day does not accurately reflect the fair value, the quote should be adjusted to determine the fair value.

For investment products that are identical to those mentioned above but have different characteristics, the fair value of the identical asset or liability shall be used as a basis, and the impact of the different characteristics shall be considered in the valuation techniques. Characteristics refer to restrictions on the sale or use of an asset. If the restriction is specific to the asset holder, it should not be considered a characteristic in the valuation techniques. In addition, the Manager shall not consider any premium or discount arising from its large holdings of the relevant asset or liability.

2. For investment products without active markets, valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and other information shall be used to determine the fair value. When using valuation techniques to determine fair value, observable inputs shall be prioritised. Unobservable inputs shall only be used when observable inputs for the relevant asset or liability are unavailable or their acquisition is not feasible.

3. If significant changes in the economic environment or significant events affecting the price of securities issued by the issuer occur, and the potential valuation adjustment has an impact of 0.25% or more on the NAV of the Fund on the previous valuation day, the valuation shall be adjusted to determine the fair value.

(IV) Valuation Methods

1. Valuation of Listed Securities

(1) Securities listed on exchanges (including stocks) shall be valued at the market price (closing price) listed on the securities exchange on the valuation day. If there is no trading on the valuation day and no significant change in the economic environment or no significant event affecting the security price has occurred since the most recent trading day, the market price (closing price) of the most recent trading day shall be used. If a significant change in the economic environment or a significant event affecting the security price has occurred since the most recent trading day, the current market price of similar investment products and the significant change factors may be referenced to adjust the most recent trading market price and determine the fair price.

(2) Fixed-income securities without embedded options that are listed for trading or quoted for transfer on exchanges shall be valued at the full price provided by a third-party valuation agency for the corresponding product on the valuation day.

(3) Fixed-income securities with embedded options that are listed for trading or quoted for transfer on exchanges shall be valued at the single full price or the recommended full price provided by a third-party valuation agency for the corresponding product on the valuation day.

(4) For publicly issued convertible bonds with active markets and other bonds with conversion rights that are listed for trading on exchanges, those with full-price trading shall be valued at the closing price on the valuation day; those with net-price trading shall be valued at the closing price on the valuation day plus the accrued interest before tax per RMB100.

(5) Marketable securities that are listed on exchanges and have no active market shall be valued at a fair value determined by the valuation techniques. Asset-backed securities that are quoted for transfer on the exchange market shall be valued using valuation techniques to determine their fair value.

2. Unlisted securities shall be dealt with in the following manner:

(1) New shares issued through bonus issues, stock dividends, rights issues, and public offerings shall be valued using the same valuation method as the same shares listed on the securities exchange on the valuation day. If there is no trading on that day, the market price (closing price) of the most recent trading day shall be used.

(2) Stocks and bonds that are initially offered to the public but not yet listed shall be valued using valuation techniques.

(3) For stocks with a specified lock-up period at the time of issuance, including but not limited to non-publicly offered shares, publicly offered stocks with a certain lock-up period, shares publicly offered by company shareholders during an initial public offering, and stocks with a lock-up period obtained through block trades, excluding restricted stocks such as those under trading suspension, newly issued but not yet listed, or pledged as collateral in repo transactions, the fair value shall be determined in accordance with the relevant regulations of regulatory authorities or industry associations.

(4) For fixed-income securities that are issued but not listed or quoted for transfer on the exchange market, if an active market exists, the unadjusted price quote in the active market shall be used as the fair value on the valuation day. If the active market quote does not represent the fair value on the valuation day, the market quote shall be adjusted to confirm the fair value on the valuation day. If there is no market activity or very little market activity, valuation techniques shall be used to determine the fair value.

3. For fixed-income securities without embedded options in the national interbank market, the full price provided by a third-party valuation agency for the corresponding product on the valuation day shall be used for valuation. For fixed-income securities with embedded options in the interbank market, the single full price or the recommended full price provided by a third-party valuation agency for the corresponding product on the valuation day shall be used for valuation. For fixed-income securities that are not listed or quoted for transfer and have no active market, valuation techniques shall be used to determine their fair value.

4. For fixed-income securities with investor put options, if the put option is exercised, the single full price or the recommended full price provided by a third-party valuation agency for the corresponding product shall be used for valuation from the put registration date to the actual payment date. If the put option is not exercised after the end of the put registration period (inclusive), the price corresponding to the longer remaining maturity shall be used for valuation.

5. For a bond where the issuer is bankrupt, the issuer fails to pay the principal or interest in full and on time, or there is other reliable information indicating that the principal or interest cannot be paid in full and on time, the third-party valuation agency may provide a price range as a reference for fair value along with the recommended price, as well as relevant reminders of significant uncertainties in the fair value. The Manager, in consultation with the Custodian, may use the data within the price range as the fair value of the bond.

6. The full price provided by the aforementioned third-party valuation agencies refers to the full price directly provided by the third-party valuation agency or the net price provided by the third-party valuation agency plus the accrued interest per RMB100.

7. Valuation method for deposits

Bank time deposits or call deposits held are presented at their principal value, and interest income is recognised daily based on the agreed or contractual interest rate.

8. Valuation method for investment in securities derivatives

(1) Stock index futures contracts and treasury bond futures contracts are generally valued at the settlement price on the valuation day. If there is no settlement price on the valuation day and no significant change in the economic environment has occurred since the most recent trading day, the settlement price of the most recent trading day is used.

(2) When the Fund invests in stock options, it shall be valued according to relevant laws and regulations and the rules of regulatory authorities.

9. If the same security is traded on two or more markets, it shall be valued separately according to the market in which it is traded.

10. Valuation of the Fund's investments in depositary receipts shall be conducted in accordance with the practices for domestically listed and traded shares.

11. If there is conclusive evidence that the valuation methods mentioned above cannot objectively reflect the fair value, the Manager may, in consultation with the Custodian, value the assets at a price that best reflects their fair value based on the specific circumstances.

12. When the Fund participates in margin financing and CSF Securities Lending, it shall be valued in accordance with the relevant regulations of the industry association to ensure the fairness of the valuation.

13. Tax treatment shall follow relevant laws, regulations, regulatory requirements, and industry practices.

14. Other assets shall be valued in accordance with laws and regulations or relevant rules of regulatory authorities.

15. The Fund may use valuation price data provided by third-party valuation agencies in accordance with the aforementioned principles for determining fair value.

16. In case of any mandatory provisions in relevant laws and regulations or by regulatory authorities, such provisions shall prevail. In case of any new matters, the valuation shall be conducted in accordance with the latest state regulations.

If the Manager or the Custodian discovers that the Fund’s valuation violates any valuation methods or procedures stipulated in the Fund Contract or the provisions of relevant laws and regulations or fails to fully safeguard the interests of Fund Unitholders, they shall immediately notify each other to jointly investigate the reasons and resolve the issue through consultation.

According to relevant laws and regulations, the Manager is responsible for calculating the NAV of the Fund and performing fund accounting. The Manager serves as the party responsible for the Fund's accounting. Therefore, where the parties fail to reach agreement on Fund accounting matters following thorough discussions on equal terms, the Manager's calculations of the Fund's NAV shall be publicly disclosed.

(V) Valuation Procedures

1. The NAV per Unit is calculated after the close of each business day as the Fund’s NAV divided by the total number of units in circulation, rounded to four decimal places (0.0001), with rounding errors allocated to the Fund’s assets. Where State provisions specify otherwise, such provisions shall prevail.

The Manager calculates the Fund’s NAV and NAV per Unit on each business day and disclose these figures in accordance with applicable regulations.

2. The Manager shall conduct a Valuation of Fund Assets on each business day, except when the Fund Manager suspends valuation in accordance with laws and regulations or the Fund Contract. After the Manager conducts valuation of Fund assets each business day, the NAV per Unit results shall be sent to the Custodian. After the Custodian verifies and confirms the results, the Manager shall publicly announce the results.

(VI) Handling of Valuation Errors

The Manager and the Custodian will take necessary, appropriate, and reasonable measures to ensure the accuracy and timeliness of the valuation of Fund assets. When a valuation error occurs in the NAV per Unit within four decimal places (inclusive), it is considered a valuation error.

The Parties to the Fund Contract shall handle such errors as follows:

1. Types of Valuation Errors

During the operation of the Fund, if a valuation error occurs due to the fault of the Manager, the Custodian, the Registrar, Sales Institutions, or investors themselves, causing losses to other parties, the responsible party shall compensate the affected party (“the Damaged Party”) for direct losses incurred due to the valuation error according to the following “Principles of Handling Valuation Errors.”

Common valuation errors include, but are not limited to: misreported data, transmission errors, computational inaccuracies, system failures, or erroneous instructions.

2. Principles of Handling Valuation Errors

(1) If a valuation error has occurred but has not yet caused losses to any party, the party responsible for the valuation error shall promptly coordinate with all parties to correct the error in a timely manner. The costs incurred in correcting the valuation error shall be borne by the party responsible for the valuation error. If the party responsible for the valuation error fails to correct the valuation error in a timely manner, resulting in losses to any party, the party responsible for the valuation error shall be liable for compensation for direct losses. If the party responsible for the valuation error has actively coordinated, and the party obliged to assist has sufficient time to make corrections but fails to do so, the latter shall bear the corresponding liability for compensation.

(2) The party responsible for the valuation error shall be liable for the direct losses of the relevant parties, but not for indirect losses, and shall only be liable to the relevant direct parties to the valuation error, not to any third party.

(3) Any party that has gained undue benefits due to a valuation error shall be obligated to return the undue benefits in a timely manner. However, the party responsible for the valuation error shall still be liable for the valuation error. If the party that has gained undue benefits fails to return or fully return the undue benefits, causing losses to the interests of other parties (“the Damaged Party”), the party responsible for the valuation error shall compensate the Damaged Party for their losses. Within the scope of the compensation paid, the party responsible for the valuation error shall have the right to demand the return of the undue benefits from the party that has gained them. If the party that has gained undue benefits has already returned the undue benefits to the Damaged Party, the Damaged Party shall pay the difference by which the sum of the total amount of compensation received and the undue benefits returned exceeds their actual losses to the party responsible for the valuation error.

(4) The adjustment of valuation errors shall be made in a manner that, to the extent possible, restores the situation to what it would have been had the valuation error not occurred.

3. Procedures of Handling Valuation Errors

After a valuation error is discovered, the relevant parties shall handle it in a timely manner according to the following procedures:

(1) Identify the cause of the valuation error, list all parties involved, and determine the party responsible for the valuation error based on the cause;

(2) Assess the losses caused by the valuation error based on the Principles of Handling Valuation Errors or methods agreed upon by the parties;

(3) The party responsible for the valuation error shall make corrections and compensate for the losses based on the Principles of Handling Valuation Errors or methods agreed upon by the parties;

(4) Where the error handling method requires the modification of transaction data in the Registrar, the Registrar shall make corrections accordingly.

4. Methods of Handling Net Asset Value per Unit Valuation Errors

(1) If an error occurs in the calculation of the NAV per Unit, the Manager shall immediately correct it, notify the Custodian, and take reasonable measures to prevent further losses.

(2) When the error deviation reaches 0.25% of the NAV per Unit, the Manager shall notify the Custodian and report to the CSRC for record. When the error deviation reaches 0.5% of the NAV per Unit, the Manager shall make an announcement and report to the CSRC for record.

(3) When an error in the calculation of the NAV per Unit results in losses to the Fund and Fund Unitholders requiring compensation, the Manager and the Custodian shall, based on the actual circumstances, determine their respective responsibilities and, upon confirmation, provide compensation in accordance with the following provisions:

(a) The Manager shall be responsible for the Fund's accounting. If the Manager and the Custodian cannot reach an agreement on accounting matters related to the Fund after thorough discussion on an equal basis, the Manager's recommendation shall be followed. The Manager shall be responsible for compensating any losses incurred by the Fund Unitholders and the Fund's assets as a result.

(b) If the NAV per Unit calculated by the Manager has been reviewed and confirmed by the Custodian before being announced, and losses are incurred by the Fund Unitholders as a result, compensation shall be paid to the investors or the Fund in accordance with the provisions of laws and regulations. The Manager and the Custodian shall each bear their respective responsibilities for the actual amount of compensation paid to the investors or the Fund based on the degree of their fault.

(c) If the Manager and the Custodian are unable to reach an agreement on the calculation of the NAV per Unit despite multiple recalculations and verifications, the Manager's calculation shall be announced to avoid the situation where the NAV per Unit cannot be announced on time. The Manager shall be responsible for compensating any losses incurred by the Fund Unitholders and the Fund as a result.

(d) If an error in the calculation of the NAV per Unit is caused by incorrect information provided by the Manager (including but not limited to the amount of creations or redemptions), resulting in losses to the Fund Unitholders and the Fund's assets, the Manager shall be responsible for compensation.

(4) If laws and regulations or regulatory authorities stipulate otherwise regarding the above contents, those stipulations shall apply.

(VII) Circumstances for Suspension of Valuation

1. When the securities/futures markets in which the Fund invests are closed for statutory holidays or other reasons;

2. When the Manager or the Custodian is unable to accurately assess the value of Fund assets due to Force Majeure;

3. When there is no referenceable active market price for more than 50% of the NAV of the Fund as of the previous valuation date, and the use of valuation techniques still results in significant uncertainty in the fair value, the Manager shall suspend the valuation of the Fund after consultation with and confirmation from the Custodian;

4. Other circumstances as determined by laws and regulations, the CSRC, and the Fund Contract.

(VIII) Confirmation of the Fund's NAV

The Manager calculates the NAV, with verification by the Custodian. The Manager shall calculate the NAV of the Fund and the NAV per Unit on each business day after the close of trading and send them to the Custodian. The Fund Custodian shall review and confirm the net asset value calculation results and send them to the Fund Manager, who shall then publish the Net Asset Value of the Fund.

(IX) Handling of Special Circumstances

1. Any discrepancy arising from the Manager or the Custodian conducting valuation in accordance with Item 11 under Valuation Methods shall not be treated as a valuation error.

2. In the event that errors arise from data transmitted by securities exchanges, futures exchanges, China Securities Depository and Clearing Corporation, the index provider, securities/futures brokerage firms or third-party valuation institutions, or due to changes in accounting standards or other force majeure events, and notwithstanding that the Manager and the Custodian have taken necessary, appropriate and reasonable verification measures, any errors in the calculation of the NAV per Unit—whether due to failure to detect, inability to prevent, or failure to correct an error in a timely manner—shall exempt the Manager and the Custodian from liability. The Manager and Custodian shall nonetheless take necessary measures to mitigate or eliminate the error’s impact.

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# XIII. Fund Income and Distribution

(I) Principles of Fund Income Distribution

1. Each Fund unit shall have equal distribution rights.

2. The Manager may assess the Fund’s excess return relative to the benchmark index on the last trading day of February, May, August, and November each year. If the Fund’s cumulative return, as verified on the assessment date, exceeds the benchmark index’s cumulative return over the same period, a distribution may be made;

3. Subject to meeting dividend distribution requirements, the Manager may distribute income based on actual circumstances. Specific distribution plans will be announced in due course. Based on the nature and characteristics of the Fund, the Fund's income distribution does not require making up for losses, and the NAV per Unit may fall below par value after the income distribution;

4. Income distribution may not be carried out if the Fund Contract has been in effect for less than three months;

5. The Fund's income distribution shall be made in cash;

6. If laws and regulations, regulatory authorities, the Registrar, or the Shanghai Stock Exchange stipulate otherwise, such provisions shall apply.

The Manager and Registrar may adjust the Fund’s distribution policy after due process, provided such changes comply with laws, regulations, and do not materially adversely affect existing Unitholders’ interests.

(II) Principles for Determining the Amount of Fund Income Distribution

1. On the income evaluation date, the Fund Manager shall calculate the cumulative return of the Fund and the cumulative return of the Index.

The cumulative return of the Fund is calculated as the ratio of the NAV per Unit on the income evaluation date to the NAV per Unit on the day before the Fund's listing, minus 100%. The cumulative return of the Index is calculated as the ratio of the Index closing price on the income evaluation date to the Index closing price on the day before the Fund's listing, minus 100%.

The Manager will calculate the difference between the Fund’s cumulative return and the Index’s cumulative return as of the assessment date. A distribution may proceed if this difference exceeds zero.

In the event of a Fund unit conversion or split during the period, the Fund unit conversion or split date shall be used as the initial date to recalculate the above indicators.

2. The amount of income distribution shall be determined based on the aforementioned income distribution principles.

(III) Income Distribution Plan

The Fund Income distribution plan shall specify the recipients of the Fund Income distribution, the distribution date, the amount and proportion of the distribution, and the method of distribution.

(IV) Determination, Announcement, and Implementation of the Income Distribution Plan

The Fund Income distribution plan shall be prepared by the Manager and reviewed by the Custodian, and shall be announced on the Designated Media in accordance with the relevant provisions of the Information Disclosure Measures.

(V) Expenses Incurred in Fund Income Distribution

Investors shall bear any bank transfer fees or other handling fees incurred in the distribution of Fund Income.

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# XIV. Fund Expenses and Taxes

(I) Fund Operating Expenses

1. Types of Fund Expenses

(1) Management fee payable to the Manager;

(2) Custody fee payable to the Fund Custodian;

(3) Information disclosure expenses related to the Fund after the effective date of the Fund Contract, except as otherwise provided by laws and regulations and the CSRC;

(4) Accountant, legal, and arbitration fees associated with the Fund following the effectiveness of the Fund Contract;

(5) Fund Unitholders' meeting expenses;

(6) Transaction fees for securities/futures trading;

(7) Bank transfer fees of the Fund;

(8) Initial charges and annual fees for listing of the Fund;

(9) Expenses incurred in the distribution of Fund Income;

(10) The Fund's account opening fees and account maintenance fees.

(11) Other expenses that may be paid out of the Fund assets in accordance with relevant state regulations and the Fund Contract.

2. Accrual Methods, Accrual Standards and Payment Methods of Fund Expenses

(1) Management fee payable to the Manager

The Fund’s management fee is accrued daily at an annual rate of 0.15% of the prior day’s NAV. The calculation method for the management fee is as follows:

H = E × 0.15% ÷ Number of days in the year

H: Fund management fee accrued every day

E: NAV of the Fund on the previous day

Management fees are calculated daily, accumulated monthly, and paid by the Custodian from the Fund’s assets to the Manager within the first five business days of the following month, following mutual verification. The payment date will be postponed in case of statutory holidays, public holidays, etc.

(2) Custody fee payable to the Fund Custodian

The Fund’s custody fee is accrued daily at an annual rate of 0.05% of the prior day’s NAV. The calculation method for the custody fee is as follows:

H＝E×0.05%÷Number of days in the year

H: Daily accrued custody fee of the Fund

E: NAV of the Fund on the previous day

Custody fees are calculated daily, accumulated monthly, and withdrawn by the Custodian from Fund assets within the first five business days of the following month, following mutual verification. The payment date will be postponed in case of statutory holidays, public holidays, etc.

Items (3)-(11) of "1. Types of Fund Expenses" above shall be paid from the Fund's properties by the Custodian based on the actual amount of expenses incurred, in accordance with relevant regulations and corresponding agreements.

(II) Fund Sales Expenses

For details on the Fund subscription fee rate, calculation formula, collection method, and usage, please refer to "VI. Fund Offering", "(IX) Subscription Fee", "(XI) Online Cash Subscription", "(XII) Offline Cash Subscription", and "(XIII) Offline Stock Subscription" in the Prospectus.

For details on the Fund's creation fee and redemption fee rates, calculation formulas, collection methods, and usage, please refer to "VIII. Creation and Redemption of Fund Units", "(VI) Creation and Redemption Consideration, Fees, and Applications" in the Prospectus.

(III) Items Not Included in Fund Expenses

The following expenses are not included in Fund expenses:

1. Expenses incurred or losses of Fund assets due to the failure of the Manager and the Custodian to perform or to fully perform their obligations;

2. Expenses incurred by the Manager and the Custodian in handling matters unrelated to the operation of the Fund;

3. Expenses incurred before the effective date of the Fund Contract;

4. Index licensing fee. The Index licensing fee shall be borne by the Manager and shall not be paid out of the Fund's properties.

5. Other expenses that are not allowed to be included in Fund expenses according to relevant laws and regulations and the relevant provisions of the CSRC.

