



## Product Key Facts

### CLSA Global Public Fund Series Open-ended Fund Company

### CLSA US Dollar Money Market Fund

Issuer: CITIC Securities Asset Management (HK) Limited

Jan 2024

- This statement provides you with key information about this product.
- This statement is a part of the offering document and must be read in conjunction with the Prospectus of CLSA Global Public Fund Series Open-ended Fund Company.
- You should not invest in this product based on this statement alone.

#### Quick facts

Manager	CITIC Securities Asset Management (HK) Limited (formerly known as "CLSA Asset Management Limited")			
Custodian	Bank of Communications Trustee Limited			
Ongoing charges over a year <sup>^</sup>	Class A USD	0.39%	Class I USD	0.34%
	Class A HKD	0.39%	Class I HKD	0.34%
	Class A RMB	0.39%	Class I RMB	0.34%
	Class B USD	0.84%		
	Class B HKD	0.84%		
	Class B RMB	0.84%		
<sup>^</sup> The ongoing charges figures are indicative only as the Sub-Fund is newly set up. It represents the sum of the estimated ongoing charges of the respective share classes over a 12-month period chargeable to the respective share classes as a percentage of the estimated average net asset value of the respective share classes over the same period. The actual figures may be different upon actual operation of the Sub-Fund and may vary from year to year.				
Dealing frequency	Daily			
Base currency	USD			
Dividend policy	Class A / B / I No dividend distribution (income, if any, will be reinvested)			
Financial year end	31 December			
Minimum investments		<b>Minimum initial subscription</b>	<b>Minimum subsequent subscription</b>	
	Class A USD	USD1,000	USD1,000	
	Class A HKD	HKD10,000	HKD10,000	
	Class A RMB	RMB10,000	RMB10,000	
	Class B USD	USD1	USD1	
	Class B HKD	HKD1	HKD1	
	Class B RMB	RMB1	RMB1	
	Class I USD	USD100,000	USD100,000	
	Class I HKD	HKD600,000	HKD600,000	
	Class I RMB	RMB600,000	RMB600,000	

## What is this product?

CLSA US Dollar Money Market Fund (the “**Sub-Fund**”) is a sub-fund of CLSA Global Public Fund Series Open-ended Fund Company, which is a public open-ended fund company established under Hong Kong with variable capital with limited liability and segregated liability between sub-funds. “CLSA” is the trading name used by various indirect subsidiaries of CITIC Securities Company Limited outside of mainland China.

Investors should note that the purchase of a share in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Sub-Fund does not have a constant net asset value per share and does not guarantee the repayment of investment principal. The Manager has no obligation to redeem the shares at the offer value. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.

## Investment Objective and Policy

### Investment objective

The Sub-Fund’s objective is to invest in short-term deposits and high quality money market investments. The Sub-Fund seeks to achieve a return in US Dollars (“**USD**”) in line with prevailing money market rates, with primary considerations of both capital preservation and liquidity. There can be no assurance that the Sub-Fund will achieve its investment objective.

### Investment policy

The Sub-Fund will only invest in short-term deposits and high quality money market instruments. At least 70% of the Sub-Fund’s net asset value will be invested in fixed and floating rate deposits and money market investments issued by governments, quasi-governments, international organisations and financial institutions. The asset allocation of the Sub-Fund will change according to the Manager’s view of market conditions and the international investment trends and environment. The Manager will assess the yield of money market instruments, and will take into consideration factors such as currency risk, credit/counterparty risk, liquidity, costs, timing of execution and the relative attractiveness of individual securities and issuers in the market. The Manager may hedge any non-USD-denominated and settled investments into USD to manage any material currency risk, such that the Sub-Fund’s USD exposure will be at least 70% of its net asset value.

### Short-term Deposits and High Quality Money Market Investments

The aggregate value of the Sub-Fund’s holding of instruments and deposits issued by a single entity will not exceed 10% of the total net asset value of the Sub-Fund except: (i) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity’s share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other Public Securities (as defined in the Prospectus), up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days. The Sub-Fund will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities.

There is no specific geographical allocation of the country of issue of the money market investments or deposits. Countries or regions in which the Sub-Fund may invest in include Hong Kong, Mainland China, Japan, Korea, Australia, Canada, the European Union and the United States. It is possible for the Sub-Fund to invest 30% or more of its net asset value in emerging markets.

The short-term deposits and high quality money market investments invested by the Sub-Fund may include short-term and high quality debt securities, commercial papers, certificates of deposits and commercial bills. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account as follows.

