Product Key Facts

CLSA Global Public Fund Series Open-ended Fund Company

CLSA Short Duration China Bond Fund

Issuer: **CITIC Securities Asset Management (HK) Limited** April 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^	Class A USD (Accumulation) 1.68%# ; Class I USD (Accumulation) 1.37%^ Class A USD (Distribution) 1.68%^ ; Class I USD (Distribution) 1.37%# Class A HKD (Accumulation) 1.68%^ ; Class I HKD (Accumulation) 1.37%^ Class A HKD (Distribution) 1.68%^ ; Class I HKD (Distribution) 1.37%^ Class A RMB (Accumulation) 1.68%^ ; Class I RMB (Accumulation) 1.37%^ Class A RMB (Distribution) 1.68%^ ; Class I RMB (Distribution) 1.37%^ #The ongoing charges figure is based on the annualised expenses for the period ended 31 December 2023 based on the latest annual report and expressed as a percentage of the share class's average net asset value over the same period. This figure may vary from year to year. ^ As this share class is newly launched/has not been incepted or funded, the ongoing charges figure represents the estimated ongoing charges of the share class over a 12-month period chargeable to the share class, based on active share classes with similar fee structure, expressed as a percentage of the estimated average net asset value of the share class over the same period. The actual figures may be different from this estimated figure and may vary from year to year.
Dealing frequency	Daily
Base currency	USD
Dividend policy	Class A USD (Accumulation), Class A HKD (Accumulation), Class A RMB (Accumulation), Class I USD (Accumulation), Class I HKD (Accumulation), Class I RMB (Accumulation): No dividend distribution (income, if any, will be reinvested) Class A USD (Distribution), Class A HKD (Distribution), Class A RMB (Distribution), Class I USD (Distribution), Class I HKD (Distribution), Class I RMB (Distribution): Distribution, if any, may be made quarterly. The Directors have discretion as to whether or not the Sub-Fund will make any distribution of dividends and amount of dividends. There is no guarantee of regular distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant share class and may result in an immediate reduction of the net asset value per share of the Sub-Fund.
Financial year end	31 December

Minimum investments		Minimum initial subscription	Minimum subsequent subscription
	Class A USD (Accumulation)	USD1,000	USD1,000
	Class A USD (Distribution)	USD1,000	USD1,000
	Class A HKD (Accumulation)	HKD10,000	HKD10,000
	Class A HKD (Distribution)	HKD10,000	HKD10,000
	Class A RMB (Accumulation)	RMB10,000	RMB10,000
	Class A RMB (Distribution)	RMB10,000	RMB10,000
	Class I USD (Accumulation)	USD200,000	USD100,000
	Class I USD (Distribution)	USD200,000	USD100,000
	Class I HKD (Accumulation)	HKD1,000,000	HKD500,000
	Class I HKD (Distribution)	HKD1,000,000	HKD500,000
	Class I RMB (Accumulation)	RMB1,000,000	RMB500,000
	Class I RMB (Distribution)	RMB1,000,000	RMB500,000

What is this product?

CLSA Short Duration China Bond 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.

Investment Objective and Policy

Investment objective

The Sub-Fund seeks to maximise total return by investing primarily in short duration debt securities issued by entities exercising a predominant part of their economic activities in Mainland China with an average duration of less than three years, aiming to generate a steady flow of income in addition to capital appreciation for the Sub-Fund.

Investment policy

The Sub-Fund will invest at least 70% of its net asset value in fixed or floating rate debt securities denominated in USD, EUR, HKD, onshore RMB ("CNY") or offshore RMB ("CNH") ("Dim Sum" bonds, i.e. bonds issued outside of Mainland China but denominated in CNH), issued by entities exercising a predominant part of their economic activities in Mainland China. The debt securities invested by the Sub-Fund may be issued by government, quasi-governmental bodies, banks, financial institutions or other corporate entities. The average duration of the Sub-Fund's investment in debt securities as a whole will be less than three years.

The Sub-Fund may invest up to 50% of its net asset value in offshore debt securities issued outside Mainland China which are rated below investment grade by an internationally recognised credit rating agency (i.e. below BBB- by Standard & Poor's, below BBB- by Fitch or below Baa3 by Moody's) or unrated (i.e. debt securities themselves nor their issuers have a credit rating). For onshore debt securities issued within Mainland China, the Sub-Fund may not invest in such securities which are rated below 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 or unrated.