(IV) Fund Taxation

The tax obligations of all taxable entities involved in the operation of the Fund shall be subject to applicable state tax laws and regulations. Taxes related to the investment of the Fund's properties shall be borne by the Fund Unitholders, and the Manager or other withholding agents shall withhold and pay taxes in accordance with the relevant state tax regulations.

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# XV. Fund Accounting and Audit

(I) Accounting Policy of the Fund

1. The Manager is the party responsible for the Fund's accounting;

2. The Fund's financial year shall be from 1 January to 31 December of each calendar year;

3. The Fund's accounting shall be based on Renminbi as the functional currency and Renminbi Yuan as the accounting unit;

4. The Fund’s accounting shall comply with the relevant state accounting standards;

5. The Fund shall maintain independent accounting records and conduct independent financial accounting.

6. The Manager and the Custodian shall each maintain complete accounting books and supporting documents, conduct daily accounting calculations, and prepare the Fund's financial statements in accordance with relevant regulations;

7. The Fund Custodian shall, on a monthly basis, reconcile with the Fund Manager on the Fund's accounting calculations and statement preparation, and confirm such reconciliation in writing.

(II) Annual Audit of the Fund

1. The Manager shall engage an independent accounting firm and its certified public accountants, who are qualified under the Securities Law, to audit the Fund's annual financial statements.

2. The accounting firm shall obtain prior consent from the Fund Manager for any change of the certified public accountant responsible for the audit engagement.

3. If the Manager deems it necessary to change the accounting firm for sufficient reasons, it shall notify the Custodian. Changing the accounting firm shall be announced on the Designated Media in accordance with the relevant provisions of the Information Disclosure Measures.

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# XVI. Fund Information Disclosure

(I) Information disclosure of the Fund shall comply with the Securities Investment Fund Law, Fund Operation Management Measures, Fund Information Disclosure Management Measures, Liquidity Risk Management Regulations, the Fund Contract, and other relevant regulations. In the event of any changes to the information disclosure requirements under applicable laws and regulations, this Fund shall adhere to such updated provisions.

(II) Parties with Information Disclosure Obligations

Parties obligated to disclose Fund information include the Manager, the Custodian, Fund Unitholders who convene Fund Unitholders' meetings, and other natural persons, legal persons and unincorporated organisations stipulated by laws, administrative regulations and the CSRC.

Parties obligated to disclose Fund information shall act in the best interests of Fund Unitholders, disclose Fund information in accordance with laws, administrative regulations and the CSRC's provisions, and ensure that the disclosed information is true, accurate, complete, timely, concise and readily accessible.

Parties obligated to disclose Fund information shall disclose such information through CSRC Designated Media within the time limits prescribed by the CSRC, and ensure that investors are able to consult or copy publicly disclosed information in accordance with the time and manner stipulated in the Fund Contract.

(III) Parties obligated to disclose Fund information shall not engage in any of the following activities in relation to the public disclosure of Fund information:

(1) Making false statements or misleading representations, or omitting material information;

(2) Making any predictions about securities investment performance;

(3) Making promises of returns or assuming losses in violation of regulations;

(4) Disparaging other Managers, Custodians or Fund Distributors;

(5) Publishing any congratulatory, complimentary or recommendatory statements from any natural persons, legal persons or unincorporated organisations;

(6) Engaging in any other activities prohibited by the CSRC.

(IV) The Fund's publicly disclosed information shall be in Chinese. If a foreign language is used simultaneously, the parties obligated to disclose Fund information shall ensure that the contents of the different language versions are consistent. In the event of any discrepancy between different language versions, the Chinese version shall prevail.

The Fund's publicly disclosed information shall use Arabic numerals; unless otherwise specified, the currency unit shall be RMB.

(V) Publicly Disclosed Fund Information

Publicly disclosed Fund information includes:

1. The Prospectus, the Fund Contract, the Custody Agreement, and the Product Key Facts Statement

(1) The Fund Contract is a legal document that defines the rights and obligations of the Parties to the Fund Contract, specifies the rules and procedures for convening Fund Unitholders' meetings, and describes the characteristics of the Fund product and other matters relating to the material interests of Fund investors.

(2) The Prospectus shall disclose to the fullest extent possible under laws and regulations all matters that may affect the investment decisions of Fund investors, including the Fund's subscription, creation and redemption arrangements, investment objectives and strategies, product characteristics, risk disclosures, information disclosure arrangements, and Unitholder services. After the Fund Contract becomes effective, if there is a material change in the information in the Prospectus, the Manager shall update the Prospectus within three business days and publish it on the designated website. If there are other changes in the information in the Prospectus, the Manager shall update it at least annually. The Manager will cease to update the Prospectus upon termination of the Fund Contract.

(3) The Custody Agreement is a legal document that defines the rights and obligations of the Custodian and the Manager in relation to the safekeeping of the Fund properties and the supervision of the Fund's operations.

(4) The Product Key Facts Statement is a summary document of the Prospectus, used to provide investors with concise summary information about the Fund. After the Fund Contract becomes effective, if there is a material change in the information in the Product Key Facts Statement, the Manager shall update the Product Key Facts Statement within three business days and publish it on the designated website and the websites or business premises of the Fund Sales Institutions. If there are other changes in the information in the Product Key Facts Statement, the Manager shall update it at least annually. The Manager will cease to update the Product Key Facts Statement upon termination of the Fund Contract.

After the Fund's offering application is registered by the CSRC, the Manager shall, three days before the offering of Fund units, publish the Fund Unit Offering Announcement, the cautionary announcement of the Prospectus, and the reminder announcement of the Fund Contract in the designated newspapers. The Manager shall also publish the Fund Unit Offering Announcement, the Prospectus, the Product Key Facts Statement, the Fund Contract, and the Custody Agreement on the designated website, and publish the Product Key Facts Statement on the websites or business premises of the Fund Sales Institutions. The Custodian shall simultaneously publish the Fund Contract and the Custody Agreement on the designated website.

2. Fund Unit Offering Announcement

The Manager shall prepare an Offering Announcement for the offering of Fund units and publish it in the Designated Media on the same day as the Prospectus is disclosed.

3. Announcement of Effectiveness of the Fund Contract

The Manager shall announce the effectiveness of the Fund Contract in the Designated Media on the day following the receipt of the confirmation document from the CSRC.

4. Fund Unit Listing Announcement

If the Fund units are approved for listing and trading on the Shanghai Stock Exchange, the Manager shall publish the Fund Unit Listing Announcement on the designated website three business days before the listing and trading of the Fund units, and publish the reminder announcement of the Listing Announcement in the designated newspapers.

5. Net Asset Value Information

After the Fund Contract becomes effective and before the start of processing Fund unit creations or redemptions, the Manager shall disclose the NAV per Unit and the cumulative NAV of the Fund units at least once a week on the designated website.

After the start of processing Fund unit creations or redemptions, the Manager shall, no later than the following day of each Open Day, disclose the NAV per Unit and the cumulative NAV of the Fund units on the Open Day through the designated website and the websites or business premises of the Fund Sales Institutions.

The Manager shall disclose the NAV per Unit and the Cumulative NAV per Unit for the last day of each semi-annual period and the last day of the financial year no later than the following day, via the designated website.

6. Portfolio Composition File

After the commencement of the creation or redemption of Fund units, the Manager shall announce the Portfolio Composition File for each Open Day on its website or through other media.

7. Periodic Reports of the Fund, including Annual Reports, Interim Reports, and Quarterly Reports

The Manager shall prepare the Fund's annual report within three months after the end of each year, publish the annual report on the designated website, and publish the reminder announcement of the annual report in the designated newspapers. The financial statements in the Fund's annual report shall be audited by an accounting firm that is qualified under the Securities Law.

The Manager shall prepare the Fund's interim report within two months after the end of the first half of the year, publish the interim report on the designated website, and publish the reminder announcement of the interim report in the designated newspapers.

The Manager shall prepare the Fund's quarterly report within fifteen business days after the end of each quarter, publish the quarterly report on the designated website, and publish the reminder announcement of the quarterly report in the designated newspapers.

If the Fund Contract has been in effect for less than two months, the Manager may choose not to prepare the current quarterly report, interim report or annual report.

If, during the reporting period, a single investor holds 20% or more of the total Fund units, to protect the interests of other investors, the Manager shall, at a minimum, disclose in the "Other Important Information Affecting Investment Decisions" section of the Fund's periodic reports the type of such investor, the number of units held and the proportion of the total units held by such investor at the end of the reporting period, the changes in the units held by such investor during the reporting period, and the specific risks of the Fund, except as otherwise provided by the CSRC.

The Manager shall disclose in the Fund's annual report and interim report the Fund's portfolio holdings, liquidity risk analysis and other relevant information.

8. Interim Reports

In the event of a material event relating to the Fund, the relevant Parties obligated to disclose Fund information shall prepare an interim report within two days and publish it in the Designated Media and on the designated website.

Material events as mentioned in the preceding paragraph refer to the following events that may have a material impact on the interests of Fund Unitholders or the price of Fund units:

(1) The convening of the Fund Unitholders' meeting and the resolutions passed thereat;

(2) Delisting of the Fund, termination of the Fund Contract, and liquidation of the Fund;

(3) Change in the Fund's operation mode and merger of the Fund;

(4) Change of the Fund Manager, Fund Custodian, or Fund registrar, and change of the accounting firm engaged by the Fund;

(5) Entrustment by the Manager of a fund services institution to handle the registration, accounting, and valuation of Fund units, and entrustment by the Custodian of a fund services institution to handle the accounting, valuation, and verification of the Fund;

(6) Change in the legal name or domicile of the Fund Manager or the Fund Custodian;

(7) Change of any shareholder holding 5% or more of the equity interest in the Manager, or change of the actual controller of the Manager;

(8) An extension of the Offering Period or early termination of the offering;

(9) Change of senior management personnel or Portfolio Manager of the Manager or the head of the fund custody department of the Custodian;

(10) Change of more than 50% of the directors of the Manager within the most recent 12 months, or change of more than 30% of the key personnel of the Manager or of the fund custody department of the Custodian within the most recent 12 months;

(11) Litigation or arbitration involving Fund assets, Fund management business, or Fund custody business;

(12) The Manager or its senior management personnel or Portfolio Manager receiving a major administrative penalty or criminal punishment for conduct relating to Fund management business, or the Custodian or the head of its fund custody department receiving a major administrative penalty or criminal punishment for conduct relating to Fund custody business;

(13) The Manager using Fund assets to trade in securities issued by the Manager, the Custodian, their controlling shareholders, their actual controllers, or companies in which they have significant interests, or securities underwritten by them during the underwriting period, or engaging in other major connected transactions, except as otherwise provided by the CSRC;

(14) Fund income distribution matters;

(15) Changes in the standards, methods, or rates for charging management fees, custody fees, creation fees, redemption fees, and other fees;

(16) Errors in the calculation of the NAV per Unit reaching 0.5% of the NAV per Unit;

(17) Commencement of creation and redemption of Fund units;

(18) Suspension or resumption of the acceptance of applications for creation or redemption of Fund units;

(19) An occurrence of adjustments to matters related to Fund unit creations or redemptions, or major events with a potential impact on investor redemptions;

(20) Change of the Index;

(21) Suspension or resumption of the listing of the Fund;

(22) Conversion of Fund units and change of registration;

(23) Launch of new Fund services or products;

(24) Other matters that the parties obligated to disclose Fund information believe may have a material impact on the interests of Fund Unitholders or the price of Fund units, or other matters stipulated by the CSRC.

9. Clarification Announcements

During the effective period of the Fund Contract, if any news appearing in the public media or circulating in the market may mislead investors about the price of Fund units or cause significant fluctuations, or may harm the interests of Fund Unitholders, the relevant parties obligated to disclose Fund information shall, upon becoming aware of such news, immediately clarify it publicly and report the relevant circumstances to the stock exchange where the Fund is listed.

10. Liquidation Report

Upon termination of the Fund Contract, the Manager shall organise a Fund property liquidation team to liquidate the Fund's properties and prepare a liquidation report. The liquidation team shall publish the liquidation report on the designated website and publish the reminder announcement of the liquidation report in the designated newspapers.

11. Resolutions of Fund Unitholders' Meetings

Resolutions of Fund Unitholders' meetings shall be filed with the CSRC and announced in accordance with the law.

12. Announcements Related to Investments in Asset-backed Securities

The Manager shall disclose in the Fund's annual and interim reports the total amount of asset-backed securities held, the proportion of the market value of asset-backed securities to the Fund's net assets, and details of all asset-backed securities during the reporting period. The Manager shall disclose in the Fund's quarterly report the total amount of asset-backed securities held, the proportion of the market value of asset-backed securities to the Fund's net assets, and a list of the top 10 asset-backed securities held at the end of the reporting period, ranked by their proportion of the market value to the Fund's net assets.

13. Announcements Related to Investments in Stock Index Futures

When disclosing information on stock index futures trading in periodic reports such as quarterly reports, interim reports, and annual reports, and in documents such as the Prospectus (updated), the Manager shall include trading policies, positions held, profit and loss, risk indicators, etc., and fully disclose the impact of stock index futures trading on the overall risk of the Fund and whether it complies with the established investment policies and investment objectives.

14. Announcements Related to Investments in Treasury Bond Futures

Any disclosure in the quarterly, interim and annual reports, as well as in the updated Prospectus and other documents, regarding treasury futures transactions shall include details of the trading policy, positions held, profit and loss, and risk indicators. Such disclosure must fully reveal the impact of treasury futures trading on the overall risk of the Fund and confirm whether the trading activities comply with the established trading policies and objectives.

15. Announcements Related to Investments in Stock Options

The Manager shall disclose information related to participation in stock option trading in periodic information disclosure documents, including investment policies, positions held, profit and loss, risk indicators, valuation methods, etc., and fully disclose the impact of stock option trading on the overall risk of the Fund.

16. Announcements Related to Investments in Restricted Securities

Within two trading days after the Fund invests in non-publicly offered shares, the Manager shall disclose on the CSRC Designated Media the name, quantity, total cost, book value, the proportion of total cost and book value to the NAV of the Fund, the lock-up period, and other information of the non-publicly offered shares.

17. Announcements Related to Participation in Margin Financing and CSF Securities Lending

If the Fund participates in margin financing and CSF Securities Lending, the Manager shall disclose in periodic reports such as quarterly reports, interim reports, and annual reports, and in documents such as the Prospectus (updated), the trading status of margin financing and CSF Securities Lending, including investment strategies, business development, profit and loss, risks and their management, etc., and provide a detailed explanation of major related-party transactions that occurred during the reporting period with respect to the Fund's participation in CSF Securities Lending.

18. Other information stipulated by the CSRC.

(VI) Administration of Information Disclosure

The Manager and the Custodian shall establish and maintain sound information disclosure management systems and designate specific departments and senior management personnel to be responsible for managing information disclosure.

The parties obligated to disclose Fund information shall, when publicly disclosing Fund information, comply with the provisions of the relevant laws and regulations of the CSRC, such as the guidelines for the content and format of fund information disclosure, as well as the self-regulatory rules of the stock exchanges.

The Custodian shall, in accordance with the relevant laws and regulations, the provisions of the CSRC, and the stipulations of the Fund Contract, review and examine the NAV of the Fund, NAV per Unit, portfolio composition files, the Fund's periodic reports, updated Prospectus, Product Key Facts Statement, the Fund liquidation report, and other relevant publicly disclosed Fund information prepared by the Manager, and provide written or electronic confirmation to the Manager.

The Manager and the Custodian shall select one newspaper from the designated newspapers to disclose the Fund's information. The Manager and the Custodian shall submit the Fund information to be disclosed to the CSRC's fund Electronic Information Disclosure website and ensure that the submitted information is true, accurate, complete, and timely.

In addition to disclosing information on the Designated Media in accordance with the law, the Manager and the Custodian may also disclose information on other public media as needed. However, information shall not be disclosed by other public media earlier than by the Designated Media, and the content of the same information disclosed on different media shall be consistent.

In addition to disclosing information as required by laws and regulations, the Manager and the Custodian may also improve the quality of information disclosure services on their own initiative, focusing on providing useful information for investors' decision-making, while ensuring fair treatment of investors, not misleading investors, and not affecting the normal investment operations of the Fund. The specific requirements shall be subject to the relevant regulations of the CSRC and self-regulatory rules. If the aforementioned voluntary disclosure incurs information disclosure expenses, such expenses shall not be paid out of the Fund's properties.

Professional institutions that issue audit reports and legal opinions for the Fund information publicly disclosed by the parties obligated to disclose Fund information shall prepare working papers and retain relevant archives for at least 10 years after the termination of the Fund Contract.

(VII) Retention and Consultation of Information Disclosure Documents

After the release of information that must be disclosed according to law, the Manager and the Custodian shall, in accordance with the provisions of the relevant laws and regulations, make the information available for public inspection and copying at their domiciles and the stock exchange where the Fund is listed.

(VIII) In the event that any of the following circumstances occur, the Manager and the Custodian may suspend or delay the disclosure of Fund-related information:

(1) When the Manager or the Custodian is unable to accurately assess the value of Fund assets due to Force Majeure;

(2) When the securities or futures markets involved in the Fund’s investments are closed due to statutory holidays or other reasons;

(3) When there is no referenceable active market price for more than 50% of the NAV of the Fund as of the previous valuation date, and the use of valuation techniques still results in significant uncertainty in the fair value, the Manager shall suspend the valuation of the Fund after consultation with and confirmation from the Custodian.

(4) Other scenarios prescribed by laws and regulations, the Fund Contract or the CSRC.

(IX) Where laws and regulations or regulatory authorities provide otherwise for information disclosure, such provisions shall prevail.