- **Credit quality:** the Sub-Fund will only invest in short-term and high quality debt securities issued outside Mainland China rated investment grade or above by an independent rating agency. A short-term debt security is considered

investment grade if its credit rating is A-3 or higher by Standard & Poor's or F3 or higher by Fitch or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies; For onshore debt securities issued within Mainland China, the Sub-Fund may only invest in such securities which are rated at least AAA by a Mainland China credit rating agency, including but not limited to, Golden Credit Ratings, CCXI, United Rating, Dagong Global Credit Rating, Shanghai Brilliance Credit Rating & Investors Service; In assessing the credit quality of debt securities, if the relevant debt security does not itself have a credit rating, then reference will be made to the credit rating of the issuer of such debt security.

- **Maturity:** Out of investments that fulfil the criteria on credit rating, the portfolio will be constructed out of investments with a target maturity of around 60 days (or below), subject to the overall limit in weighted average maturity, weighted average life and remaining maturity of the portfolio as described above.
- **Liquidity:** Investments that satisfy the above requirements will be assessed based on liquidity. The Manager will assess the liquidity of the investments based on historical liquidity of similar debt securities, by assessing the days to liquidate for such instruments. Only instruments with high liquidity will be included in the portfolio of the Sub-Fund.

The RMB denominated and settled short-term and high quality debt securities issued in Mainland China invested by the Sub-Fund may be traded on the interbank bond market in Mainland China. The Sub-Fund may invest directly in such securities through all available means, including but not limited to, the Qualified Foreign Investor regime ("**QFI Regime**"), Bond Connect (i.e. the initiative for mutual bond market access between Mainland China and Hong Kong), the China Interbank Bond Market ("**CIBM**") under the Foreign Access Regime announced by the People's Bank of China in February 2016, or such other means as permitted by the relevant regulatory authorities from time to time. For the avoidance of doubt, the Sub-Fund will not invest 70% or more of its net asset value via the QFI Regime and/or the CIBM under the Foreign Access Regime.

### Repurchase Transactions, Reverse Repurchase Transactions and Borrowing

The Sub-Fund may enter into repurchase transactions traded over-the-counter for up to 10% of its net asset value. Cash obtained in repurchase transactions will be used for meeting redemption requests or defraying operating expenses, but will not be re-invested.

The Sub-Fund may enter into reverse repurchase transactions traded over-the-counter (provided that the aggregate amount of cash provided to the same counterparty may not exceed 15% of its net asset value) for up to 30% of its net asset value.

The maximum and expected aggregate exposure level of the Sub-Fund's engagement in sale and repurchase and/or reverse repurchase transactions will be up to 40% of its net asset value. The Sub-Fund may not engage in securities lending.

The Sub-Fund may borrow up to 10% of its net asset value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

### Other Investments

The Sub-Fund may invest up to 15% of its net asset value in high quality asset backed commercial papers ("**ABCP**"). ABCP are typically issued by a bank or other financial institution. They are backed by physical assets such as trade receivables, and are generally used for short-term financing needs. The Manager will select short-term and high quality ABCP, using the same criteria as set out above for selection of short-term and high quality debt securities.

The Sub-Fund will not invest in instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt), other collective investment schemes, structured deposits or structured products (save for ABCP as mentioned above) or to take any short positions.

The Sub-Fund may use derivative instruments such as currency forward contracts, swaps, financial futures and options contracts for hedging purposes only. The Sub-Fund will not invest in any derivative instruments for investment purposes.

## Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

## What are the key risks?

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

## **1. General Investment risk**

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

## **2. Risks associated with bank deposits**

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund may also place deposits in non-resident accounts (NRA) and/or offshore accounts (OSA) with Mainland Chinese banks. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

## **3. Risks associated with short-term money market instruments / debt securities**

### *Short-term money market instruments / debt securities risk*

- As the Sub-Fund invests significantly in short-term money market instruments / debt securities with short maturities, it means the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of such securities may also increase which in turn may have a negative impact on the net asset value of the Sub-Fund.

### *Interest rate risk*

- Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of short-term money market instruments / debt securities rise when interest rates falls, whilst their prices fall when interest rates rise.

### *Credit / Counterparty risk*

- The Sub-Fund is exposed to the credit/default risk of issuers of the short-term money market instruments / debt securities that the Sub-Fund may invest in.

### *Downgrading risk*

- The credit rating of short-term money market instruments / debt securities or their issuer may subsequently be downgraded. In the event of downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of such securities that are being degraded.

### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the short-term money market instruments / debt securities and/or issuer at all times.

### *Credit rating agency risk*

- The credit appraisal system in Mainland China and the rating methodologies employed in the Mainland China may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.

### *Sovereign debt risk*

- The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

### *Valuation risk*

- Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.

## **4. Concentration risk**

- The Sub-Fund will have USD exposure of at least 70% of its net asset value. The Sub-Fund may also at times be concentrated in a particular market or region such as Mainland China. 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 and USD market. Also, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

## **5. Emerging market risk**

- Investing in emerging markets involves increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

**6. Risks associated with CIBM and Bond Connect**

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

**7. Risks associated with investment made through QFI Regime**

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

**8. Mainland China tax risk**

- There are risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realised via QFI Regime, Bond Connect and/or CIBM under the Foreign Access Regime 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 Sub-Fund will not make tax provision for realised and unrealised capital gains on the Sub-Fund's investments in Mainland China.
- If taxes are levied on the Sub-Fund for which no provision is made, the actual tax liabilities, which will be debited from the Sub-Fund's assets, will adversely affect the Sub-Fund's net asset value.

**9. Currency risk**

- The 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 of the Sub-Fund 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 such currency and the base currency and by changes in exchange rate controls.

**10. Risk relating to investment in derivatives and hedging**

- Although the Manager may hedge any non-USD-denominated and settled investments into USD to manage any material currency risk, there can be no assurance that any currency hedging strategy will fully and effectively eliminate the currency exposure of the Sub-Fund. Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the Sub-Fund. Exposure to derivatives may lead to a high risk of significant loss by the Sub-Fund.

**11. RMB currency and conversion risk**

- The Sub-Fund may invest significantly in RMB-denominated investments. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (e.g. USD or HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.
- The Sub-Fund's investment in RMB-denominated investments and the share classes denominated in RMB may be valued with reference to the offshore RMB (CNH) rather than onshore RMB (CNY). Although CNH and CNY are the same currency, they are traded in different and separate markets which operate independently. As such, CNH does not necessarily have the same exchange rate and may not move in the same direction as CNY. Any divergence between CNH and CNY may adversely impact investors.

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

### **12. Risks relating to reverse repurchase transactions**

- The Sub-Fund may engage in reverse repurchase transactions where the Sub-Fund purchases securities (i.e. in effect, the collateral received by the Sub-Fund for the transactions) from a counterparty and agrees to sell such securities back at an agreed price in the future. In the event of the failure of the counterparty with which cash has been placed, the Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

## How has the Sub-Fund performed?

Since the Sub-Fund is newly set up, there is insufficient data to provide a useful indication of past performance to investors.

## Is there any guarantee?

The Sub-Fund does not have any guarantees. 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 you deal in the shares of the Sub-Fund.

Fee	What you pay
Subscription fee (Preliminary Charge as defined in the Prospectus)	<u>Classes A, B and I</u> Maximum and current: Up to 0.5% of the Subscription amount
Switching fee (Conversion Charge as defined in the Prospectus)	<u>Classes A, B and I</u> Nil
Redemption fee (Redemption Charge as defined in the Prospectus)	<u>Classes A, B and I</u> Nil

### Ongoing fees payable by the Sub-Fund

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

	Annual Rate (as a % of the net asset value of the relevant share class, unless otherwise indicated)
Management fee	<u>Class A</u> Maximum: 0.25%; Current: 0.15% <u>Class B</u> Maximum and current: 0.6% <u>Class I</u> Maximum: 0.2%; Current: 0.1%
Custodian fee	On the first USD 100 million of the net asset value of the Sub-Fund 0.06% On any portion of the Sub-Fund's net asset value in excess of USD 100 million 0.05% (subject to a minimum monthly fee of USD 3,500 (or equivalent) after six months from the launch of the Sub-Fund)
Performance fee	Nil
Administration fee	Included in the custodian fee

## Other fees

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

## Additional Information

- You generally subscribe and redeem shares at the Sub-Fund's next-determined net asset value per share attributable to the relevant share class after the Administrator receives your request directly, or via a distributor, in good order by 11:00 a.m. (Hong Kong time), being the Sub-Fund's dealing cut-off time on dealing day of the Sub-Fund. Before placing your dealing orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).
- The net asset value of the Sub-Fund is calculated and the price of each shares class is available on each Business

Day (as defined in the Prospectus) online at [www.clsa.com/services/assets-management/](http://www.clsa.com/services/assets-management/).

- Please note that the website as cited in this document 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.