建银国际资产管理有限公司
CCB International Asset Management Limited

# PRODUCT KEY FACTS STATEMENT

## CCB International Fund Series

## CCB International – China Policy Driven Fund

**12 January 2021**

- ***This statement provides you with key information about CCB International – China Policy Driven Fund (the "Sub-Fund").***
- ***This statement is a part of the offering document and must be read in conjunction with the Trust Prospectus and the Fund Specific Prospectus (collectively, the "Prospectus").***
- ***You should not invest in this product based on this statement alone.***

## Quick facts

| | |
|---|---|
| **Manager:** | CCB International Asset Management Limited |
| **Trustee and Registrar:** | HSBC Institutional Trust Services (Asia) Limited |
| **Dealing frequency:** | Every Business Day* |
| **Base currency:** | Hong Kong Dollars (HK$) |
| **Dividend policy:** | The Manager does not intend to make cash distributions in respect of the Sub-Fund. Income earned by the Sub-Fund will be re-invested in the Sub-Fund and reflected in the value of its units. |
| **Financial year end of this Sub-Fund:** | 31 December |
| **Minimum and additional investment:** | HK$ Class: HK$1,000 (Units issued on or before 1 January 2016 are designated as HK$ Class Units) |
| **Ongoing charges over a year#:** | HK$ Class: 2.25% |

*****Generally, "Business Day" is any day other than Saturday or Sunday on which banks in Hong Kong are open for normal banking business. Please refer to the Fund Specific Prospectus for the full definition of "Business Day".

#The ongoing charges figure is based on expenses for the year ended 31 December 2019. This figure may vary from year to year.

## What is this product?

CCB International – China Policy Driven Fund is a sub-fund of CCB International Fund Series which is an umbrella unit trust established under the laws of Hong Kong.

## Objective and Investment Policy

***Objective***

The investment objective is to achieve long-term appreciation of the unit price through capital growth and income appreciation by investing in a diversified portfolio of equities and equity related securities, bonds that are listed primarily on the Hong Kong Stock Exchange and/or any securities exchange and can benefit from the policy(ies) in place and/or to be made by the government and/or statutory bodies of Mainland China, Hong Kong, Macau and Taiwan.

***Investment Policy***

The Sub-Fund will invest primarily (i.e. up to 100% of its Net Asset Value) in equities and equity related securities. These include, but are not limited to, fully-paid up shares listed on stock exchanges and other organised securities markets that are open to the public and on which such securities are regularly traded ("**Recognised Stock Exchanges**"), and to a limited extent, (i.e. up to 10% of its Net Asset Value) in American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) listed on Recognised Stock Exchanges and warrants listed on Recognised Stock Exchanges. Up to 10% of the Net Asset Value of the Sub-Fund will be invested in Hong Kong authorised unit trusts and mutual funds, which may include exchange-traded funds ("**ETFs**"). The Manager intends to treat such ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

From time to time, the Sub-Fund may also invest (i) in bonds that are listed or quoted on any stock exchange, over-the-counter market or other organised securities markets that are open to the public and on which the bonds are regularly traded and (ii) directly into China A-Shares through Shanghai Hong Kong Stock Connect and any other similar stock connect programme between another city of Mainland China and Hong Kong when it becomes available to and can be utilised by the Sub-Fund ("**Stock Connect**"). Exposure to China A-Shares through Stock Connect will not be more than 20% of the Net Asset Value of the Sub-Fund.

Notwithstanding the above, the total investments of the Sub-Fund in the Mainland Chinese markets, regardless of any investment channels (including but not limited to the Stock Connect) may not exceed 20% of the Net Asset Value of the Sub-Fund.

For the purpose of hedging and risk management of the portfolio, the Sub-Fund may use options, futures or warrants which are economically appropriate to the reduction of relevant risks or costs or to improve investment performance subject to any such transactions complying with the overall investment restrictions of the Sub-Fund.

Subject to the investment restrictions as set out in the Code, the Sub-Fund may enter into futures, options and warrants contracts relating to financial derivative instruments ("**FDIs**"), provided that these transactions are conducted on a regulated market that operates regularly and is recognised and is open to the public. The Sub-Fund may also enter into forward purchase settlement transactions for the purposes of hedging with broker-dealers who make markets in these transactions and who are financial institutions that specialise in these types of transactions and are participants in the over-the-counter markets.

The Manager will not enter into securities lending, sale and repurchase or reverse repurchase transactions on behalf of the Sub-Fund.

## Use of derivatives

The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

## What are the key risks?

***Investment involves risks.***

***Please refer to the Prospectus for details of the risk factors.***

***Investment risk***

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

***Currency risk***

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of shares may be designated in a currency other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

***Equity market risk***

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

***Risk associated with high volatility of the equity market in Mainland China***

- High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

***Risk associated with exchanges policies of the equity market in Mainland China***

- Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

***Counterparty and settlement risk***

- The Sub-Fund will be exposed to the credit/ default risk of issuers of the debt securities that the Sub-Fund may invest in.

***Interest rate risk***

- Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

***Volatility and liquidity risk***

- The debt securities in the Mainland China market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such market may be subject to fluctuations.

***Mainland China market risk***

- The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Mainland China market.