# XVII. Risk Disclosure

**(I) Principal Risks of Investing in the Fund**

**1. Risk of Deviation between the Index Return and the Average Return of the Stock Market**

**The Index cannot fully represent the entire stock market. There may be deviations between the average return rate of the constituent stocks of the Index and the average return rate of the entire stock market.**

**2. Risk of Index Fluctuations**

**The prices of the constituent stocks of the Index may fluctuate due to various factors such as political factors, economic factors, the operating performance of listed companies, investor sentiment, and trading systems, leading to fluctuations in the Index. This, in turn, may cause changes in the Fund Income levels, resulting in risk.**

**3. Risk of Deviation between the Fund Portfolio Return and the Index Return**

**The following factors may cause the return rate of the Fund portfolio to deviate from the return rate of the Index, and may also result in the Fund's tracking error control failing to meet the investment target:**

**(1) Adjustments to the constituent stocks of the Index or changes in its compilation methodology may result in tracking differences and tracking errors during the corresponding adjustments to the Fund portfolio.**

**(2) Rights issues, bonus issues, and other corporate actions by the constituent stocks of the Index may lead to changes in the weighting of the constituent stocks in the Index, resulting in tracking differences and tracking errors during the corresponding adjustments to the Fund portfolio.**

**(3) Bonus issues of constituents and placements with market value for new shares result in the ETF’s return being higher than the underlying index’s return, creating a positive tracking difference.**

**(4) The suspension, delisting, or poor liquidity of constituent stocks may prevent the Fund from adjusting its portfolio in a timely manner or result in impact costs, thereby generating tracking differences and tracking errors.**

**(5) The existence of securities transaction costs during the Fund's investment process, as well as management fees and custody fees, will lead to tracking differences and tracking errors between the Fund portfolio and the Index.**

**(6) During the Fund's index tracking investment process, the Manager's management capabilities, such as the level of index tracking, technical means, and timing of buying and selling, will all have an impact on the Fund's return, thereby affecting the degree to which the Fund tracks the Index.**

**(7) Deviations caused by other factors. For example, due to the minimum purchase lot restriction, the holding ratio of individual stocks in the Fund portfolio may not be exactly the same as the weighting of that stock in the Underlying Index. Additionally, the tracking cost of the index may be higher due to the lack of short selling, hedging mechanisms, and other tools. Cash fluctuations caused by creations and redemptions of Fund units, as well as errors in index compilation by the index provider, may all result in tracking differences and tracking errors.**

**4. Risk of Index Provider Discontinuation of Service**

**The Index of the Fund is published, managed, and maintained by the index provider. In the future, the index provider may, for various reasons, discontinue the management and maintenance of the Index. The Fund shall, within ten business days from the occurrence of such a situation, report to the CSRC and propose a solution in accordance with the Fund Contract, such as changing the Index, converting the operation mode, merging with another fund, or terminating the Fund Contract, and convene a Fund Unitholders' meeting within six months to vote on the matter. If the Fund Unitholders' meeting is not successfully convened or the above matter is not approved, the Fund Contract shall be terminated. Investors will face risks such as changing the Index, converting the operation mode, merging with another fund, or terminating the Fund Contract.**

**From the time the index provider discontinues the compilation and publication of the Index until a solution is determined and implemented, the Manager shall maintain the Fund's investment operations in accordance with the Index information provided by the index provider on the most recent trading day, following the principle of prioritising the interests of Fund Unitholders. During this period, the Index may no longer be updated, which may lead to differences between the Index's performance and the relevant market performance, affecting investment returns.**

**5. Risk of Index Changes**

**Although the possibility is remote, according to the Fund Contract, the Fund will change the Underlying Index if there are circumstances that require such a change. The investment policy based on the original Underlying Index will be altered, and the portfolio will be adjusted accordingly. The risk-return characteristics of the Fund will be consistent with the new Underlying Index, and investors must bear the risks and costs associated with this adjustment.**

**6. Risk of Suspension or Delisting of Constituent Stocks**

**The constituent stocks of the Index may be subject to trading suspensions or delistings, which may render some of the Fund's assets unrealisable or result in significant markdowns, posing a risk of impacting the NAV of the Fund. In addition, according to relevant regulations, during the operation of the Fund, if a constituent stock of the index experiences significant negative events and faces the risk of delisting or default, and the index provider has not yet made corresponding adjustments to the index, the Manager, in accordance with the principle of prioritising the interests of Unitholders and after following internal decision-making procedures, may adjust the relevant constituent stocks. This may result in tracking deviations and the risk of failing to meet the investment target for tracking error control.**

**7. Risk of Deviation between the Fund Unit's Secondary Market Trading Price and the NAV per Unit**

**Although the Fund will control the premium or discount of the secondary market trading price of Fund units within a certain range through an effective arbitrage mechanism, the trading price of Fund units on the stock exchange is affected by many factors and may differ from the Net Asset Value per Unit, resulting in the risk of a premium or discount.**

**8. Risk of Portfolio Composition File Errors**

**If there are errors in the content of the Portfolio Composition File provided by the Manager on the day, including errors in the list of Portfolio Securities, quantity, cash-in-lieu flag, cash-in-lieu ratio, cash-in-lieu amount, etc., it may harm the interests of investors or affect the normal processing of Fund unit creations and redemptions.**

**9. Risk of Decision-Making Based on IOPV and IOPV Calculation Errors**

**After the market opens, China Securities Index Co., Ltd. calculates and publishes the IOPV based on the Portfolio Composition File and the real-time transaction data of each security in the portfolio. This information is provided as a reference for investors when trading, creating, and redeeming Fund units. There is a risk that the IOPV may not be published. There may be discrepancies between the IOPV and the actual NAV per Unit, and errors may occur in the IOPV calculation. Investors may incur losses if they make investment decisions based on the IOPV, and they shall bear this risk themselves.**

**10. Arbitrage Risk**

**There may be differences between the actual NAV per unit and the IOPV, as well as the secondary market trading price. Due to the trading mechanism and technical constraints of the securities market, arbitrage takes time to complete, posing a certain degree of risk. Investors, therefore, must bear the losses caused by decision-making errors. At the same time, buying and selling a basket of stocks and ETFs involves impact costs and transaction costs, so a discount or premium within a certain range may not constitute an arbitrage opportunity. In addition, when there are trading halts due to the price limits being reached or a temporary suspension of trading in a basket of stocks, premium arbitrage will be affected because constituent stocks cannot be bought, and discount arbitrage will be affected because constituent stocks cannot be sold.**

**11. Delisting Risk**

**There is a risk that the Fund units can no longer be traded on the secondary market due to the Fund no longer meeting the listing requirements of the stock exchange and being delisted, or being prematurely delisted by a resolution of the Fund Unitholders' meeting.**

**12. Risk of Investor Creation Failure**

**The Manager has the right to suspend or refuse to accept investors' creation applications in accordance with the provisions of the Prospectus, which may lead to creation failure.**

**The Fund's Portfolio Composition File may only allow the use of cash-in-lieu for some constituent stocks and may set an upper limit on the proportion of cash-in-lieu. Therefore, when investors are creating units, there is a risk of creation failure due to the inability to purchase a sufficient number of constituent stocks required for creation, which may be caused by factors such as a price limit on individual constituent stocks or a temporary trading suspension.**

**13. Risk of Investor Redemption Failure**

**When an investor submits a redemption application, if the Fund portfolio does not have sufficient eligible Consideration for Redemption, redemption failure may occur.**

**The Fund Manager may adjust the Creation Unit based on factors such as changes in the market capitalisation of the constituent stocks. As a result, investors who have created and held Fund units based on the original Creation Unit may not be able to redeem all of their Fund units based on the new Creation Unit and may have to sell all or part of their Fund units on the secondary market.**

**14. Risk of Realisation of Consideration for Redemption of Fund Units**

**The Consideration for Redemption of Fund units is mainly portfolio securities. During the realisation process of portfolio securities, due to market fluctuations, poor liquidity of some constituent stocks, and other factors, there is a realisation risk that the value after realisation for investors may differ from the value of the Consideration for Redemption at the time of redemption.**

**15. Risks Associated with the "Cash-in-Lieu Subject to Adjustment" Mechanism**

**The Fund has introduced a "cash-in-lieu subject to adjustment" mechanism for creation and redemption, which differs from other existing cash-in-lieu mechanisms. This mechanism may introduce price uncertainty for creation and redemption investors, indirectly affecting the premium or discount levels of the Fund's secondary market price. In extreme cases, if the weighting of securities using the "cash-in-lieu subject to adjustment" mechanism increases, the uncertainty associated with this mechanism may lead to relatively high levels of premium or discount in the Fund's secondary market price.**

**The Manager makes no promises or guarantees regarding the execution efficiency of the "time priority, real-time declaration" principle. The calculation of the cash-in-lieu make-up payment shall be based on the actual transaction price and the stipulations of the Prospectus. If the Manager is unable to process securities under the "cash-in-lieu subject to adjustment" mechanism in accordance with the "time priority, real-time declaration" principle due to technical system issues, communication failures, or other reasons, the interests of investors may be affected.**

**16. Agency Trading Risk for Creations and Redemptions**

**The Manager may, within the time specified in the Prospectus, use the received cash-in-lieu amount to buy or sell any quantity of the substituted securities that is less than or equal to the quantity of the substituted securities on behalf of the investor. The actual purchase price of the substituted securities may be at a higher position or at the highest price within the specified time, and the actual sale price of the substituted securities may be at a lower position or at the lowest price within the specified time. The Manager shall not be held liable for this. The Manager has the right to decide not to buy or sell some of the substituted securities, or not to conduct any buying or selling of securities, based on the investment needs of the Fund. Situations where the Manager may not buy or sell the substituted securities include but are not limited to insufficient market liquidity, technical system limitations, netting of creations and redemptions, and other situations where the Manager deems it inappropriate to buy or sell.**

**17. Risk of NAV per Unit Falling Below Par Value after Fund Income Distribution**

**When the cumulative rate of return of the Fund exceeds the cumulative rate of return of the Index by more than 1% over the same period, income distribution may be made. The amount of each Fund Income distribution shall be determined by the Manager based on actual circumstances. Based on the nature and characteristics of the Fund, the Fund's income distribution is not contingent upon making up for losses. There is a risk that the NAV per Unit may fall below par value after income distribution.**

**18. Risks of Investing in Derivatives**

**(1) Risks of investing in stock index futures**

**The Fund's investment in stock index futures is subject to market risk, credit risk, liquidity risk, operational risk, and legal risk. Because stock index futures usually have a leverage effect, price fluctuations are more severe than those of the underlying instruments, and sometimes they bear higher risks than investing in the underlying assets. In addition, due to the complexity of stock index futures pricing, inappropriate valuations may expose the Fund's assets to the risk of loss. Stock index futures adopt a margin trading system. Due to the leverage of margin trading, when adverse market conditions occur, small changes in the stock index may cause significant losses to investors. Stock index futures adopt a daily mark-to-market system. If the margin is not replenished within the specified time, the position will be forcibly liquidated according to regulations, which may result in significant losses to the investment.**

**(2) Risks of investing in treasury bond futures**

**Treasury bond futures adopt a margin trading system. Due to the leverage of margin trading, when the yield of the corresponding maturity treasury bond moves unfavourably, it may cause significant losses to investors. Treasury bond futures adopt a daily mark-to-market system. If the margin is not replenished within the specified time, the position will be forcibly liquidated according to regulations, which may result in significant losses to the investment.**

**(3) Risks of investing in stock options**

**Stock option trading uses a margin trading method, and investors' potential losses and gains may be magnified. In particular, investors who sell call options may face a total loss that exceeds the total initial margin paid and any additional margin, which carries leverage risk. When participating in stock option trading, investors should pay attention to price fluctuations in the stock market, price fluctuations in stock options, and other market risks and potential losses.**

**19. Risks of Investing in Asset-backed Securities**

**(1) Liquidity risk: Potential losses arising from reduced security liquidity (e.g., inability to sell or forced discounted sales).**

**(2) Early redemption risk: If certain transactions grant the SPV the right to purchase some or all of the securities from investors at a certain price within a certain period after the issuance of the asset-backed securities, the SPV may exercise this right under permissible market conditions, which may adversely affect investors.**

**(3) Reinvestment risk: This is the possibility that investors may not be able to achieve the expected investment return target of participating in the securitisation transaction because the securities are redeemed early for some reason, and the reinvestment yield of the early redemption proceeds is lower than the yield of the securities.**

**(4) SPV default risk: In the case of using debt instruments (bonds, notes, etc.) as the vehicle of the securitisation transaction, that is, the securities issued by the transaction are debt certificates, the SPV is the debtor of the investors and may default, causing losses to investors.**

**20. Risks of Participating in CSF Securities Lending**

**The Fund may participate in CSF Securities Lending and faces risks including but not limited to:**

**(1) Liquidity risk**

**When facing large redemptions, the Fund may not be able to recover the loaned securities in a timely manner due to securities lending, and may not be able to realise them in time to pay the Redemption Consideration.**

**(2) Credit risk**

**The securities lending counterparty may not be able to return the securities in a timely manner or pay the corresponding compensation and borrowing fees.**

**(3) Market risk**

**After lending securities, the Fund may face the market risk of not being able to dispose of the securities in a timely manner during the lending period.**

**21. Risks of Investing in Depositary Receipts**

**The Fund may invest in depositary receipts. The NAV of the Fund may be affected by fluctuations in the prices of the underlying overseas securities represented by the depositary receipts. Risks associated with the underlying overseas securities of the depositary receipts may directly or indirectly become risks of the Fund.**

**22. Risks Associated with Third-Party Institution Services**

**Several of the Fund's services are entrusted to third-party institutions, which presents the following risks:**

**(1) Authorised Participants, due to various reasons, may experience restrictions, suspensions, or terminations of their agency creation and redemption services, thereby affecting the creation and redemption services provided to investors.**

**(2) The Registrar may adjust settlement systems, such as implementing a delivery versus payment (DVP) system, resulting in changes to the settlement methods for investors' Fund units, portfolio securities, and funds. Such system adjustments may lead to misunderstandings among investors. Similar risks may also arise from the stock exchanges and other agency institutions.**

**(3) The stock exchanges, the Registrar, the Custodian, Authorised Participants, securities brokerage firms, and other agency institutions may default, resulting in losses to the Fund or investors.**

**23. Management and Operational Risks**

**The business development status, staffing, management level, and internal controls of the Fund Manager, the Fund Custodian, and other relevant parties have an impact on the Fund's income level. Risks that may affect the interests of investors may arise from factors such as overly rapid business expansion, excessive competition within the industry, and excessive reliance on key personnel.**

**During the operation of various business aspects, relevant parties may experience operational errors or violations of operating procedures due to internal control deficiencies or human factors. Examples include errors in the preparation of the Portfolio Composition File, unauthorised and irregular trading, fraudulent activities, and trading errors.**

**According to the relevant business rules for pre-trade risk control of securities trading funds, China Securities Depository and Clearing Corporation Limited (CSDC) and the stock exchange implement pre-trade limit controls on the securities trading funds of trading participants. The implementation, adjustment, suspension, or occurrence of anomalies in these controls may affect the normal course of trading or result in adverse impacts on the interests of investors.**

**24. Technical Risk**

**During the Fund's investment, trading, service, and back-office operations, technical system failures or errors may occur, potentially impacting the interests of investors. Such technical risks may originate from the Manager, the Custodian, securities brokerage firms, stock exchanges, the Registrar, third-party distributors, or other relevant parties.**

**25. Policy Change Risk**

**Changes in relevant laws and regulations or regulatory policies beyond the control of the Manager may adversely affect the interests of the Fund or its investors. Such risks include, for example, the risk of fluctuations in the Fund's net asset value due to adjustments in the Fund's valuation methodology following modifications to regulatory policies on fund valuation, as well as the risk of fluctuations in the Fund's net asset value arising from adjustments to the Fund's investment portfolio by the Manager in response to changes in relevant regulations governing the Fund's investment scope.**

**26. Liquidity Risk**

**In the event of insufficient market or individual security liquidity, the Manager may be unable to adjust the Fund's investment portfolio promptly and at a reasonable cost, potentially adversely affecting Fund income.**

**(1) Fund Creation and Redemption Arrangements**

**Investors should refer to "Part VI: Creation and Redemption of Fund Units" of the Fund Contract and "VIII. Creation and Redemption of Fund Units" of the Prospectus for detailed information on the creation and redemption arrangements of the Fund.**

**(2) Liquidity Risk Assessment of Prospective Investment Markets, Industries, and Assets**

**The Fund primarily invests in constituent stocks and alternative constituent stocks of the Index. In order to better achieve its investment goals, the fund can also invest in non-constituent stocks (including ChiNext, depositary receipts, and other stocks registered or approved for listing by the CSRC), bonds (including government bonds, central bank bills, financial bonds, enterprise bonds, corporate bonds, medium-term notes, short-term financing bonds, ultra-short-term financing bonds, subordinated bonds, local government bonds, convertible bonds, convertible bonds and other bonds permitted by the CSRC), financial derivatives (including stock index futures, stock options, treasury bond futures, etc.), asset-backed securities, money market instruments (including negotiable certificate of deposits, bond repurchases, etc.), bank deposits, and other financial instruments permitted by laws and regulations or the CSRC for the fund to invest in. The Fund may participate in margin trading and CSF securities lending business in compliance with laws and regulations. The fund invests not less than 90% of NAV the underlying index’s constituent stocks and other stocks in its equity universe, and such investments shall not be less than 80% of its non-cash fund assets. Under normal circumstances, the asset classes in which the Fund intends to invest have relatively good liquidity. However, in specific market environments, the Fund may still encounter situations of insufficient liquidity. In such cases, the Manager will adopt appropriate liquidity risk management measures based on the actual circumstances to mitigate liquidity risk while safeguarding the interests of Unitholders.**

**(3) Circumstances, Procedures, and Potential Impact on Investors When Implementing Alternative Liquidity Risk Management Tools**

**In consultation with the Custodian and under the premise of ensuring fair treatment of investors, the Manager may, in accordance with applicable laws and regulations and the provisions of the Fund Contract, comprehensively utilise various liquidity risk management tools to make appropriate adjustments to redemption applications and other relevant operations as supplementary measures to address liquidity risks in specific circumstances. These measures include, but are not limited to:**

**(a) Suspension of acceptance of redemption applications**

**Investors should refer to "Part VI: Creation and Redemption of Fund Units" of the Fund Contract, specifically "VIII. Suspension of Redemption or Postponement of Payment of Redemption Consideration" for detailed information on the circumstances and procedures for the Fund to suspend acceptance of redemption applications.**

**In this case, investors' redemption applications may be rejected.**

**(b) Deferral of payment of Redemption Consideration**

**Investors should refer to "Part VI: Creation and Redemption of Fund Units" of the Fund Contract, specifically "VIII. Suspension of Redemption or Postponement of Payment of Redemption Consideration", for detailed information on the circumstances and procedures for the Fund to defer payment of Redemption Consideration.**

**In this case, the time for investors to receive the Redemption Consideration may be delayed compared to normal circumstances.**

**(c) Suspension of Fund valuation**

**Investors should refer to "Part XV: Valuation of Fund Assets" of the Fund Contract, specifically "VII. Circumstances for Suspension of Valuation" for detailed information on the circumstances and procedures for the Fund to suspend valuation.**

**In this case, investors do not have a referable NAV per Unit, and redemption applications may be suspended or the payment of Redemption Consideration may be deferred.**

**(d) Other measures as determined by the CSRC.**

**(4) For ETF investors, the fact that ETFs can be traded on the secondary market also means that they may face liquidity issues due to insufficient market trading volume, thus bringing liquidity risk on the secondary market.**

**27. Force Majeure**

**Force majeure events such as war and natural disasters may expose Fund assets to the risk of loss. Force majeure events may also disrupt the normal operations of the Manager, the Custodian, stock exchanges, the Registrar, Sales Institutions, and other relevant parties, thereby affecting the timely completion of the Fund's various business operations.**

**28. Risks Associated with Broker Trading and Settlement Model**

**The Fund’s on-exchange investments are executed using the broker trading and settlement model, whereby the on-exchange transactions in which the Fund participates are conducted through securities brokers selected by the Manager, and settlement is facilitated by the selected securities brokers acting as settlement participants on behalf of the Fund. This trading and settlement model may increase the risks associated with the Fund’s investment operations, including risks related to information systems, operational risks, risks of delays in the transmission of trading orders and reduced efficiency in the use of funds, risks of delayed supplementation of securities, the risk of being unable to complete same-day valuation, trading and settlement risks, and the risk of unauthorised disclosure of non-public information regarding the Fund’s investments.**

**(II) Disclaimer**

**1. The Fund is not guaranteed by any government entity, agency, or department. Investors invest in the Fund at their own volition and shall bear the investment risks themselves.**

**2. Besides sales directly processed by the fund manager, the fund may also be distributed through distribution agencies. However, the fund does not constitute a deposit or liability of distribution agencies and is not guaranteed or endorsed by distribution agencies, and distribution agencies do not guarantee the fund’s return or the security of the principal of investments in the fund.**

**3. The description of risk-return characteristics in the investment section of the Fund's legal documents is a general description based on the investment scope, investment ratio, and general rules of the securities market. Sales Institutions conduct risk assessments of the Fund in accordance with relevant laws and regulations. Different Sales Institutions use different assessment methods. Therefore, the risk rating assessment of a Sales Institution may differ from the description of the risk-return characteristics in the Funds' legal documents. Investors should fully understand the risk rating of the Fund and make investment decisions prudently.**

# XVIII. Amendment and Termination of the Fund Contract and Liquidation of Fund Property

(I) Amendment of the Fund Contract

1. Any amendments to the Fund Contract involving matters stipulated by laws and regulations or the Fund Contract that require a resolution of the Fund Unitholders' meeting shall be subject to approval at such meeting. For matters permitted by laws and regulations or the Fund Contract to be amended without a resolution by the Fund Unitholders' meeting, such amendments shall be agreed upon by the Manager and Custodian and publicly disclosed.

2. Resolutions of the Fund Unitholders' meeting regarding amendments to the Fund Contract shall become effective only after they come into force and shall be announced in the Designated Media within two days of the effective date.

(II) Grounds for Termination of the Fund Contract

The Fund Contract shall be terminated upon completion of the required procedures under any of the following circumstances:

1. A resolution to terminate the Fund Contract is passed at a Fund Unitholders' meeting;

2. The duties of the Manager or the Custodian are terminated, and no new Manager or Custodian is appointed within 6 months;

3. In the event of the Index ceasing to meet the requisite criteria (except for cases where changes in constituent stock prices or other alterations to the index compilation methodology cause the Index to fall short of the requirements), the index provider's withdrawal, or other circumstances that requires a Fund Unitholders' meeting to be convened by the Manager to vote on proposed solutions, the meeting fails to be successfully convened or fails to pass resolutions on the aforementioned matters.

4. Other circumstances stipulated in the Fund Contract;

5. Other circumstances stipulated by relevant laws and regulations and the CSRC.

(III) Liquidation of Fund Property

1. Formation of Fund Property Liquidation Team: A liquidation team shall be established within 30 business days from the date of occurrence of any event leading to the termination of the Fund Contract. The Manager shall organise the Fund property liquidation team, and the liquidation shall be conducted under the supervision of the CSRC.