While the credit rating criteria above will be observed at all times, the selection of debt securities for investment is not exclusively based on credit ratings, the Manager will also conduct its own assessment on the credit quality based on quantitative and qualitative fundamentals, including without limitation, the issuer's leverage, operating margin, return on capital, interest coverage, operating cash flows, industry standing, business and financial prospect and corporate governance issue.

The RMB denominated and settled 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 invest less than 30% of its net asset value in onshore debt securities issued within Mainland China.

The Sub-Fund may invest less than 30% of its net asset value in convertible bonds.

The Sub-Fund may invest less than 30% of its net asset value in offshore urban investment bonds (城投債), which are debt instruments issued outside Mainland China by local government financing vehicles ("**LGFVs**"). These LGFVs are separate legal entities established by local governments and / or their affiliates to raise financing for public welfare investment or infrastructure projects.

The Sub-Fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features which may include instruments classified as Additional Tier 1 / Tier 2 capital instruments that meet the qualifying criteria under the Banking (Capital) Rules or an equivalent regime of non-Hong Kong jurisdictions, Contingent Convertible Securities (CoCos), non-preferred senior bonds which may also be known as Tier 3 bonds and other instruments eligible to count as loss-absorbing capacity under the resolution regime for financial institution. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s) (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level).

The Sub-Fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single country or region that is below investment grade (including its government and a public or local authority of that country or region).

The Sub-Fund may use derivatives such as interest rate and currency futures for hedging and/or investment purposes.

Under exceptional circumstances (e.g. market crash or major crisis), the Sub-Fund may invest temporarily up to 70% of net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

The maximum and expected aggregate exposure level of the Sub-Fund's engagement in sale and repurchase and/or reverse repurchase transactions traded over-the-counter will be up to 50% of its net asset value in aggregate. The Sub-Fund may not engage in securities lending.

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. Risk associated with debt securities rated below investment grade or unrated

- The Sub-Fund may invest up to 50% of its net asset value in debt securities (or its issuer) rated below investment grade (by Standard & Poor's, Moody's, Fitch or other internationally recognised credit rating agency) or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- Investments in such securities may also be subject to greater credit risk. If the issuer of a security is in default with respect to interest or principal payments, the Sub-Fund may lose its entire investment.
- Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated debt securities than on higher-rated debt securities. For example, during economic downturns, such debt securities typically fall more in value than investment grade debt securities as investors become more risk averse and default risk rises. Such debt securities in emerging markets may also be subject to higher volatility and lower liquidity compared to debt securities in more developed markets.

3. Risks associated with debt securities

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 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 debt securities that the Sub-Fund may invest in.

Downgrading risk

- The credit rating of a debt instruments or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt 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 security 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 investments in securities issued or guaranteed by government 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.

"Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in offshore RMB (CNH)) market risks

- The "Dim Sum" bond markets is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the net asset value of the Sub-Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

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's investment are concentrated in debt securities issued by entities exercising a predominant part of their economic activities in 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 markets. Also, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

5. Risk of investing in Mainland China markets

- Investing in emerging markets, such as Mainland China 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 under the 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. 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 these currencies and the base currency and by changes in exchange rate controls.

8. 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.

9. Risks relating to sale and repurchase transactions

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

10. 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.

11. Risks associated with distribution of dividends out of and/or effectively out of capital

- Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investments. Any such distributions may result in an immediate reduction of the net asset value per share.

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)	Class A Maximum and current: Up to 5% of the Subscription amount Class I Maximum and current: Up to 5% of the Subscription amount

Switching fee (Conversion Charge as defined in the Prospectus)	<u>Classes A and I</u> Maximum and current: Up to 1% of the redemption price for each share switched out
Redemption fee (Redemption Charge as defined in the Prospectus)	<u>Class A</u> Maximum: Up to 5% of the Redemption amount; Current: nil <u>Class I</u> Maximum: Up to 3% of the Redemption amount; Current: 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: 2.0%; Current: 1.25% <u>Class I</u> Maximum: 1.5%; Current: 1.0%	
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 16:00 (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 https://www.clsa.com/services/assets-management/.
- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income; and (ii) capital) for the last 12 months are available by the Manager on request and on the website https://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.