***Risk of investing in other collective investment schemes/ funds***

- The Sub-Fund will be subject to the risks associated with the underlying funds. The Sub-Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the net asset value of the Sub-Fund. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

***Risks associated with investment in FDI***

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

***Risks associated with Stock Connect***

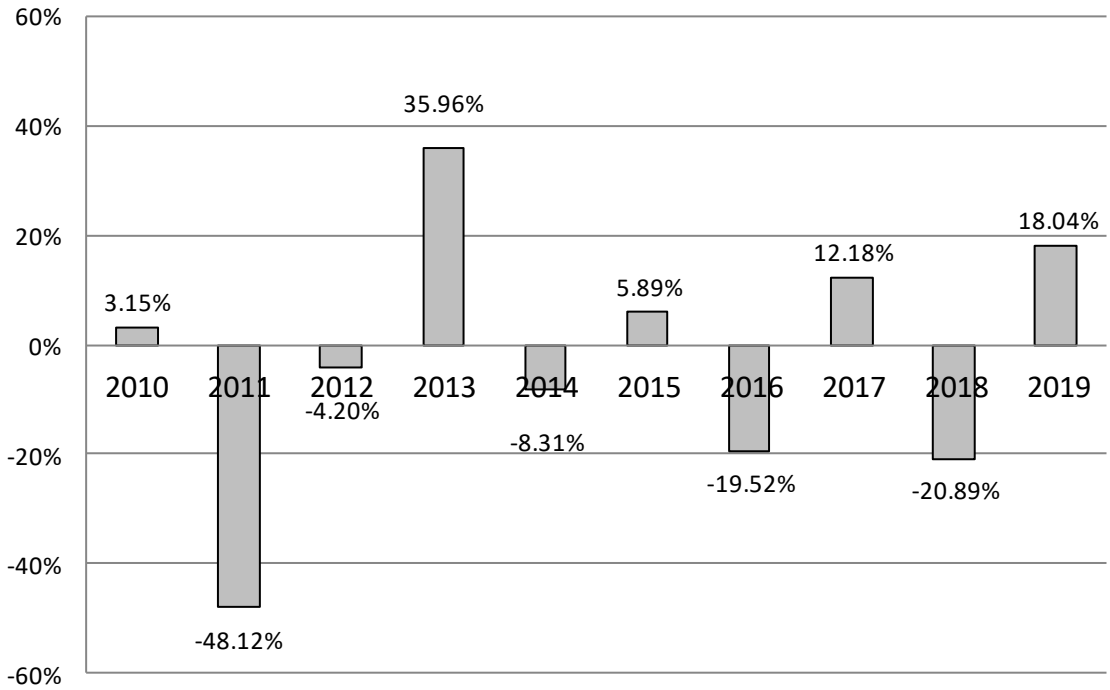
- The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the Sub-Fund's ability to invest in China A-shares or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

***Mainland China tax risk***

- There are risks and uncertainties associated with the current Mainland Chinese tax laws, regulations and practice in respect of capital gains realised via the Stock Connect or access products on the Sub-Fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.

- Based on professional and independent tax advice, the Manager will not provide for any Mainland Chinese withholding tax on the gross unrealised and realised capital gains derived from the trading of Mainland Chinese bonds. The Manager will review the tax provisions policy of the Sub-Fund, and it may in future change the tax provisions policy, including making provisions to reflect taxes payable when considered appropriate. Investors should note this may have a substantial negative impact on the Net Asset Value of the Sub-Fund.

## How has the Sub-Fund performed?




- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and redemption fee you might have to pay
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 21 Jan 2009

## Is there any guarantee?

This Sub-Fund does not have any guarantee. You may not get back the full amount of money you invest.

## What are the fees and charges?

**Charges which may be payable by you**

You may have to pay the following fees when dealing in the units of the Sub-Fund.

| Fee | What you pay |
|---|---|
| Initial Charge* | HK$ Class: Up to 5% of the issue price of each unit |
| Redemption Charge* | HK$ Class: Up to 5% of the redemption price of each unit |
| Switching Charge** | HK$ Class: Not applicable |

* Please contact the authorised distributors of the Sub-Fund for details.
** Switching currently is not permitted.

**Ongoing fees payable by this product**

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

| Fee | Annual rate (as a % of the Net Asset Value of the Sub-Fund) |
|---|---|
| Management Fee | HK$ Class: Currently at a rate of 1.75%, subject to a maximum rate of 2.5%. |
| Trustee Fee (including Administration Fee) | HK$ Class: Up to 0.125% (subject to an annual minimum fee of US$40,000).<br><br>With effect from 1 May 2020, the annual fee component of the Trustee Fee will change such that it will comprise: (a) up to 0.125% per annum of the Net Asset Value of the Fund, subject to an annual minimum fee of US$40,000; and (b) a flat fee of US$4,000 per annum. For the avoidance of doubt, the maximum permitted level of the Trustee Fee (i.e. 1% per annum of the Net Asset Value of the Sub-Fund) remains unchanged as a result of the change of the annual fee component of the Trustee Fee effective from 1 May 2020. |
| Registrar's Fee | HK$ Class: US$5,000 and transaction costs to cover each subscription, redemption or transfer and distribution of dividend (if any). |
| Performance Fee | HK$ Class: Not applicable |

Please refer to the Fund Specific Prospectus for details.

**Other fees**

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Prospectus.

## Additional Information

- You generally subscribe and redeem units at the Sub-Fund's next-determined net asset value after the Trustee receives your request in good order on or before 5:30 p.m. (Hong Kong time) on the relevant Dealing Day. If the subscription or redemption application is submitted via an authorised distributor, such authorised distributor may impose an earlier cut-off time than the application deadline for receiving instructions for subscriptions or redemptions. You should confirm the arrangements with the authorised distributor(s) concerned.

- The net asset value of the Sub-Fund on each Dealing Day is normally calculated on the Business Day after that Dealing Day and published daily on the Manager's website http://www.ccbintl.com.hk/ (this website has not been reviewed by the SFC).

## Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.