2. Composition of Fund Property Liquidation Team: The Fund property liquidation team shall comprise representatives from the Manager, the Custodian, certified public accountants in compliance with the Securities Law, legal counsel, and personnel designated by the CSRC. The Fund property liquidation team may engage additional necessary personnel.

3. Responsibilities of the Fund Property Liquidation Team: The Fund property liquidation team shall be responsible for the custody, liquidation, valuation, realisation, and distribution of the Fund’s assets. The Fund property liquidation team may engage in necessary civil activities in accordance with the law.

4. Fund Property Liquidation Procedures:

(1) When a situation requiring the termination of the Fund Contract arises, the Fund property liquidation team shall take over the Fund;

(2) The Fund property liquidation team shall conduct a thorough review and confirmation of the Fund's property and liabilities;

(3) The Fund property liquidation team shall conduct a valuation and realisation of the Fund property;

(4) The Fund property liquidation team shall prepare a liquidation report;

(5) The Fund property liquidation team shall engage an accounting firm to conduct an external audit of the liquidation report and a law firm to issue a legal opinion on the liquidation report;

(6) The Fund property liquidation team shall file the liquidation report with the CSRC for record and make a public announcement;

(7) The Fund property liquidation team shall distribute the remaining Fund property.

5. The liquidation period for the Fund property shall be six months. However, if the liquidation period needs to be extended due to restrictions on the liquidity of securities held by the Fund that prevent their timely realisation, the liquidation period shall be extended accordingly.

(IV) Liquidation Expenses

Liquidation expenses refer to all reasonable expenses incurred by the Fund property liquidation team during the process of liquidating the Fund. Liquidation expenses shall be paid out of the Fund property as a priority.

(V) Distribution of Remaining Assets from Fund Property Liquidation

In accordance with the distribution plan for the liquidation of Fund property, all remaining assets after deducting liquidation expenses, paying any outstanding taxes, and settling any outstanding debts of the Fund shall be distributed to Fund Unitholders in proportion to their respective Fund unit holdings.

(VI) Announcement of Fund Property Liquidation

Any material event during the liquidation process shall be announced in a timely manner. The Fund property liquidation report shall be audited by a Securities Law-qualified accounting firm with a legal opinion issued by a law firm before filing with the CSRC and public announcement. The announcement of the Fund property liquidation shall be made by the Fund property liquidation team after the filing of the Fund property liquidation report with the CSRC.

(VII) Retention of Fund Property Liquidation Books and Records

The books, records, and related documents pertaining to the liquidation of the Fund property shall be retained by the Custodian for a period not less than the statutory minimum period.

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# XIX. Excerpts from the Fund Contract

Please refer to Appendix I for excerpts from the Fund Contract.

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# XX. Excerpts from the Fund’s Custody Agreement

Please refer to Appendix II for excerpts from the Fund’s Custody Agreement.

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# XXI. Services to Fund Unitholders

Services to Fund Unitholders are primarily provided by the Manager and Authorised Participants.

The main services provided by the Manager are as follows:

(I) Call Centre

1. Automated Voice Service

A 24/7 automated voice service is available, allowing clients to inquire about the latest FAQs, NAV per Unit, and other information via telephone.

2. Human Telephone Service

Human service is available 7 days a week. The service hours are from 8:30 to 21:00, Monday to Friday, and from 8:30 to 17:00 on weekends (Saturday and Sunday), excluding statutory holidays.

Customer Service Telephone Number: 400-818-6666

Customer Service Fax: 010-63136700

(II) Online Services

Investors can access online services through various channels, including the Company's website, app, WeChat official account, and mini-program.

1. Self-Service

Online self-help customer service is available 24/7. Investors can access information on the latest FAQs, business rules, Net Asset Value per Unit, and more through this platform.

2. Human Service

Online human customer service is available from 8:30 to 21:00, Monday to Friday, and from 8:30 to 17:00 on weekends (Saturday and Sunday), excluding statutory holidays.

3. Information Services

Investors can find various types of information about the Fund and the Manager through the Company's website, including legal documents of the Fund, the latest news of the Manager, hot topics, etc.

Website: www.ChinaAMC.com

Email: service@ChinaAMC.com

(III) Customer Complaints and Suggestions

Investors may lodge complaints or suggestions regarding the services provided by the Manager through various channels provided by the Manager, including the call centre human telephone service, online customer service, letters, emails, and fax. Investors may also lodge complaints or suggestions regarding the services provided by Authorised Participants through their service hotlines.

# XXII. Availability and Inspection of the Prospectus

After the publication of the Prospectus, it will be made available at the premises of the Manager, the Custodian, the Fund Sales Institutions, and the stock exchange where the Fund is listed. Investors may inspect the Prospectus free of charge. Investors may also obtain a copy of the document within a reasonable period after paying the cost of production.

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# XXIII. Documents Available for Inspection

(I) List of Documents Available for Inspection

1. Approval Document from the CSRC on the Registration of the ChinaAMC CSI A500 Exchange Traded Fund.

2. Fund Contract of ChinaAMC CSI A500Exchange Traded Fund.

3. Custody Agreement of ChinaAMC CSI A500Exchange Traded Fund.

4. Legal Opinion.

5. Business license and operating license of the Manager.

6. Business license and operating license of the Custodian.

(II) Location of Inspection

The documents available for inspection are kept at the premises of the Manager and/or the Custodian.

(III) Methods of Inspection

Investors may inspect the documents available for inspection free of charge during business hours. Copies or duplicates of the documents available for inspection may be obtained within a reasonable time upon payment of a copying fee.

China Asset Management Co., Ltd.

2 November 2024

# Appendix I: Excerpts from the Fund Contract

**Part I: Rights and Obligations of Fund Unitholders, the Manager, and the Custodian**

I. The Manager

(I) Manager Information

Name: China Asset Management Co., Ltd.

Domicile: Compound A3, Anqing Street, Shunyi District, Beijing

Legal Representative: ZHANG Youjun

Date of Establishment: 9 April 1998

Approving Authority and Approval Document Number: CSRC ZHENG JIAN JI ZI [1998] No. 16

Type of Organisation: Limited liability company

Registered Capital: RMB238 million

Operating Period: 100 years

Telephone Number: 400-818-6666

(II) Rights and Obligations of the Manager

1. In accordance with the Funds Law, the Operation Measures and other relevant regulations, the rights of the Manager include but are not limited to:

(1) Offering the Fund in accordance with the law;

(2) Independently operating and managing Fund property in accordance with laws and regulations and the Fund Contract from the effective date of the Fund Contract;

(3) Collecting fund management fees and other fees as stipulated by laws and regulations or approved by the CSRC in accordance with the Fund Contract;

(4) Selling Fund units;

(5) Convening Fund Unitholders' meetings as stipulated;

(6) Supervising the Fund Custodian in accordance with the Fund Contract and relevant laws and regulations. If the Fund Manager believes that the Fund Custodian has violated the Fund Contract or relevant state laws and regulations, it shall report to the CSRC and other regulatory authorities and take necessary measures to protect the interests of Fund investors;

(7) Nominating a new Fund Custodian in the event of replacement;

(8) Selecting and replacing authorised distributors, and supervising and managing their relevant activities.

(9) Acting as or appointing other qualified institutions to act as the Registrar to handle Fund unit registration business and receive fees as stipulated in the Fund Contract.

(10) Determining the distribution plan for Fund Income in accordance with the Fund Contract and relevant laws and regulations;

(11) Rejecting or suspending the acceptance of creation and redemption applications within the scope stipulated in the Fund Contract;

(12) Exercising shareholder rights in investee companies and exercising rights arising from the investment of Fund property in securities/futures for the benefit of the Fund, in accordance with laws and regulations;

(13) Conducting margin trading and CSF Securities Lending for the benefit of the Fund in accordance with laws and regulations;

(14) Exercising litigation rights or performing other legal actions in the name of the Manager, representing the interests of Fund Unitholders;

(15) Selecting and replacing law firms, accounting firms, securities/futures brokers, or other external institutions that provide services to the Fund;

(16) Formulating and adjusting the business rules related to Fund subscription, creation, redemption, and non-trade transfer, subject to relevant laws and regulations;

(17) Implementing appropriate control measures based on anti-money laundering laws and regulations, taking into account Fund Unitholders' money laundering risk profiles;

(18) Engaging third-party institutions to handle the Fund’s trading, clearing, valuation and settlement operations;

(19) Other rights as stipulated by laws and regulations, the CSRC, and the Fund Contract.

2. In accordance with the Funds Law, the Operation Measures and other relevant regulations, the obligations of the Manager include but are not limited to:

(1) Offering the Fund in accordance with the law, handling or entrusting other institutions recognised by the CSRC to handle the offering, creation, redemption and registration of Fund units;

(2) Handling Fund filing procedures;

(3) Managing and using Fund property in good faith and with due diligence from the effective date of the Fund Contract;

(4) Equipping sufficient personnel with professional qualifications to conduct Fund investment analysis and decision-making, and managing and operating Fund property in a professional manner;

(5) Establishing and improving internal risk control, supervision and audit, financial management and personnel management systems to ensure that the Fund property and the property of the Fund Manager are independent of each other, and that different funds under management are separately managed, accounted for and invested;

(6) Except as provided for in the Funds Law, the Fund Contract and other relevant regulations, not using Fund property for its own benefit or the benefit of any third party, and not entrusting any third party to operate Fund property;

(7) Accepting the supervision of the Fund Custodian according to law;

(8) Taking appropriate and reasonable measures to ensure that the methods for calculating the subscription, creation, redemption and cancellation price of Fund units comply with the provisions of the Fund Contract and other applicable legal documents, calculating and announcing the Fund’s NAV information in accordance with relevant regulations, and determining the consideration for the creation and redemption of Fund units;

(9) Carrying out Fund accounting and preparing Fund financial accounting reports;

(10) Preparing quarterly, interim, and annual reports;

(11) Strictly fulfilling information disclosure and reporting obligations in accordance with the Funds Law, the Fund Contract and other relevant regulations;

(12) Maintaining the confidentiality of the Fund's business secrets and not disclosing the Fund's investment plans, investment intentions, etc. Except as otherwise provided under the Funds Law, the Fund Contract, or relevant regulations, such information shall not be disclosed prior to official publication, unless required by regulatory or judicial authorities or for disclosure to external professional advisors (e.g., auditors or legal counsel).

(13) Determining the Fund Income distribution plan in accordance with the stipulations in the Fund Contract and distributing Fund Income to Fund Unitholders in a timely manner;

(14) Accepting creation and redemption applications according to applicable provisions and paying the consideration for redemption in full and on time;

(15) Convening Fund Unitholders' meetings or cooperating with the Fund Custodian and Fund Unitholders to convene Fund Unitholders' meetings in accordance with the Funds Law, the Fund Contract and other relevant regulations;

(16) Maintaining accounting books, statements, records, and other relevant materials related to the Fund's asset management activities no less than the statutory minimum period;

(17) Ensuring that all documents or materials required to be provided to Fund investors are issued within the prescribed time limit, and ensuring that investors have access at all times to the public information relating to the Fund in the manner and within the time limit prescribed in the Fund Contract, and may obtain copies of the relevant information at reasonable cost;

(18) Organising and participating in the Fund property liquidation team, and participating in the safekeeping, clearing, valuation, realisation and distribution of Fund property;

(19) Reporting to the CSRC and notifying the Fund Custodian in a timely manner in the event of dissolution, revocation by law or bankruptcy declaration;

(20) Assuming liability for compensation for any loss of Fund property or damage to the legitimate rights and interests of Fund Unitholders arising from its breach of the Fund Contract, which liability for compensation survives resignation;

(21) Supervising the Custodian’s performance of its obligations in compliance with laws and regulations and the Fund Contract, and pursuing recourse against the Custodian for the benefit of the Fund Unitholders in the event of any loss of Fund property caused by the Custodian's breach of the Fund Contract;

(22) Assuming responsibility for the actions of any third party to whom it delegates its obligations in relation to Fund matters;

(23) Exercising the right to institute legal actions or other legal proceedings on behalf of the Fund Unitholders in the name of the Fund Manager;

(24) If the Fund fails to meet the filing conditions during the offering period and the Fund Contract cannot take effect, the Manager shall bear the costs incurred from the fundraising activities and return the raised funds plus bank deposit interest for the same period to Fund subscribers within 30 days after the end of the Offering Period; stocks collected through offline stock subscription during the offering period shall be unfrozen by the Registrar;

(25) Implementing Fund Unitholders’ Meeting resolutions that have come into effect;

(26) Establishing and maintaining a register of Fund Unitholders;

(27) Other obligations as stipulated by laws and regulations, the CSRC, and the Fund Contract.

II. The Custodian

(I) Custodian Information

Name: China Merchants Bank Co., Ltd.

Domicile: China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen

Legal Representative: MIAO Jianmin

Date of Establishment: 8 April 1987

Approving Authority and Approval Reference: People’s Bank of China approvals YIN FU ZI (1986) No. 175 and YIN FU ZI (1987) No. 86

Type of Organisation: Company limited by shares

Registered Capital: RMB25,220 million

Operating Period: Going concern

Custody Qualification Approval: CSRC Fund Approval [2002] No. 83

(II) Rights and Obligations of the Custodian

1. In accordance with the Funds Law, the Operation Measures and other relevant regulations, the rights of the Custodian include, but are not limited to:

(1) Safekeeping the Fund property in accordance with the laws and regulations and the Fund Contract from the effective date of the Fund Contract;

(2) Receiving custody fees as stipulated in the Fund Contract and other fees determined by laws and regulations or approved by the CSRC;

(3) Supervising the Manager’s investment operations in respect of the Fund and, if the Custodian discovers that the Manager has violated the Fund Contract or any laws and regulations, resulting in significant losses to the Fund’s assets or the interests of other parties, reporting such violations to the CSRC and taking necessary measures to protect the interests of Fund investors;

(4) Opening capital accounts, securities accounts, and other accounts necessary for investment, and handling the clearing of securities trading funds for the Fund according to relevant market rules;

(5) Proposing to convene or convening a Fund Unitholders' meeting;

(6) Nominating a new Fund Manager in the vent of replacement;

(7) Other rights as stipulated by laws and regulations, the CSRC, and the Fund Contract.

2. In accordance with the Funds Law, the Operation Measures and other relevant regulations, the obligations of the Custodian include, but are not limited to:

(1) Holding and safekeeping the Fund property in good faith and with due diligence;

(2) Establishing a dedicated fund custody department with qualified business premises and sufficient, qualified full-time personnel familiar with fund custody business to be responsible for the custody of the Fund property;

(3) Establishing and improving internal risk control, supervision and audit, financial management and personnel management systems to ensure the safety of the Fund property and to ensure that the Fund property is independent of the Custodian's own property and the property of other funds; setting up separate accounts for different funds under custody, conducting independent accounting, and managing accounts separately to ensure that different funds are independent from each other in terms of account setup, fund transfer, and bookkeeping;

(4) Except as provided for in the Funds Law, the Fund Contract and other relevant regulations, not using the Fund property for its own benefit or the benefit of any third party, and not entrusting any third party with the custody of the Fund property;

(5) Safekeeping important contracts and relevant certificates signed by the Fund Manager on behalf of the Fund in relation to the Fund;

(6) Opening capital accounts, securities accounts, and other required investment accounts for the Fund property per applicable provisions and handling clearing and delivery matters in a timely manner in accordance with the stipulations of the Fund Contract and based on the Manager’s investment instructions;

(7) Maintaining the confidentiality of the Fund's business secrets. Unless otherwise stipulated by the Funds Law, the Fund Contract, and other relevant regulations, the Custodian shall maintain confidentiality prior to the public disclosure of the Fund's information and shall not disclose it to others, except when required by a regulatory body, judicial body, or other competent authority, or when it is necessary to provide the information to external professional advisers such as auditors and legal counsel;

(8) Reviewing and verifying the NAV of the Fund, NAV per Unit, and Creation Consideration, and Redemption Consideration calculated by the Manager;

(9) Handling matters relating to information disclosure in connection with the Fund’s custody;

(10) Issuing opinions on the Fund's financial accounting reports and its quarterly, interim and annual Fund reports, stating whether the Manager's operations have been conducted, in all material respects, in accordance with the provisions of the Fund Contract; where the Manager has failed to fulfil its obligations as stipulated in the Fund Contract, the opinion shall also state whether the Custodian has taken appropriate measures;

(11) Maintaining records, books, statements, and other relevant materials related to the Fund's custodial business activities for no less than the statutory minimum period;

(12) Receiving and maintaining the register of Fund Unitholders from the Manager or the Registrar appointed by the Manager;

(13) Preparing relevant books and records per applicable provisions and reconciling them with the Fund Manager;

(14) Paying Fund Income and Consideration for Redemption to Fund Unitholders in accordance with the instructions of the Fund Manager or relevant regulations;

(15) Convening a Fund Unitholders' meeting or cooperating with the Fund Manager and Fund Unitholders to convene a Fund Unitholders' meeting in accordance with the Funds Law, the Fund Contract and other relevant regulations;

(16) Supervising the investment operations of the Manager in accordance with laws and regulations and the Fund Contract;

(17) Participating in the Fund property liquidation team and participating in the safekeeping, clearing, valuation, realisation and distribution of the Fund property;

(18) Reporting to the CSRC and the banking regulatory authority and notifying the Manager in a timely manner in the event of dissolution, revocation by law, or bankruptcy declaration.

(19) Assuming liability for compensation for any loss of Fund property arising from its breach of the Fund Contract, which liability survives resignation;

(20) Supervising the Manager’s performance of its obligations in compliance with laws and regulations and the Fund Contract, and pursuing recourse against the Manager for the benefit of the Fund Unitholders in the event of any loss of Fund property caused by the Manager's breach of the Fund Contract;

(21) Implementing Fund Unitholders’ Meeting resolutions that have come into effect;

(22) Other obligations as stipulated by laws and regulations, the CSRC, and the Fund Contract.

III. Fund Unitholders

**By holding Fund units, Fund investors are deemed to have acknowledged and accepted the Fund Contract. Fund investors, upon acquiring Fund units in accordance with the Fund Contract, become Fund Unitholders and parties to the Fund Contract until they no longer hold any Fund units. It is not a requirement for Fund Unitholders to sign or affix their seals on the Fund Contract to be considered parties thereto.**

Each Fund unit shall have the same legal rights and interests.

1. In accordance with the Funds Law, the Operation Measures and other relevant regulations, the rights of Fund Unitholders include, but are not limited to:

(1) Sharing in the income of the Fund property;

(2) Participating in the distribution of the remaining Fund property upon liquidation;

(3) Transferring or requesting redemption of the fund shares respectively held by them in accordance with law;

(4) Requiring that the fund share holders’ meeting be convened or convening the fund share holders’ meeting according to the relevant provisions;

(5) Attending or appointing a representative to attend Fund Unitholders' Meetings and exercising voting rights on matters submitted for deliberation;

(6) Consulting or copying publicly disclosed Fund information and materials;

(7) Supervising the investment operations of the Fund Manager;

(8) Instituting legal proceedings or arbitration against the Manager, Custodian, or Fund service providers for actions that impair their lawful rights and interests; and

(9) Other rights as stipulated by laws and regulations, the CSRC, and the Fund Contract.

2. In accordance with the Funds Law, Operation Measures, and other relevant regulations, the obligations of Fund Unitholders include but are not limited to:

(1) **Carefully reading and complying with the Fund Contract, Prospectus, and other disclosure documents;**

(2) **Understanding the Fund product in which they invest and their own risk tolerance, making independent judgments on the Fund's investment value, making independent investment decisions, and assuming investment risks;**

(3) **Monitoring Fund information disclosures and exercising rights and fulfilling obligations in a timely manner;**

(4) Paying the consideration for subscription and creation of Fund units, as well as fees stipulated by laws, regulations, and the Fund Contract; conducting subscriptions and creations in accordance with laws, regulations, and relevant provisions of the stock exchange regarding shareholding reduction; and promptly fulfilling relevant obligations related to shareholding reduction that may arise from subscriptions and creations;

(5) Bearing limited liability for Fund losses or the termination of the Fund Contract within the scope of their Fund unit holdings;

(6) Refraining from engaging in any activities that harm the legitimate rights and interests of the Fund and other parties to the Fund Contract;

(7) Implementing Fund Unitholders’ Meeting resolutions that have come into effect;

(8) Returning any unjust enrichment obtained during Fund transactions for any reason;

(9) Complying with the relevant trading and business rules of the Manager, Custodian, Sales Institutions, and the Registrar;

(10) Providing information required by the Manager and regulatory authorities in accordance with the law, updating and supplementing such information in a timely manner, and guaranteeing its authenticity;

(11) Other obligations as stipulated by laws and regulations, the CSRC, and the Fund Contract.

**Part II: Procedures and Rules for Convening, Deliberating and Voting at Fund Unitholders’ Meetings**

The Fund Unitholders' Meeting is composed of Fund Unitholders. Lawfully authorised representatives of Fund Unitholders are entitled to attend the meeting and vote on behalf of the Fund Unitholders they represent. Each Fund unit carries equal voting rights. The Fund does not establish a standing body for the Fund Unitholders' Meeting.

I. Grounds for Convening a Unitholders' Meeting

1. A Fund Unitholders' Meeting shall be convened when any of the following circumstances occur or require a decision, except where otherwise stipulated by laws, regulations, the CSRC, or the Fund Contract:

(1) Termination of the Fund Contract;

(2) Replacement of the Manager;

(3) Replacement of the Fund Custodian;

(4) Conversion of the Fund's operation method;

(5) An increase in the remuneration of the Manager or the Custodian;

(6) Change to the Fund's category;

(7) A merger of the Fund with other funds;

(8) A change to the Fund's investment objective, scope, or strategy;

(9) Amendment to the procedures of the Fund Unitholders' Meeting;

(10) A request from the Manager or the Custodian to convene a Fund Unitholders' Meeting;

(11) A written request from Fund Unitholders, individually or collectively holding 10% or more of the total Fund units (based on the number of Fund units on the date the Manager receives the proposal), to convene a Fund Unitholders' Meeting on the same matter;

(12) Other matters that have a material impact on the rights and obligations of the parties to the Fund Contract.

(13) Other matters stipulated by laws and regulations, the Fund Contract, or the CSRC that require the convening of a Fund Unitholders' Meeting.

2. The following changes may be made after consultation between the Manager and the Custodian without convening a Fund Unitholders' Meeting, provided that such changes are within the scope stipulated by laws, regulations, and the Fund Contract, and have no material adverse impact on the interests of Fund Unitholders:

(1) The collection of Fund fees as required by laws and regulations;

(2) Adjustment of the Fund's creation fee rate, redemption fee rate, or fee structure within the scope stipulated by laws, regulations, and the Fund Contract;

(3) The addition, reduction, or adjustment of the Fund unit classes;

(4) Adjustment of the Fund's creation and redemption methods, as well as the composition of the Creation Consideration and Redemption Consideration, and the content of the Portfolio Composition File;

(5) Adjustment of the calculation and announcement time or frequency of the NAV per Unit and the Portfolio Composition File;

(6) The offering and management of one or more feeder funds that target the Fund as the target ETF, or the adoption of special creations or other means for the Fund's feeder funds to participate in Fund unit creations and redemptions;

(7) The adjustment of rules related to Fund subscriptions, creations, redemptions, transactions, distribution of income, non-trade transfers, and designation transfer by the Manager, stock exchanges, the Registrar, or Sales Agencies;

(8) The launch of new business or services by the Fund after appropriate procedures are followed;

(9) The listing of the Fund on other stock exchanges and the launch of off-exchange creation and redemption services;

(10) Amendments to the Fund Contract that are required due to changes in relevant laws, regulations, or the relevant business rules of the Shanghai Stock Exchange or the Registrar;

(11) Amending the Fund Contract in a way that does not materially adversely affect the interests of Fund Unitholders or does not involve material changes to the rights and obligations of the parties to the Fund Contract;

(12) Other circumstances stipulated by laws and regulations and the Fund Contract that do not require the convening of a Fund Unitholders' Meeting.

II. Convener and Convening Procedures

1. Unless otherwise stipulated by laws and regulations or the Fund Contract, the Fund Unitholders' Meeting shall be convened by the Manager.

2. If the Manager fails to convene or is unable to convene the meeting as required, the Custodian shall convene the meeting.

3. If the Fund Custodian deems it necessary to convene a Fund Unitholders' Meeting, it shall submit a written proposal to the Fund Manager. The Fund Manager shall decide whether to convene the meeting within 10 days of receiving the written proposal and shall notify the Fund Custodian in writing. If the Manager decides to convene the meeting, it shall do so within 60 days of issuing the written decision. If the Manager decides not to convene the meeting and the Custodian still deems it necessary, the Custodian shall convene the meeting itself within 60 days of issuing the written decision and inform the Manager, who shall cooperate.

4. If Fund Unitholders representing 10% or more of the Fund units (inclusive) submit a written request to convene a Fund Unitholders' Meeting on the same matter, they shall submit a written proposal to the Manager. The Fund Manager shall decide whether to convene the meeting within 10 days of receiving the written proposal and shall notify the representative of the Fund Unitholders who submitted the proposal and the Fund Custodian in writing. If the Fund Manager decides to convene the meeting, it shall convene the meeting within 60 days of issuing the written decision. If the Fund Manager decides not to convene the meeting and the Fund Unitholders representing 10% or more of the Fund units (inclusive) still deem it necessary, they shall submit a written proposal to the Fund Custodian. The Custodian shall decide whether to convene the meeting within 10 days of receiving the written proposal and notify the representative of the Fund Unitholders who submitted the proposal and the Manager in writing. If the Custodian decides to convene the meeting, it shall do so within 60 days of issuing the written decision and inform the Manager, who shall cooperate.

5. If Fund Unitholders representing 10% or more of the Fund units (inclusive) request to convene a Fund Unitholders' Meeting on the same matter, and neither the Manager nor the Custodian convenes the meeting, the Fund Unitholders representing 10% or more of the Fund units (inclusive), either individually or jointly, have the right to convene the meeting themselves and shall file the meeting with the CSRC at least 30 days in advance. If the Fund Unitholders convene a Fund Unitholders' Meeting themselves in accordance with the law, the Manager and the Custodian shall cooperate and shall not obstruct or interfere with the meeting.

6. The convener of the Fund Unitholders' Meeting is responsible for selecting and determining the time, place, method, and record date of the meeting.

III. Timeframe, Content, and Method of Notifying Unitholders of a Fund Unitholders’ Meeting

1. The convener of a Fund Unitholders' Meeting shall make an announcement in the Designated Media 30 days prior to the meeting. The notice of the Fund Unitholders' Meeting shall include at least the following information:

(1) Time, place, and format of the meeting;

(2) Matters to be considered at the meeting, the meeting agenda, and voting procedures;

(3) Record date for determining the Fund Unitholders entitled to attend the Fund Unitholders' Meeting;

(4) Requirements for the content of the power of attorney (including but not limited to the identity of the proxy, scope of authorisation, and validity period), time and place for submission;

(5) Name and telephone number of the contact person for the meeting;

(6) Documents to be prepared and procedures to be completed by attendees;

(7) Other matters that the convener needs to notify.

2. If the meeting is held by correspondence and voting is conducted, the convener of the meeting shall specify in the meeting notice the specific method of correspondence for the Fund Unitholders' Meeting, the notary public entrusted with the meeting and its contact information, and the deadline and method for submitting voting opinions.

3. If the convener is the Manager, it shall also notify the Custodian in writing to supervise the counting of votes at the designated location. If the convener is the Custodian, it shall also notify the Manager in writing to supervise the counting of votes at the designated location. If the convener is a Fund Unitholder, it shall also notify the Manager and the Custodian in writing to supervise the counting of votes at the designated location. The failure of the Manager or the Custodian to send a representative to supervise the counting of voting opinions shall not affect the validity of the vote count.

IV. Methods of Attendance at Fund Unitholders' Meetings

Fund Unitholders' Meetings may be held in person, by correspondence, or by other means permitted by laws, regulations, or regulatory authorities. The convener of the meeting shall determine the method of the meeting.

1. In-person meetings. Fund Unitholders may attend in person or appoint a proxy to attend on their behalf with a power of attorney. Authorised representatives of the Manager and the Custodian shall be present at in-person Fund Unitholders' Meetings. The failure of the Manager or the Custodian to send a representative shall not affect the validity of the vote. The agenda of an in-person Fund Unitholders' Meeting may proceed when the following conditions are met:

(1) The credentials of Fund Unitholders attending the meeting in person, the credentials of the principal of the proxy attending the meeting on behalf of the Fund Unitholder, and the power of attorney provided by the principal comply with the provisions of laws and regulations, the Fund Contract, and the notice of the meeting, and the credentials of the Fund units held are consistent with the registration information held by the Manager;

(2) After verification, the aggregated credentials presented by attendees, indicating the Fund units held on the record date, show that the valid Fund units represent not less than one-half of the total Fund units on the record date. If the valid Fund units represented by attendees on the record date are less than one-half of the total Fund units on the record date, the convener may, within three to six months after the originally announced date of the Fund Unitholders' Meeting, reconvene a Fund Unitholders' Meeting to deliberate on the originally proposed matters. The reconvened Fund Unitholders' Meeting shall have attendees representing valid Fund units of not less than one-third of the total Fund units on the record date.

2. Meetings by correspondence. A meeting by correspondence refers to a method where Fund Unitholders send their votes on the matters for resolution in writing or by other means specified in the meeting notice to the address or system designated by the convener before the voting deadline. Voting for a meeting by correspondence shall be conducted in writing or by other means specified in the meeting notice.

A meeting by correspondence shall be deemed valid when the following conditions are met:

(1) After the convener announces the meeting notice in accordance with the Fund Contract, it shall publish related reminder notices on two consecutive business days, except where otherwise stipulated by laws, regulations, and the CSRC;

(2) The convener shall, in accordance with the Fund Contract, notify the Custodian (or the Manager if the Custodian is the convener) to supervise the counting of votes at a designated location. The convener shall collect the votes from Fund Unitholders in the manner specified in the meeting notice under the supervision of the Custodian (or the Manager if the Custodian is the convener) and a notary public. If the Custodian or the Manager fails to participate in the collection of votes after being notified, the validity of the votes shall not be affected;

(3) Fund Unitholders who either submit opinions directly or authorise others to represent them hold no less than one-half of the total Fund units on the record date. If the Fund Unitholders who either submit opinions directly or authorise others to represent them hold less than one-half of the total Fund units on the record date, the convener may, within three to six months after the originally announced date of the Fund Unitholders' Meeting, reconvene a Fund Unitholders' Meeting to deliberate on the originally proposed matters. The reconvened Fund Unitholders' Meeting shall have holders representing at least one-third of the Fund units, either submitting opinions directly or authorising others to represent them;

(4) For item (3) above, Fund Unitholders who directly submit opinions or agents who submit opinions on behalf of them must also submit proof of fund unit ownership, or proof of the principal's fund unit ownership and the principal's proxy voting authorisation certificate in the case of the agent authorised to submit opinions. These documents must comply with laws, regulations, the Fund Contract, and meeting notice requirements, and must match the Registrar's records.

3. Where permitted by laws and regulations or regulatory authorities, and as stated in the notice of the meeting, Fund Unitholders may also vote by internet, telephone, or other means, or authorise others to attend the meeting and vote on their behalf by internet, telephone, or other means. Regarding the method of convening the meeting, the Fund may also adopt other non-in-person methods or a combination of in-person and non-in-person methods to convene Fund Unitholders' Meetings, with the meeting procedures conducted in accordance with those for in-person meetings and meetings by correspondence.

V. Matters and Procedures of the Meeting

1. Matters of the Meeting and the Right to Submit Proposals

The subject matter of the meeting shall be significant matters related to the interests of Fund Unitholders, such as major amendments to the Fund Contract, decisions to terminate the Fund Contract, replacement of the Manager, replacement of the Custodian, mergers with other funds (except where otherwise stipulated by laws, regulations, the Fund Contract, and the CSRC), other matters stipulated by laws, regulations, and the Fund Contract, and other matters that the convener deems necessary to submit to the Fund Unitholders' Meeting for discussion.

After the convener of the Fund Unitholders' Meeting has issued the notice of the meeting, any amendments to the original proposals shall be announced in a timely manner prior to the Fund Unitholders' Meeting.

The Fund Unitholders' Meeting shall not vote on matters that have not been previously announced.

2. Meeting Procedures

(1) In-person meetings

At an in-person meeting, the chairperson of the meeting shall first determine and announce the scrutineers in accordance with the procedures set out in Article VII below. The chairperson shall then read out the proposals, which shall be put to a vote after discussion, whereupon resolutions of the meeting shall be formed. The chairperson of the meeting shall be the representative authorised by the Fund Manager to attend the meeting. If the representative authorised by the Fund Manager is unable to chair the meeting, the representative authorised by the Fund Custodian to attend the meeting shall chair the meeting. If neither the representative authorised by the Fund Manager nor the representative authorised by the Fund Custodian is able to chair the meeting, a Fund Unitholder shall be elected as the chairperson of the Fund Unitholders' Meeting by a majority vote (including 50%) of the voting rights held by the Fund Unitholders and proxies present at the meeting. The refusal of the Manager and the Custodian to attend or chair the Fund Unitholders' Meeting shall not affect the validity of the resolutions made by the Fund Unitholders' Meeting.

The convener of the meeting shall prepare a register of attendees. The register shall state the names (or entity names) and identity document numbers of the attendees, the number of Fund units held or represented with voting rights, and the names (or entity names) and contact details of the principals of the proxies.

(2) Meetings by correspondence

In the case of a meeting by correspondence, the convener shall first announce the proposal 30 days in advance. Within two business days after the notified voting deadline, the convener shall count all valid votes under the supervision of a notary public and form a resolution under the supervision of the notary public.

VI. Voting

Each Fund unit held by a Fund Unitholder shall have one vote.

Resolutions of the Fund Unitholders' Meeting are divided into ordinary resolutions and special resolutions:

1. Ordinary resolutions. An ordinary resolution shall be passed by more than one-half (inclusive of one-half) of the voting rights held by the Fund Unitholders or their proxies present at the meeting. All matters other than those required to be passed by special resolution as set out in paragraph 2 below shall be passed by ordinary resolution.

2. Special resolutions. A special resolution shall be passed by more than two-thirds (inclusive of two-thirds) of the voting rights held by the Fund Unitholders or their proxies present at the meeting. Unless otherwise stipulated by laws, regulations, or the Fund Contract, conversion of the Fund's operation method, replacement of the Manager or the Custodian, termination of the Fund Contract, and merger of the Fund with other funds shall require approval by special resolution.

Voting at the Fund Unitholders' Meeting shall be conducted by roll call.

When voting by correspondence, unless there is sufficient evidence to the contrary at the time of counting the votes, a vote submitted with the investor identification documents as specified in the notice of the meeting shall be deemed to be a vote by a validly attending investor, and a voting opinion that appears to comply with the requirements of the notice of the meeting shall be deemed to be a valid vote. A voting opinion that is ambiguous or contradictory shall be deemed to be an abstention, but shall be included in the total number of Fund units represented by the Fund Unitholders who have submitted voting opinions.

The proposals of the Fund Unitholders' Meeting or the items listed under the same proposal shall be considered and voted on separately.

VII. Vote Counting

1. In-person meetings

(1) If the Fund Unitholders' Meeting is convened by the Manager or the Custodian, the chair of the meeting shall, after the start of the meeting, announce the election of two Fund Unitholder representatives from among the attending Fund Unitholders and their proxies to serve as scrutineers, together with a scrutineer authorised by the convener. If the meeting is convened by the Fund Unitholders themselves, or if the Manager or the Custodian has convened the meeting but is not present, the chair of the meeting shall announce the election of three Fund Unitholder representatives from among the attending Fund Unitholders to serve as scrutineers. The absence of the Manager or the Custodian from the meeting shall not affect the validity of the vote count.

(2) The scrutineers shall count the votes immediately after the Fund Unitholders have voted and the chairperson of the meeting shall announce the results of the count at the meeting.

(3) If the chairperson of the meeting or a Fund Unitholder or proxy has any doubts about the voting results submitted, they may request a recount of the votes immediately after the voting results are announced. The scrutineers shall recount the votes, and only one recount shall be allowed. After the recount, the chairperson of the meeting shall announce the results of the recount at the meeting.

(4) The vote-counting process shall be notarised by a notary public. The absence of the Manager or the Custodian from the meeting shall not affect the validity of the vote count.

2. Meetings by correspondence

In the case of a meeting by correspondence, the votes shall be counted as follows: Two scrutineers authorised by the convener shall count the votes under the supervision of an authorised representative of the Custodian (or of the Manager if the Custodian is the convener), and the process shall be notarised by a notary public. The failure of the Fund Manager or Fund Custodian to send representatives to supervise the counting of votes shall not affect the validity of the vote count and voting results.

(VIII) Entry into Force and Announcement

The convener shall, within 5 days of the passing of a resolution of the Fund Unitholders' Meeting, submit the resolution to the CSRC for record.

Resolutions of the Fund Unitholders' Meeting shall come into effect from the date they are passed.

Resolutions of the Fund Unitholders' Meeting shall be announced in the Designated Media within two business days from the effective date, in accordance with the requirements of laws, regulations, and the CSRC.

The Manager, the Custodian, and the Fund Unitholders shall implement the effective resolutions of the Fund Unitholders' Meeting. The effective resolutions of the Fund Unitholders' Meeting shall be binding on all Fund Unitholders, the Manager, and the Custodian.

IX. Method for Exercising Voting Rights in Respect of Fund Units Held by Feeder Funds of the Fund

If the Fund Contract of a feeder fund that targets the Fund and has the same Manager and Custodian as the Fund comes into effect, given the correlation between the Fund and the feeder fund, the Fund Unitholders of the feeder fund may, based on the feeder fund units they hold, exercise the right to convene a Fund Unitholders' Meeting of the target ETF, attend in person or appoint a representative to attend the Fund Unitholders' Meeting of the Fund, and participate in voting. When calculating the participating units and counting votes, the number of Fund units and votes held by the feeder fund's unitholders that are entitled to vote shall be: the total number of Fund units held by the feeder fund on the record date of the Fund Unitholders' Meeting, multiplied by the proportion of the feeder fund units held by the participating feeder fund unitholders to the total units of the feeder fund, rounded to the nearest whole number. If the Manager confirms that a feeder fund unitholder possesses, or a group of feeder fund unitholders collectively possess feeder fund units corresponding to at least 10% of the Fund's total units, they may exercise the right to convene a Fund Unitholders' Meeting.

If the Fund convenes a Fund Unitholders’ Meeting, unitholders of feeder funds linked to the Fund shall have the right to attend and vote in person, or appoint a representative via a proxy voting authorisation to attend and vote on their behalf. Such unitholders may participate in voting based on the corresponding units they hold in the Fund through their feeder fund units.

The manager of the feeder fund shall not exercise voting rights in the name of the feeder fund on behalf of all feeder fund unitholders as a Fund Unitholder of the Fund. However, it may accept authorisation from specific feeder fund unitholders to attend the Fund Unitholders' Meeting as a proxy for the feeder fund unitholders and participate in voting.

X. Where laws and regulations or regulatory authorities provide otherwise for the Fund Unitholders' Meeting, such provisions shall prevail.

XI. With regard to the provisions concerning the reasons for convening, conditions for convening, procedures, and voting requirements of the Fund Unitholders' Meeting, for any content directly quoted from laws and regulations, if future amendments to such laws and regulations result in the cancellation or modification of relevant content, the Manager may, after consulting with the Custodian and making prior announcements, directly modify and adjust this section without convening a Fund Unitholders' Meeting for deliberation.

**Part III: Principles and Methods of Fund Income Distribution**

I. Principles of Fund Income Distribution

1. Each Fund unit shall have equal distribution rights.

2. The Manager may assess the Fund’s excess return relative to the benchmark index on the last trading day of February, May, August, and November each year. If the Fund’s cumulative return, as verified on the assessment date, exceeds the benchmark index’s cumulative return over the same period, a distribution may be made;

3. Subject to meeting dividend distribution requirements, the Manager may distribute income based on actual circumstances. Specific distribution plans will be announced in due course. Based on the nature and characteristics of the Fund, the Fund's income distribution does not require making up for losses, and the NAV per Unit may fall below par value after the income distribution;

4. Income distribution may not be carried out if the Fund Contract has been in effect for less than three months;

5. The Fund's income distribution shall be made in cash;

6. If laws and regulations, regulatory authorities, the Registrar, or the Shanghai Stock Exchange stipulate otherwise, such provisions shall apply.

The Manager and Registrar may adjust the Fund’s distribution policy after due process, provided such changes comply with laws, regulations, and do not materially adversely affect existing Unitholders’ interests.

II. Income Distribution Plan

The Fund Income distribution plan shall specify the recipients of the Fund Income distribution, the distribution date, the amount and proportion of the distribution, and the method of distribution.

III. Determination, Announcement, and Implementation of the Income Distribution Plan

The Fund Income distribution plan shall be prepared by the Manager and reviewed by the Custodian, and shall be announced on the Designated Media in accordance with the relevant provisions of the Information Disclosure Measures.

**Part IV:** **Calculation, Payment Methods and Ratios of Fund-Related Expenses**

I. Types of Fund Expenses

1. Management fee payable to the Manager;

2. Custody fee payable to the Custodian;

3. Information disclosure expenses related to the Fund after the effective date of the Fund Contract, except as otherwise provided by laws and regulations and the CSRC;

4. Accountant, legal, and arbitration fees associated with the Fund following the effectiveness of the Fund Contract;

5. Fund Unitholders' meeting expenses;

6. Securities/futures trading expenses incurred by the Fund;

7. Bank transfer fees of the Fund;

8. Initial charges and annual fees for listing of the Fund;

9. Expenses incurred in the distribution of Fund Income;

10. The Fund's account opening fees and account maintenance fees;

11. Other expenses that may be paid out of the Fund assets in accordance with relevant state regulations and the Fund Contract.

II. Accrual Methods, Accrual Standards and Payment Methods of Fund Expenses

1. Management fee payable to the Manager

The Fund’s management fee is accrued daily at an annual rate of 0.15% of the prior day’s NAV. The calculation method for the management fee is as follows:

H = E × 0.15% ÷ Number of days in the year

H: Fund management fee accrued every day

E: NAV of the Fund on the previous day

Management fees are calculated daily, accumulated monthly, and paid by the Custodian from the Fund’s assets to the Manager within the first five business days of the following month, following mutual verification. The payment date will be postponed in case of statutory holidays, public holidays, etc.

2. Custody fee payable to the Custodian;

The Fund’s custody fee is accrued daily at an annual rate of 0.05% of the prior day’s NAV. The calculation method for the custody fee is as follows:

H＝E×0.05%÷Number of days in the year

H: Daily accrued custody fee of the Fund

E: NAV of the Fund on the previous day

Custody fees are calculated daily, accumulated monthly, and withdrawn by the Custodian from Fund assets within the first five business days of the following month, following mutual verification. The payment date will be postponed in case of statutory holidays, public holidays, etc.

Items 3-11 of "I. Types of Fund Expenses" above shall be paid from the Fund's properties by the Custodian based on the actual amount of expenses incurred, in accordance with relevant regulations and corresponding agreements.

(III) Items Not Included in Fund Expenses

The following expenses are not included in Fund expenses:

1. Expenses incurred or losses of Fund assets due to the failure of the Manager and the Custodian to perform or to fully perform their obligations;

2. Expenses incurred by the Manager and the Custodian in handling matters unrelated to the operation of the Fund;

3. Expenses incurred before the effective date of the Fund Contract;

4. Index licensing fee. The Index licensing fee shall be borne by the Manager and shall not be paid out of the Fund's properties.

5. Other expenses that are not allowed to be included in Fund expenses according to relevant laws and regulations and the relevant provisions of the CSRC.

**Part V: Investment Scope and Restrictions of Fund Properties**

I. Investment Scope

The Fund primarily invests in constituent stocks and alternative constituent stocks of the Index. In order to better achieve its investment goals, the fund can also invest in non-constituent stocks (including STAR Market, ChiNext, depositary receipts, and other stocks registered or approved for listing by the CSRC), bonds (including government bonds, central bank bills, financial bonds, enterprise bonds, corporate bonds, medium-term notes, short-term financing bonds, ultra-short-term financing bonds, subordinated bonds, local government bonds, convertible bonds, convertible bonds and other bonds permitted by the CSRC), financial derivatives (including stock index futures, stock options, treasury bond futures, etc.), asset-backed securities, money market instruments (including negotiable certificate of deposits, bond repurchases, etc.), bank deposits, and other financial instruments permitted by laws and regulations or the CSRC for the fund to invest in. The Fund may participate in margin trading and CSF securities lending business in compliance with laws and regulations.

Should the relevant laws, regulations, or regulatory authorities permit other types of financial instruments to be invested in by funds, subject to the Manager completing appropriate procedures, such financial instruments may be included in the Fund’s investment scope.

Investment portfolio composition: The Fund shall invest no less than 90% of its NAV in constituent stocks and alternate constituents of the underlying index, with such holdings comprising at least 80% of non-cash Fund assets. At the end of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock option contracts, the Fund shall maintain cash of not less than the margin amount. Cash excludes settlement deposits, refundable deposits, Creation Consideration, etc.

If laws, regulations, or regulatory authorities change the investment proportion limits for investment instruments, the Manager may adjust the investment proportions of the aforementioned investment instruments after fulfilling appropriate procedures.

II. Investment Restrictions

1. Portfolio Restrictions

The Fund's investment portfolio shall be subject to the following restrictions:

(1) The fund invests not less than 90% of NAV the underlying index’s constituent stocks and other stocks in its equity universe, and such investments shall not be less than 80% of its non-cash fund assets;

(2) The Fund's investment in various asset-backed securities of the same original beneficiary shall not exceed 10% of the Fund NAV;

(3) The market value of all asset-backed securities held by the Fund shall not exceed 20% of the Fund NAV;

(4) The proportion of the same asset-backed securities (with the same credit rating) held by the Fund shall not exceed the 10% of the total scale of such asset-backed securities;

(5) The capital amount invested by all funds managed by the Fund Manager in the various asset-backed securities of the same originator shall not exceed 10% of the total scale of all asset-backed securities;

(6) The Fund shall invest in asset-backed securities with a credit rating of BBB or above. If the credit rating of an asset-backed security held by the Fund falls and no longer meets such investment standard, the Fund shall sell all of holdings in such security within three months from the date of issuance of the rating report;

(7) When the Fund's property participates in the initial public offering of stocks, the amount subscribed by the Fund shall not exceed the total assets of the Fund, and the number of shares subscribed by the Fund shall not exceed the total number of shares issued by the issuer in the offering;

(8) The Fund’s outstanding balance from bond reverse repurchase agreements or repurchase agreements shall not exceed 40% of its NAV on the preceding day, and the maximum term for bond repurchase transactions shall not exceed one year;

(9) The market value of assets with restricted liquidity in which the Fund proactively invested shall not exceed 15% of the Fund NAV; In the event that this investment limit is violated due to factors beyond the Manager’s control, e.g. securities market fluctuations, suspension of trading of listed companies' stocks, and changes in fund size, the Manager shall not proactively increase investment in such assets with restricted liquidity;

(10) If the Fund conducts reverse repo transactions with private equity asset management products and other counterparties recognised by the CSRC, the eligibility requirements for acceptable collateral shall be consistent with the investment scope stipulated in the Fund Contract;

(11) At the end of any trading day, the value of long stock index futures held by the Fund shall not exceed 10% of the Fund’s NAV; at the end of any trading day, the value of the short stock index futures contracts shall not exceed 20% of the total market value of stocks held by the Fund; the trading volume of the stock index futures contract traded (excluding closing out) within any trading day shall not exceed 20% of the Fund’s NAV on the previous trading day;

(12) At the end of any trading day, the value of long government bond futures held by the Fund shall not exceed 15% of the Fund’s NAV; at the end of any trading day, the value of the short government bond futures contracts held by the Fund shall not exceed 30% of the total market value of stocks held by the Fund; the trading volume of the government bond futures contract traded (excluding closing out) within any trading day shall not exceed 30% of the Fund’s NAV on the previous trading day;

(13) At the close of any trading day, the aggregate value of long positions in stock index futures and treasury bond futures contracts, combined with the market value of securities, shall not exceed 100% of the Fund's NAV. In this context, securities refer to stocks, bonds (excluding government bonds with a maturity date within one year), asset-backed securities, financial assets purchased under resale agreements (excluding pledged repos), and similar instruments. At the close of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock option contracts, the Fund shall maintain a cash balance not less than the margin amount;

(14) The total amount of premium paid and collected in an open option contract shall not exceed 10% of the Fund’s NAV; if a call option is written and sold, the full amount of underlying securities shall be held by the Fund; if a put option is written and sold, the full amount of cash required for the exercise of the contract or the cash equivalent that can offset option margin approved by the exchange’s rules shall be held; the face value of open option contracts shall not exceed 20% of the Fund’s NAV; with the notional value calculated as the strike price multiplied by the contract multiplier;

(15) The Fund’s gross asset shall not exceed 140% of the Fund NAV;

(16) At the close of any trading day, the aggregate market value of stocks purchased on margin and other securities held by the Fund shall not exceed 95% of the Fund's NAV;

(17) The Fund's participation in CSF Securities Lending shall adhere to the following requirements:

A. The assets lent out shall not exceed 30% of the Fund's NAV, and securities lent out for a period exceeding 10 trading days shall be classified as illiquid securities as defined in the Liquidity Risk Management Provisions;

B. The amount of a single security lent out in the lending transactions shall not exceed 30% of the total amount of that security held by the Fund;

C. The average daily NAV of the Fund over the preceding six months shall not be less than RMB200 million;

D. The weighted average remaining term of the Fund's participation in securities lending, calculated on a market value-weighted basis, shall not exceed 30 days;

(18) The investment limit for depositary receipts shall be subject to the same restrictions as domestically listed and traded stocks, and shall be calculated in aggregation with domestically listed and traded stocks;

(19) Other investment restrictions as stipulated by laws, regulations, and the CSRC, as well as the Fund Contract.

Except under items (6), (9), (10), and (17) above, if the investment percentages deviate from the aforementioned provisions due to factors beyond the Manager’s control, such as securities/futures market fluctuations, mergers of securities issuers, changes in fund scale, adjustments to the constituents of the Index, or liquidity restrictions on constituents of the Index, the Fund Manager shall make adjustments within 10 trading days, unless otherwise stipulated by the CSRC for special circumstances. If the Fund's investments fail to comply with the provisions of (17) above due to factors beyond the Manager's control, such as securities market fluctuations, listed company mergers, or changes in Fund scale, the Fund Manager shall not engage in new securities lending transactions. Where otherwise stipulated by laws and regulations, such stipulations shall prevail.

The Manager shall, within 6 months from the effective date of the Fund Contract, make the investment portfolio proportion of the Fund conform to the relevant provisions of the Fund Contract. During the above period, the investment scope and investment strategy of the Fund shall abide by the provisions of the Fund Contract. The Custodian shall commence supervision and inspection of the Fund's investments from the effective date of the Fund Contract.

If the above investment portfolio proportion restrictions are changed by laws and regulations, the Manager may adjust the provisions on investment proportion restrictions accordingly after performing appropriate procedures. If laws and regulations or regulatory authorities remove the aforementioned restrictions, and if applicable to the Fund, the Fund Manager, after completing the appropriate procedures, will no longer be subject to such restrictions, and the Fund will automatically comply with the then-effective laws and regulations or regulatory provisions.

2. Prohibited Activities

In protect the legitimate rights and interests of Unitholders, the Fund’s assets shall not be used for the following investments or activities:

(1) To engage in securities underwriting;

(2) To provide loans or guarantees to third parties;

(3) Trading in units of other funds, unless otherwise permitted by the CSRC.

(4) To engage in any investments which may result in the Fund being subject to unlimited liabilities;

(5) To make capital contribution to the Manager or the Custodian;

(6) Engaging in insider trading, manipulating securities prices, or other improper securities trading activities;

(7) Other activities prohibited by any law or administrative regulation or the provisions of CSRC.

If any of the aforementioned prohibitions are rescinded or amended by any law, administrative regulation, or the relevant regulatory authorities, the Fund may, after the Manager completes the appropriate procedures, disregard the relevant restrictions or adhere to the amended regulations.

When the Manager uses Fund assets to purchase securities issued by the Manager, the Custodian, their controlling shareholders, actual controllers, or companies with which they have a material interest, or securities underwritten during the underwriting period, or engages in other material related-party transactions, it shall comply with the Fund's investment objectives and investment strategies, follow the principle of prioritising the interests of the Fund Unitholders, prevent conflicts of interest, establish sound internal approval and evaluation mechanisms, and execute transactions at fair market prices. Such transactions must obtain prior consent from the Custodian and be disclosed in accordance with laws and regulations. Material related-party transactions shall be submitted to the Manager's Board of Directors for review and approved by at least two-thirds of the independent directors. The Company's Board of Directors shall conduct reviews of all related party transactions at least semi-annually.

**Part VI: Calculation and Announcement of the NAV of the Fund**

The NAV of the Fund refers to the value obtained by subtracting the Fund's liabilities from the Total Asset Value of the Fund.

After the Fund Contract becomes effective and before the start of processing Fund unit creations or redemptions, the Manager shall disclose the NAV per Unit and the cumulative NAV of the Fund units at least once a week on the designated website.

After the start of processing Fund unit creations or redemptions, the Manager shall, no later than the following day of each Open Day, disclose the NAV per Unit and the cumulative NAV of the Fund units on the Open Day through the designated website and the websites or business premises of the Fund Sales Institutions.

The Manager shall disclose the NAV per Unit and the Cumulative NAV per Unit for the last day of each semi-annual period and the last day of the financial year no later than the following day, via the designated website.

**Part VII:** **Grounds and Procedures for Fund Contract Termination and Methods of Fund Property Liquidation**

I. Amendment of the Fund Contract

1. Any amendment to the Fund Contract involving matters stipulated by laws and regulations or the Fund Contract that require the resolution of a Fund Unitholders' meeting shall be subject to approval at such a meeting. For matters permitted by laws and regulations or the Fund Contract to be amended without a resolution by the Fund Unitholders' meeting, such amendments shall be agreed upon by the Manager and Custodian and publicly disclosed.

2. Resolutions of the Fund Unitholders' meeting regarding amendments to the Fund Contract shall become effective only after they come into force and shall be announced in the Designated Media within two days of the effective date.

II. Grounds for Termination of the Fund Contract

The Fund Contract shall be terminated upon completion of the required procedures under any of the following circumstances:

1. A resolution to terminate the Fund Contract is passed at a Fund Unitholders' meeting;

2. The duties of the Manager or the Custodian are terminated, and no new Manager or Custodian is appointed within 6 months;

3. In the event of the Index ceasing to meet the requisite criteria (except for cases where changes in constituent stock prices or other alterations to the index compilation methodology cause the Index to fall short of the requirements), the index provider's withdrawal, or other circumstances that requires a Fund Unitholders' meeting to be convened by the Manager to vote on proposed solutions, the meeting fails to be successfully convened or fails to pass resolutions on the aforementioned matters.

4. Other circumstances stipulated in the Fund Contract;

5. Other circumstances stipulated by relevant laws and regulations and the CSRC.

III. Liquidation of Fund Property

1. Formation of Fund Property Liquidation Team: A liquidation team shall be established within 30 business days from the date of occurrence of any event leading to the termination of the Fund Contract. The Manager shall organise the Fund property liquidation team, and the liquidation shall be conducted under the supervision of the CSRC.

2. Composition of Fund Property Liquidation Team: The Fund property liquidation team shall comprise representatives from the Manager, the Custodian, certified public accountants in compliance with the Securities Law, legal counsel, and personnel designated by the CSRC. The Fund property liquidation team may engage additional necessary personnel.

3. Responsibilities of the Fund Property Liquidation Team: The Fund property liquidation team shall be responsible for the custody, liquidation, valuation, realisation, and distribution of the Fund’s assets. The Fund property liquidation team may engage in necessary civil activities in accordance with the law.

4. Fund Property Liquidation Procedures:

(1) When a situation requiring the termination of the Fund Contract arises, the Fund property liquidation team shall take over the Fund;

(2) The Fund property liquidation team shall conduct a thorough review and confirmation of the Fund's property and liabilities;

(3) The Fund property liquidation team shall conduct a valuation and realisation of the Fund property;

(4) The Fund property liquidation team shall prepare a liquidation report;

(5) The Fund property liquidation team shall engage an accounting firm to conduct an external audit of the liquidation report and a law firm to issue a legal opinion on the liquidation report;

(6) The Fund property liquidation team shall file the liquidation report with the CSRC for record and make a public announcement;

(7) The Fund property liquidation team shall distribute the remaining Fund property.

5. The liquidation period for the Fund property shall be six months. However, if the liquidation period needs to be extended due to restrictions on the liquidity of securities held by the Fund that prevent their timely realisation, the liquidation period shall be extended accordingly.

IV. Liquidation Expenses

Liquidation expenses refer to all reasonable expenses incurred by the Fund property liquidation team during the process of liquidating the Fund. Liquidation expenses shall be paid out of the Fund property as a priority.

V. Distribution of Remaining Assets from Fund Property Liquidation

In accordance with the distribution plan for the liquidation of Fund property, all remaining assets after deducting liquidation expenses, paying any outstanding taxes, and settling any outstanding debts of the Fund shall be distributed to Fund Unitholders in proportion to their respective Fund unit holdings.

VI. Announcement of Fund Property Liquidation

Any material event during the liquidation process shall be announced in a timely manner. The Fund property liquidation report shall be audited by a Securities Law-qualified accounting firm with a legal opinion issued by a law firm before filing with the CSRC and public announcement. The announcement of the Fund property liquidation shall be made by the Fund property liquidation team after the filing of the Fund property liquidation report with the CSRC.

VII. Retention of Fund Property Liquidation Books and Records

The books, records, and related documents pertaining to the liquidation of the Fund property shall be retained by the Custodian for a period not less than the statutory minimum period.

**Part VIII: Dispute Resolution**

**All parties agree that any dispute arising from or relating to the Fund Contract which cannot be resolved amicably through negotiation shall be submitted to the Shenzhen Court of International Arbitration (SCIA) for arbitration in accordance with its then-effective arbitration rules under the ordinary procedure. The arbitration seat shall be Shenzhen. The arbitral award shall be final and binding upon all parties. Unless otherwise specified in the arbitral award, arbitration fees shall be borne by the losing party.**

**During the dispute resolution process, the Manager and the Custodian shall adhere to their respective duties and continue to faithfully, diligently, and dutifully fulfil their obligations under the Fund Contract and the Custody Agreement to safeguard the lawful rights and interests of Fund Unitholders.**

**The Fund Contract shall be governed by the laws of the People’s Republic of China (excluding the legislation of Hong Kong, Macao and Taiwan).**

**Part IX: Custody of the Fund Contract and Means of Access for Investors**

The Fund Contract is executed in triplicate, with one copy submitted to the regulatory authority, and one copy each retained by the Manager and the Custodian. All copies carry equal legal effect.

The Fund Contract may be made available in printed form for investor inspection at the offices and business premises of the Manager, the Custodian, and Sales Institutions.

# Appendix II: Excerpts from the Fund’s Custody Agreement

**I. Parties to the Fund Custody Agreement**

(I) Fund Manager

Name: China Asset Management Co., Ltd.

Domicile: Compound A3, Anqing Street, Shunyi District, Beijing

Office Address: 8/F, Tower B, Tongtai Building, No.33 Finance Street, Xicheng District, Beijing

Postcode: 100033

Legal Representative: ZHANG Youjun

Date of Establishment: 9 April 1998

Approving Authority: China Securities Regulatory Commission

Approval Document No.: CSRC Fund Approval Document [1998] No. 16

Type of Organisation: Limited liability company

Registered Capital: RMB238 million

Operating Period: 100 years

Business Scope: 1. Fund offering; 2. Fund distribution; 3. Asset management; 4. segregated account management; 5. Other businesses approved by the CSRC.

(II) Fund Custodian

Name: China Merchants Bank Co., Ltd. (Abbreviation: CMB)

Domicile: China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen

Office Address: China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen

Postcode: 518040

Legal Representative: MIAO Jianmin

Date of Establishment: 8 April 1987

Fund Custody Business Approval Document No.: CSRC Fund Approval [2002] No. 83

Type of Organisation: Company limited by shares

Registered Capital: RMB25,220 million

Operating Period: Going concern

**II. Business Supervision and Inspection of the Manager by the Custodian**

(I) The Custodian shall supervise the Fund’s investment scope, investment ratios, investment restrictions, and related-party transactions in accordance with applicable laws and regulations and the terms of the Fund Contract. Where the Fund Contract explicitly defines criteria for security selection, the Manager shall provide the Custodian with a pre-determined or regularly updated investment universe to enable the Custodian to monitor compliance with such criteria.

1. Investment Scope of the Fund

The Fund primarily invests in constituent stocks and alternative constituent stocks of the Index. In order to better achieve its investment goals, the fund can also invest in non-constituent stocks (including STAR Market, ChiNext, depositary receipts, and other stocks registered or approved for listing by the CSRC), bonds (including government bonds, central bank bills, financial bonds, enterprise bonds, corporate bonds, medium-term notes, short-term financing bonds, ultra-short-term financing bonds, subordinated bonds, local government bonds, convertible bonds, convertible bonds and other bonds permitted by the CSRC), financial derivatives (including stock index futures, stock options, treasury bond futures, etc.), asset-backed securities, money market instruments (including negotiable certificate of deposits, bond repurchases, etc.), bank deposits, and other financial instruments permitted by laws and regulations or the CSRC for the fund to invest in. The Fund may participate in margin trading and CSF securities lending business in compliance with laws and regulations.

Should the relevant laws, regulations, or regulatory authorities permit other types of financial instruments to be invested in by funds, subject to the Manager completing appropriate procedures, such financial instruments may be included in the Fund’s investment scope.

2. Investment Ratios and Restrictions for Asset Classes

Investment portfolio composition: The Fund shall invest no less than 90% of its NAV in constituent stocks and alternate constituents of the underlying index, with such holdings comprising at least 80% of non-cash Fund assets. At the end of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock option contracts, the Fund shall maintain cash of not less than the margin amount. Cash excludes settlement deposits, refundable deposits, Creation Consideration, etc.

If laws, regulations, or regulatory authorities change the investment proportion limits for investment instruments, the Manager may adjust the investment proportions of the aforementioned investment instruments after fulfilling appropriate procedures.

The Fund's investment portfolio shall be subject to the following restrictions:

(1) The fund invests not less than 90% of NAV the underlying index’s constituent stocks and other stocks in its equity universe, and such investments shall not be less than 80% of its non-cash fund assets;

(2) The Fund's investment in various asset-backed securities of the same original beneficiary shall not exceed 10% of the Fund NAV;

(3) The market value of all asset-backed securities held by the Fund shall not exceed 20% of the Fund NAV;

(4) The proportion of the same asset-backed securities (with the same credit rating) held by the Fund shall not exceed the 10% of the total scale of such asset-backed securities;

(5) The capital amount invested by all funds managed by the Fund Manager in the various asset-backed securities of the same originator shall not exceed 10% of the total scale of all asset-backed securities;

(6) The Fund shall invest in asset-backed securities with a credit rating of BBB or above. If the credit rating of an asset-backed security held by the Fund falls and no longer meets such investment standard, the Fund shall sell all of holdings in such security within three months from the date of issuance of the rating report;

(7) When the Fund's property participates in the initial public offering of stocks, the amount subscribed by the Fund shall not exceed the total assets of the Fund, and the number of shares subscribed by the Fund shall not exceed the total number of shares issued by the issuer in the offering;

(8) The Fund’s outstanding balance from bond reverse repurchase agreements or repurchase agreements shall not exceed 40% of its NAV on the preceding day, and the maximum term for bond repurchase transactions shall not exceed one year;

(9) The market value of assets with restricted liquidity in which the Fund proactively invested shall not exceed 15% of the Fund NAV; In the event that this investment limit is violated due to factors beyond the Manager’s control, e.g. securities market fluctuations, suspension of trading of listed companies' stocks, and changes in fund size, the Manager shall not proactively increase investment in such assets with restricted liquidity;

(10) When the Fund engages in reverse repurchase transactions with private securities investment fund products and other entities recognised by the CSRC as counterparties, the requirements on the qualifications of acceptable collaterals shall be consistent with the investment scope stipulated in the Fund Contract;

(11) At the end of any trading day, the value of long stock index futures held by the Fund shall not exceed 10% of the Fund’s NAV; at the end of any trading day, the value of the short stock index futures contracts shall not exceed 20% of the total market value of stocks held by the Fund; the trading volume of the stock index futures contract traded (excluding closing out) within any trading day shall not exceed 20% of the Fund’s NAV on the previous trading day;

(12) At the end of any trading day, the value of long government bond futures held by the Fund shall not exceed 15% of the Fund’s NAV; at the end of any trading day, the value of the short government bond futures contracts held by the Fund shall not exceed 30% of the total market value of stocks held by the Fund; the trading volume of the government bond futures contract traded (excluding closing out) within any trading day shall not exceed 30% of the Fund’s NAV on the previous trading day;

(13) At the close of any trading day, the aggregate value of long positions in stock index futures and treasury bond futures contracts, combined with the market value of securities, shall not exceed 100% of the Fund's NAV. In this context, securities refer to stocks, bonds (excluding government bonds with a maturity date within one year), asset-backed securities, financial assets purchased under resale agreements (excluding pledged repos), and similar instruments. At the close of each trading day, after deducting the margin required for stock index futures, treasury bond futures, and stock option contracts, the Fund shall maintain a cash balance not less than the margin amount;

(14) The total amount of premium paid and collected in an open option contract shall not exceed 10% of the Fund’s NAV; if a call option is written and sold, the full amount of underlying securities shall be held by the Fund; if a put option is written and sold, the full amount of cash required for the exercise of the contract or the cash equivalent that can offset option margin approved by the exchange’s rules shall be held; the face value of open option contracts shall not exceed 20% of the Fund’s NAV; with the notional value calculated as the strike price multiplied by the contract multiplier;

(15) The Fund’s gross asset shall not exceed 140% of the Fund NAV;

(16) At the close of any trading day, the aggregate market value of stocks purchased on margin and other securities held by the Fund shall not exceed 95% of the Fund's NAV;

(17) The Fund's participation in CSF Securities Lending shall adhere to the following requirements:

A. The assets lent out shall not exceed 30% of the Fund's NAV, and securities lent out for a period exceeding 10 trading days shall be classified as illiquid securities as defined in the Liquidity Risk Management Provisions;

B. The amount of a single security lent out in the lending transactions shall not exceed 30% of the total amount of that security held by the Fund;

C. The average daily NAV of the Fund over the preceding six months shall not be less than RMB200 million;

D. The weighted average remaining term of the Fund's participation in securities lending, calculated on a market value-weighted basis, shall not exceed 30 days;

(18) The investment limit for depositary receipts shall be subject to the same restrictions as domestically listed and traded stocks, and shall be calculated in aggregation with domestically listed and traded stocks;

(19) Other investment restrictions as stipulated by laws, regulations, and the CSRC, as well as the Fund Contract.

Except under items (6), (9), (10), and (17) above, if the investment percentages deviate from the aforementioned provisions due to factors beyond the Manager’s control, such as securities/futures market fluctuations, mergers of securities issuers, changes in fund scale, adjustments to the constituents of the Index, or liquidity restrictions on constituents of the Index, the Fund Manager shall make adjustments within 10 trading days, unless otherwise stipulated by the CSRC for special circumstances. If the Fund's investments fail to comply with the provisions of (17) above due to factors beyond the Manager's control, such as securities market fluctuations, listed company mergers, or changes in Fund scale, the Fund Manager shall not engage in new securities lending transactions. Where otherwise stipulated by laws and regulations, such stipulations shall prevail.

The Manager shall, within 6 months from the effective date of the Fund Contract, make the investment portfolio proportion of the Fund conform to the relevant provisions of the Fund Contract. During the above period, the investment scope and investment strategy of the Fund shall abide by the provisions of the Fund Contract. The Custodian shall commence supervision and inspection of the Fund's investments from the effective date of the Fund Contract.

If the above investment portfolio proportion restrictions are changed by laws and regulations, the Manager may adjust the provisions on investment proportion restrictions accordingly after performing appropriate procedures. If laws and regulations or regulatory authorities remove the aforementioned restrictions, and if applicable to the Fund, the Fund Manager, after completing the appropriate procedures, will no longer be subject to such restrictions, and the Fund will automatically comply with the then-effective laws and regulations or regulatory provisions.

3. The Fund’s assets shall not be used for the following investments or activities:

(1) Underwriting securities;

(2) Extending loans or providing guarantees to third parties in violation of applicable regulations;

(3) Purchasing or selling units of other funds, except as otherwise permitted by the CSRC;

(4) Engaging in investments involving unlimited liability;

(5) Making capital contributions to the Manager or the Custodian;

(6) Conducting insider trading, manipulating securities prices, or engaging in other improper securities trading activities;

(7) Other activities prohibited by laws, administrative regulations, or CSRC provisions.

If any of the aforementioned prohibitions are rescinded or amended by any law, administrative regulation, or the relevant regulatory authorities, the Fund may, after the Manager completes the appropriate procedures, disregard the relevant restrictions or adhere to the amended regulations.

4. When the Manager uses Fund assets to purchase securities issued by the Manager, the Custodian, their controlling shareholders, actual controllers, or companies with which they have a material interest, or securities underwritten during the underwriting period, or engages in other material related-party transactions, it shall comply with the Fund's investment objectives and investment strategies, follow the principle of prioritising the interests of the Fund Unitholders, prevent conflicts of interest, establish sound internal approval and evaluation mechanisms, and execute transactions at fair market prices. Such transactions must obtain prior consent from the Custodian and be disclosed in accordance with laws and regulations. Material related-party transactions shall be submitted to the Manager's Board of Directors for review and approved by at least two-thirds of the independent directors. The Manager’s Board of Directors shall conduct reviews of all related-party transactions at least semi-annually.

(II) The Custodian shall oversee the Manager’s selection of deposit banks in accordance with applicable laws and regulations and the terms of the Fund Contract. Where the Fund invests in bank term deposits, the Manager shall identify and periodically update a list of qualified deposit banks in compliance with laws, regulations, and the Fund Contract, and provide this list to the Custodian. The Custodian shall monitor compliance with relevant requirements for the Fund’s counterparty banks. The Custodian may reject transactions involving non-compliant deposits and notify the Manager.

The Fund’s bank deposit investments shall comply with the following provisions:

1. The Fund’s investment in term bank deposits shall not exceed 30% of the Fund’s NAV. This restriction does not apply to fixed-term deposits that allow early withdrawal under the deposit agreement. Deposits and interbank certificates of deposit (CDs) placed with the same commercial bank that holds Custodian status shall not exceed 20% of the Fund’s NAV. Deposits and interbank CDs placed with the same commercial bank without Custodian status shall not exceed 5% of the Fund’s NAV.

Should applicable laws, regulations or policies on time deposit investments be issued or amended by the regulatory authorities, the Manager, after completing due procedures, may adjust the investment portfolio restrictions accordingly.

2. The Manager shall conduct due diligence on deposit banks, establish robust operational procedures, define roles and responsibilities, implement risk controls, and maintain audit mechanisms to mitigate associated risks. The Custodian shall supervise and verify the Fund’s term deposit activities, reviewing and validating deposit agreements, account documentation, investment instructions, deposit certificates, and related materials to fulfil its custodial obligations.

(1) The Manager shall manage credit risk, including evaluating deposit banks’ creditworthiness and solvency. Losses arising from improper bank selection shall be borne solely by the Manager, and the Custodian shall bear no liability.

(2) The Manager shall manage liquidity risks and assume losses resulting from inadequate controls. Liquidity risks include, but are not limited to, risks arising from a deposit bank’s failure to honour early or maturity withdrawals promptly, the Fund’s inability to meet normal settlement obligations due to insufficient deposit liquidity, and valuation impacts caused by interest losses from early withdrawals.

(3) The Manager shall enhance its internal risk control frameworks. Losses arising from acts or omissions of the Manager’s personnel in the course of their duties shall be borne by the Manager.

(4) The Manager and Custodian shall strictly comply with the Funds Law, the Operation Measures, and other applicable laws and regulations, as well as national rules governing account management, interest rate controls, and payment settlements, when conducting deposit-related activities.

(III) Execution of Bank Deposit Agreements, Account Management, Investment Instructions, Fund Transfers, Reconciliation, Maturity Settlement, and Early Withdrawals

1. Execution of Bank Deposit Agreements

(1) The Manager shall enter into a Master Agreement for Fund Deposit Services (the “Master Agreement”) with the head office or authorised branch of a qualified deposit bank, establishing a template for deposit agreements (the “Deposit Agreement”). The Master Agreement and Deposit Agreement templates shall be jointly agreed by the Custodian and Manager.

(2) The Custodian shall review the Master Agreement and Deposit Agreement for compliance with regulations, including verifying deposit bank qualifications.

(3) The Deposit Agreement shall specify procedures for issuing deposit certificates or equivalent instruments, mailing addresses, contacts, and protocols for confirming and settling deposit balances if originals are lost in transit.

(4) Where deposit certificates are delivered by post or in person by a designated deposit bank branch (the “Deposit Branch”), the Custodian may issue deposit balance verification requests to the Deposit Branch’s head office, which shall cooperate in providing the necessary confirmations.

(5) The Deposit Agreement shall stipulate that all funds from matured or early-withdrawn deposits must be transferred exclusively to the Fund’s designated custodial account, with account details explicitly stated. The deposit bank shall bear full liability for any failure to transfer funds to the designated account.

(6) The Deposit Agreement shall require the Manager to promptly notify the deposit bank in writing, using the Custodian’s reserved seal, of any changes to the Fund’s bank account or reserved seals during the deposit term. The Deposit Branch shall issue formal written confirmation of such changes to both the Manager and Custodian, following the same delivery method as initial account opening documentation. The Deposit Branch and Custodian shall also notify each other in writing, with official seals affixed, of any changes to their designated contacts during the deposit term.

(7) The Deposit Agreement shall explicitly prohibit the pledging, mortgaging, transferring, or endorsing of deposit certificates issued for term deposits.

2. Account Opening and Management for Bank Deposit Investments

(1) When investing in bank deposits, the Manager shall open bank accounts in the Fund’s name at designated branches of deposit banks’ head offices or authorised branches in accordance with the Master Agreement and Deposit Agreements.

(2) Reserved seals for bank deposit transactions shall be safeguarded and used by the Custodian.

3. Deposit Certificate Transmission, Reconciliation, and Maturity Settlement

(1) Transmission of Deposit Certificates and Other Instruments

Deposit funds shall only be placed with head offices or authorised branches. The Manager shall ensure that the Deposit Agreement mandates the issuance of a unique deposit certificate for each deposit transaction, serving as the sole valid proof for deposit confirmation or redemption. Upon the deposit’s crediting, the Deposit Branch’s designated accounting officer shall fax a copy of the deposit certificate to the Custodian and confirm receipt by telephone, followed by couriering or hand-delivering the original certificate to the Custodian’s designated contact. Where the Deposit Branch retains custody of the original certificate, the designated accounting officer shall fax a copy to the Custodian with telephonic confirmation.

(2) Reissuance of Lost Deposit Certificates

Lost deposit certificates during transit must be reissued by the deposit bank at the Manager’s request, with delivery to the Custodian as per clause (1) above, voiding the original.

(3) Reconciliation

The Manager and Custodian shall reconcile deposit balances and accrued interest on a daily basis.

For term deposits exceeding three months, the Custodian shall initiate quarterly balance verification requests to the deposit bank, which shall respond within timelines prescribed by the People’s Bank of China. The Manager shall ensure the deposit bank’s timely response. Liability for losses arising from delayed responses, including misappropriation or theft of funds, shall rest with the deposit bank.

Deposit banks shall cooperate with the Custodian’s verification of deposit certificates by returning duly stamped confirmation letters to the Custodian’s designated contact.

(4) Maturity Settlement

Prior to deposit maturity, the Manager shall instruct the Custodian to courier the original deposit certificate to the Deposit Branch’s designated accounting officer. The deposit bank shall follow up with the Custodian if the original certificate is not received. The Manager and deposit bank shall confirm receipt of the certificate and arrange for settlement of principal and interest on the maturity date.

If the Custodian does not receive the principal and interest on the maturity date, or if the amount is incorrect, the Custodian shall notify the Manager, who shall liaise with the bank regarding the deposit crediting time and any interest top-up. The Manager shall inform the Custodian of the outcome, and on the day the Custodian confirms receipt of the principal and interest, it shall notify the Manager.

The Deposit Agreement shall stipulate that where certificates are lost during transit, the deposit bank shall immediately notify the Custodian. Following the Custodian’s provision of a stamped certificate copy and supporting documents, and telephonic confirmation with the deposit bank’s designated accounting officer, the deposit bank shall transfer principal and interest to the designated capital account of the Fund on the due date. Where the maturity date falls on a public holiday, settlement shall occur on the first subsequent business day, with any applicable interest adjustments governed by the Deposit Agreement.

4. Early Withdrawals

During deposit periods, the Manager may execute full or partial early withdrawals due to reductions in Fund size or liquidity management needs.

Specific terms for early withdrawals shall be governed by the Deposit Agreements executed between the Manager and deposit banks.

5. Supervision of Bank Deposit Investments

Should the Custodian identify any violation of relevant laws and regulations or the Fund Contract in the Manager’s deposit investment activities, it shall promptly notify the Manager in writing to rectify such violations within a specified timeframe. In the event that the Manager fails to effect rectification within the prescribed period, the Custodian shall report the matter to the CSRC. Where the Custodian identifies material breaches by the Manager, it shall immediately report the matter to the CSRC and notify the Manager to rectify the breach within a specified period; otherwise, it shall reject settlements. Should losses to Fund assets occur due to the Manager’s refusal to comply, such losses shall be borne exclusively by the Manager, and the Custodian shall assume no liability.

(IV) The Custodian shall supervise the Manager’s activities in the interbank bond market in accordance with applicable laws and regulations and the Fund Contract. Prior to conducting investment operations, the Manager shall provide the Custodian with a vetted list of approved counterparties for interbank bond market transactions that complies with legal requirements, regulatory standards and industry practices applicable to the Fund, along with agreed transaction and settlement mechanisms for each counterparty. The Manager must promptly communicate any updates to the counterparty list, with failure to do so resulting in losses rendering the Manager solely liable. The Manager shall select counterparties in the interbank bond market strictly in accordance with the scope of the list of counterparties. The Custodian shall supervise whether the Manager conducts transactions in accordance with the list of counterparties for the interbank bond market provided in advance. If the Manager fails to provide the Custodian with an interbank bond market counterparty list prior to the Fund's investment operations, this shall be interpreted as the Manager's acceptance of all market counterparties. The Manager may adjust the counterparty list during the Fund’s operation but must notify the Custodian in writing at least one business day in advance. Outstanding transactions with removed counterparties shall be settled per existing agreements, but no new transactions may be initiated. Should the Manager need to make temporary adjustments to the list of counterparties or settlement methods for interbank bond transactions due to market conditions, it must provide the Custodian with a justification and resolve the matter through consultation with the Custodian three trading day before executing any transactions with the affected counterparties.

The Manager assumes responsibility for creditworthiness assessments of counterparties, compliance with interbank bond market trading rules, and resolution of disputes and losses arising from counterparty default. Where counterparties in default fail to meet their obligations within periods specified by the Manager, the Manager may, at its discretion but without obligation, make provisional arrangements to cover any resulting losses (provided the Manager is not at fault) prior to pursuing recovery actions. The Custodian shall monitor contract performance based on interbank bond market transaction confirmations. In the event that the Custodian identifies transactions with counterparties not on the pre-agreed list, the Custodian shall issue prompt reminders to the Manager but assumes no liability for any resulting losses or liabilities.

(V) The Fund’s investments in liquidity restricted securities shall comply with relevant regulatory provisions, including the Notice on Issues Concerning Fund Investment in Non-publicly Offered Stocks and Other Liquidity Restricted Securities.

1. For the purpose of this Agreement, “liquidity restricted securities” refer to tradeable securities with explicitly defined lock-up periods at issuance, including non-publicly offered shares and the offline placement portion of publicly offered shares. This definition excludes securities temporarily suspended from trading due to material announcements or other reasons, unlisted issued securities, and collateral securities in repurchase transactions.

The Fund may invest in non-publicly offered securities approved by the CSRC, provided such securities are registered and custodied by China Securities Depository and Clearing Corporation Limited (CSDC), China Central Depository & Clearing Co., Ltd. (CCDC), or Shanghai Clearing House, and are tradeable on stock exchanges or the national interbank bond market.

The Fund is prohibited from investing in non-publicly offered securities without CSRC approval.

The Fund is prohibited from investing insecurities with undefined lock-up periods, except where otherwise permitted by laws and regulations.

2. Prior to the Fund’s initial investment in restricted securities, the Fund Manager shall provide the Fund Custodian with its investment decision-making process and risk control system for the Fund's investment in restricted securities, as approved by the Fund Manager's board of directors. For investments in non-publicly offered stocks, the Fund Manager shall also provide its liquidity risk disposal plan approved by the Fund Manager's board of directors. The above information should include, but is not limited to, the investment limits and investment proportion controls for the Fund's investment in restricted securities.

The Fund Manager shall deliver the above information to the Fund Custodian in writing at least two business days prior to the execution of the first investment instruction, to ensure that the Fund Custodian has sufficient time for review. The Fund Custodian shall confirm receipt of the above information in writing or by other means acceptable to both parties within two business days after receiving it.

The Manager assumes full responsibility for managing liquidity risks arising from the Fund’s investments in restricted securities, ensuring the implementation of proactive and effective measures to resolve operational liquidity issues within reasonable timeframes. In the event of cash flow difficulties caused by substantial redemptions or severe market fluctuations, the Manager shall guarantee sufficient liquidity to meet settlement obligations and bear all associated losses. The Custodian shall not be held liable for any liquidity risks resulting from such investments.

3. Prior to investing in liquidity restricted securities, the Manager shall furnish the Custodian with written information compliant with legal requirements, including but not limited to the CSRC approval documents of the issuing entity, the quantity and issue price of the securities, lock-up period details, the Fund’s intended subscription volume, price, total cost, required subscription payments, and fund transfer timelines. The Manager shall ensure the authenticity and completeness of the aforementioned information and shall deliver such information in writing to the Custodian at least two business days prior to the intended execution of investment instructions to ensure that the Custodian has sufficient time to conduct its review.

The Custodian shall be exempt from liability for any delays in processing subscription payments caused by the Manager’s failure to provide necessary information in a timely manner.

4. The Custodian shall review the Manager’s investments in liquidity restricted securities in accordance with applicable laws and regulations, the Fund Contract, and the Custody Agreement. Should any breaches of the Fund Contract, Custody Agreement, or relevant regulations be identified, the Custodian shall promptly notify the Manager, submit a report to the CSRC, and implement reasonable measures to safeguard investor interests. The Custodian retains the right to reject investment instructions that violate laws, regulations, the Fund Contract, or the Custody Agreement, and shall immediately demand rectification from the Manager. Where the Manager fails to correct such breaches or has already executed binding contracts on behalf of the Fund, the Custodian shall escalate the matter to the CSRC.

5. Within two trading days after the Fund invests in non-publicly offered shares, the Manager shall disclose on the CSRC Designated Media the name, quantity, total cost, book value, the proportion of total cost and book value to the NAV of the Fund, the lock-up period, and other information of the non-publicly offered shares.

(VI) The Manager shall conduct comprehensive research and rigorous risk assessments regarding medium-term note investment activities, exercising prudence and due diligence in accordance with applicable laws, regulations, and regulatory requirements.

(VII) Where the Fund participates in CSF securities lending, the Manager shall adhere to prudent operational principles by implementing dedicated technical systems and specialist personnel, formulating scientifically sound investment strategies and risk management frameworks, and establishing robust operational procedures to effectively mitigate and control risks. The Custodian shall exercise supervision and verification over the Fund’s securities lending activities.

(VIII) Pursuant to relevant laws and regulations and the Fund Contract, the Custodian shall supervise and verify the calculation of the Fund’s NAV, NAV per Unit, reference NAV per Unit (where applicable), determination of Fund expenses and income, Fund income distribution, compliance with information disclosure requirements, and the inclusion of Fund performance data in marketing materials.

(IX) Should the Custodian identify violations of laws, regulations, the Fund Contract, or this Custody Agreement in the Manager’s aforementioned activities, investment instructions, or operational practices, it shall promptly notify the Manager via telephone alert or written notification, demanding rectification within a stipulated timeframe. The Manager shall actively cooperate with and assist the Custodian in its supervisory and verification activities. Upon receiving such notification, the Manager shall promptly verify the matter and respond to the Custodian. For written notifications, the Manager shall provide a formal written response addressing the Custodian’s legitimate concerns through explanations or evidentiary submissions, specifying the causes of non-compliance and proposed rectification timelines. Within this timeframe, the Custodian retains the right to review the notified matters at any time and urge the Manager to implement corrective actions. In the event that the Manager fails to effect rectification within the prescribed period, the Custodian shall report the matter to the CSRC.

(X) The Manager shall fully cooperate with and assist the Custodian in conducting audits of Fund operations in accordance with laws, regulations, the Fund Contract, and this Custody Agreement. This obligation includes, but is not limited to: providing timely corrective actions or substantive explanations and evidence in response to the Custodian’s valid inquiries; and actively supplying relevant data, documentation, and operational frameworks required by the Custodian to fulfil its regulatory reporting obligations to the CSRC under applicable laws, the Fund Contract, and this Custody Agreement.

(XI) Where the Custodian identifies instructions executed through transaction procedures that contravene laws, administrative regulations, other relevant provisions, or Fund Contract terms, it shall immediately require the Manager to rectify such breaches promptly. Any resulting losses shall be borne exclusively by the Manager, with the Custodian exempt from liability upon fulfilling its notification obligations.

(XII) Upon detecting material violations by the Manager, the Custodian shall promptly report such breaches to the CSRC while notifying the Manager to effect rectification within a specified period.

**III. Inspection of the Custodian by the Manager**

(I) The Manager shall conduct audits of the Custodian’s fulfilment of custodial obligations, including the safekeeping of Fund assets, the opening of Fund asset accounts (such as capital accounts, securities accounts, and futures clearing accounts required for investments), the verification of the Manager’s calculations of the Fund’s NAV and NAV per Unit, the execution of settlement and clearing in accordance with the Manager’s instructions, compliance with information disclosure requirements, and oversight of Fund investment operations.

(II) Where the Manager identifies Custodian violations of the Funds Law, Fund Contract, Custody Agreement, or related provisions – including unauthorised use of Fund assets, failure to maintain separate account management, non-execution or unwarranted delays in processing payment instructions, or disclosure of confidential investment information – it shall promptly issue a written notice demanding rectification within a defined period. The Custodian shall verify the matter and provide a written response to the Manager by the next business day following receipt of such notice, detailing the cause of non-compliance, proposing corrective measures with a clear timeline, and ensuring timely rectification. During this period, the Manager retains the right to review the notified matters at any time and require the Custodian to implement corrective actions.

(III) The Custodian shall fully cooperate with and assist the Manager in auditing Fund operations under laws, regulations, the Fund Contract, and this Custody Agreement. This includes, but is not limited to: responding to the Manager’s written inquiries within stipulated timeframes and effecting corrections, or providing explanations and evidence to address the Manager’s concerns; and actively supplying relevant documentation to facilitate the Manager’s verification of the completeness and authenticity of custodial assets.

(IV) Where the Manager identifies material regulatory breaches by the Custodian, it shall promptly report such violations to the CSRC, concurrently notifying the Custodian to rectify within a specified period. The Manager shall subsequently submit the rectification outcome to the CSRC.

**IV. Custody of Fund Assets**

(I) Principles of Safeguarding Fund Properties

1. Fund properties shall be segregated from the proprietary assets of the Manager, Custodian, and securities/futures brokers.

2. The Custodian shall ensure the secure custody of Fund properties.

3. The Custodian shall open all requisite accounts for Fund investments in accordance with applicable regulations.

4. The Custodian shall maintain segregated accounts for each Fund under its custody to preserve the integrity and independence of Fund properties.

5. The Custodian shall safeguard Fund properties per the Manager’s instructions and in compliance with the Fund Contract and this Custody Agreement. No Fund assets may be utilised, disposed of, or distributed without the Manager’s valid instructions. The Custodian assumes no liability for damages or losses to assets or physical securities not under its direct and effective custody.

6. For receivables arising from Fund investments, the Manager shall liaise with relevant parties to confirm settlement dates and notify the Custodian. If funds fail to reach the designated account by the due date, the Custodian shall promptly alert the Manager to initiate recovery measures. The Manager shall pursue compensation for any resultant losses to Fund assets, with the Custodian providing necessary assistance.

7. The Custodian assumes no liability for losses to Fund assets held at third-party institutions or Fund assets (including but not limited to assets in futures margin accounts or futures contracts) entrusted to futures or securities brokers for clearing and settlement and their income, including losses arising from fraud, negligence, misconduct, or insolvency of such third parties.

8. The Custodian shall not delegate custody of Fund properties to third parties except as permitted by laws, regulations, or the Fund Contract.

(II) Offering Period and Verification of Subscription Proceeds

1. During the Fund Offering Period, proceeds shall be deposited into a dedicated “Fund Offering Account” established and managed by the Manager.

2. Upon expiration or termination of the Offering Period, where the total Fund units raised, subscription proceeds (including the value of shares obtained through offline stock subscriptions, calculated per the Fund Contract’s valuation method), and number of Unitholders comply with the Funds Law, Operation Measures, and other applicable regulations, the Manager shall transfer all Fund assets into the Fund’s capital account opened by the Custodian, transfer shares obtained through offline stock subscriptions into the designated securities account; and engage a qualified accounting firm under the Securities Law to conduct capital verification and issue a report, valid only when signed by two or more Chinese certified public accountants involved in the audit.

3. If the Fund fails to satisfy establishment criteria by the Offering deadline, the Manager shall process investor refunds in accordance with regulations, with the Custodian providing necessary assistance and cooperation.

(III) Fund Capital Account Opening and Management

1. The Custodian shall open a Fund capital account (“custody account”) in the Fund’s name at its institution to hold cash deposits and process transactions per the Manager’s instructions. The custody account name shall be “ChinaAMC CSI A500 Exchange Traded Fund” (subject to CSRC registration approval), with the Custodian’s seal as authorised signatory.

2. The Fund’s capital account shall be used exclusively for Fund operations. Neither party shall open unauthorised bank accounts in the Fund’s name or use Fund accounts for non-Fund purposes.

3. Capital account establishment and management shall comply with applicable laws, regulations, and banking regulatory rules.

(III) Securities Accounts and Capital Accounts

1. The Custodian shall open joint securities accounts in the names of both the Custodian and the Fund at CSDC Shanghai and Shenzhen branches.

2. Securities accounts shall be used exclusively for Fund operations. Neither party may lend or transfer any securities account of the Fund without the other party’s consent, or use any of the Fund’s accounts for activities unrelated to the operations of the Fund.

3. The Custodian holds responsibility for account opening and safekeeping of securities account cards, while the Manager manages asset deployment.

4. The Manager shall open securities trading capital accounts with securities brokers for Fund asset settlement, recording transaction details and facilitating on-exchange securities clearing. Neither the Custodian nor the Manager shall lend or transfer securities accounts or capital accounts, nor use these accounts for activities unrelated to Fund operations.

If the CSRC or other regulatory authorities permit the Fund to engage in additional investment activities after the execution of this Custody Agreement, requiring the opening or use of related accounts, such accounts shall be established, utilised and managed in accordance with applicable regulations. In the absence of specific provisions, the Custodian shall follow the aforementioned rules governing account opening and usage.

(V) Bond Custody Accounts

Following Fund establishment, the Custodian shall open bond custody accounts in the Fund’s name at CCDC in accordance with the People’s Bank of China, CCDC and Shanghai Clearing House regulations, and conduct bond settlements in the interbank market on the Fund’s behalf.

When instructing the Custodian to open bond custody accounts at CCDC and Shanghai Clearing House, the Manager shall concurrently submit a NIFC Trading System Access Application Form to the China Foreign Exchange Trade System (CFETS)/National Interbank Funding Center (NIFC) (collectively, CFETS) to facilitate the Custodian’s access application to CFETS.

(VI) Other Accounts

1. The Manager shall open futures margin accounts and trading codes as required for investments, while the Custodian shall establish futures settlement accounts and other necessary investment accounts under applicable regulations. Upon account opening, the Manager shall formally notify the Custodian in writing of the initial passwords for futures margin accounts and the login credentials for the China Futures Margin Monitoring Centre, as provided by futures companies. The Manager shall reset such passwords and credentials as needed and promptly inform the Custodian of any changes.

Both parties shall cooperate during the account opening process and provide required documentation. The Manager warrants the authenticity and validity of all account-opening materials and shall promptly submit updated documents to the Custodian following any material changes.

2. Additional accounts necessitated by business development may be opened by the Custodian with the Manager’s assistance, in compliance with applicable laws, regulations, the Fund Contract and this Agreement, and shall be managed per relevant regulations.

3. Where laws, regulations or other relevant provisions specify otherwise for account opening and management, such provisions shall prevail.

(VII) Custody of Negotiable Instruments

Physical securities and other negotiable instruments acquired through Fund investments shall be stored in the Custodian’s vaults or deposited with CCDC, Shanghai Clearing House, CSDC Shanghai/Shenzhen branches, or designated bill custody centres, with custody certificates retained by the Custodian. The Custodian shall execute the purchase or transfer of such physical securities per the Manager’s instructions. The Custodian bears no custodial liability for instruments under the effective control of the aforementioned depositories or third-party institutions outside its custody.

(VIII) Custody of Material Contracts

Original copies of material contracts related to Fund assets, executed by the Manager on behalf of the Fund, shall be held by both the Manager and Custodian. Unless otherwise stipulated herein, the Manager shall ensure that at least one original signed counterpart of each material contract is retained by each party. The Manager shall fax copies of such contracts to the Custodian immediately after execution and deliver the originals within 30 business days. Any consequences resulting from discrepancies between faxed copies and subsequently delivered originals shall be the responsibility of the Manager. Material contracts shall be retained for no less than the statutory minimum period.

Where duplicate originals are unavailable, the Manager shall provide the Custodian with stamped faxed copies, and the original contract shall not be relocated without mutual consent. If discrepancies arise between faxed copies provided to the Custodian and the Manager’s retained originals, the faxed copies shall prevail.

**V. Fund NAV Calculation and Verification**

(I) NAV Calculation, Verification and Completion Timelines

1. Fund NAV

The Fund’s NAV represents the Total Asset Value of the Fund minus its liabilities.

The NAV per Unit shall be calculated accurate to RMB0.0001, derived by dividing the Fund’s NAV by the total number of Fund units in circulation after market close on each business day. Amounts beyond four decimal places shall be rounded, with rounding discrepancies allocated to the Fund’s assets, unless otherwise stipulated by national regulations.

The Manager shall calculate the Fund’s NAV and NAV per Unit on each business day, subject to verification by the Custodian, and publish the results per applicable regulations.

2. Verification Process

Following daily valuation of Fund assets, the Manager shall transmit the NAV and NAV per Unit to the Custodian for verification. Upon confirmation, the Manager shall disclose these values publicly in compliance with the Fund Contract and relevant laws and regulations.

3. According to relevant laws and regulations, the Manager is responsible for calculating the NAV of the Fund and performing fund accounting. The Manager serves as the party responsible for the Fund's accounting. Therefore, where the parties fail to reach agreement on Fund accounting matters following thorough discussions on equal terms, the Manager's calculations of the Fund's NAV shall be publicly disclosed.

**VI. Maintenance and Custody of the Register of Fund Unitholders**

The Register of Fund Unitholders shall include at minimum each unitholder’s name, identification number, and holding quantity. The Registrar shall be compiled and maintained by the Registrar under the Manager’s instructions. Both the Manager and Custodian shall separately retain copies of the register for no less than the statutory minimum retention period. Failure to maintain proper custody shall incur liabilities under applicable laws and regulations.

Upon the Custodian’s request or prior to interim or annual reporting, the Manager shall promptly provide the Custodian with the Register and relevant data without unjustified delay, ensuring its authenticity, accuracy, and completeness. Neither party shall use the Register for purposes unrelated to Fund custody operations, and both shall uphold strict confidentiality obligations.

**VII. Amendment and Termination of the Custody Agreement**

(I) Amendment Procedure

This Agreement may be amended by mutual consent of both parties, provided that amendments do not conflict with the provisions of the Fund Contract.

(II) Termination Circumstances

1. The Fund Contract is terminated.

2. The Custodian becomes unable to perform its duties due to dissolution, bankruptcy, or legal revocation, with no successor appointed within six months.

3. The Manager becomes unable to perform its duties due to dissolution, bankruptcy, or legal revocation, with no successor appointed within six months.

4. Occurrence of other termination events stipulated by laws, regulations, or the Fund Contract.

**VIII. Dispute Resolution**

Any dispute arising from or relating to this Agreement shall be resolved through amicable negotiation. If unresolved, either party may submit the dispute to the Shenzhen Court of International Arbitration (SCIA) for arbitration under its then-current rules, conducted in Shenzhen by ordinary procedures. The arbitral award shall be final and binding upon both parties. Unless otherwise specified in the arbitral award, arbitration fees shall be borne by the losing party.

During dispute resolution, both parties shall fulfil their respective duties and continue performing their obligations under the Fund Contract and the Custody Agreement faithfully, diligently and responsibly to protect Fund Unitholders' legitimate interests.

This Agreement shall be governed by the laws of the People’s Republic of China (excluding the legislation of Hong Kong, Macao and Taiwan).

# Appendix III: Index Methodology

(The latest index methodology is available on the index provider's website.)

The CSI A500 Index selects 500 securities with large market capitalisations and strong liquidity from all sectors as index constituents to reflect the overall performance of the most representative listed companies in each sector.

I. Index Name and Code

Index Name (Chinese): 中证A500指数

Index Abbreviation (Chinese): 中证A500

Name (English): CSI A500 Index

Index Abbreviation (English): CSI A500

Index Code: 000510

II. Index Base Date and Base Value

The Index uses 31 December 2004 as its base date and 1000 as its base value.

III. Selection Methodology

1. Index universe

Same as the index universe of the CSI All Share Index.

2. Investability Screening

Rank in the top 90% in terms of the average daily turnover in the past year.

3. Security selection

(1) Exclude securities of listed companies with CSI ESG ratings of C or below from the eligible universe post-investability screening.

(2) Select securities meeting all the following criteria as provisional constituents:

Ranked within the top 1,500 by total market capitalisation in the sample universe;

Included in the Shanghai-Hong Kong or Shenzhen-Hong Kong Stock Connect programmes;

For main board securities: maintain a free-float market capitalisation share of at least 2% within their respective CSI Tier 3 industry.

(3) Prioritise securities with the largest free-float market capitalisation within their CSI Tier 3 industry or those ranking in the top 1% by total market capitalisation in the eligibility universe.

(4) From remaining candidates, select securities across CSI Tier 1 industries to reach 500 constituents, ensuring that the free-float market capitalisation distribution across Tier 1 industries aligns as closely as possible with the eligibility universe.

IV. Index Calculation

The index is calculated as:

Where: Adjusted Market Capitalisation = Σ(Security Price × Adjusted Shares × Weighting Factor). For details on the calculation of adjusted shares and divisor adjustment methodology, please refer to the detailed calculation and maintenance rules. Weighting factors range between 0 and 1 to ensure no single constituent exceeds a 10% weighting, and the top five constituents collectively do not exceed 40%.

V. Constituent Reviews and Weight Adjustments

1. Regular Review

Index constituents are rebalanced semi-annually, with adjustments effective on the first trading day following the second Friday of June and December.

Weighting factors are adjusted concurrently with regular reviews. These factors generally remain unchanged until the next regular review, with each review typically affecting no more than 10% of constituents. A buffer mechanism applies whereby: Existing main board constituents maintaining at least 1% free-float market share within their CSI Tier 3 industry retain candidate status; new candidates ranked within the top 400 under selection method (4) receive priority inclusion; existing constituents ranked within the top 600 are prioritised for retention.

2. Ad-Hoc Review

The index undergoes ad-hoc adjustments under exceptional circumstances. Constituents are removed immediately upon delisting. Adjustments for corporate actions such as mergers, acquisitions, and spin-offs follow the index provider’s computation and maintenance rules. Constituents losing eligibility due to changes in the Shanghai-Hong Kong or Shenzhen-Hong Kong Stock Connect programmes are promptly replaced.