

CLSA Global Public Fund Series Open-ended Fund Company CLSA Greater China High Dividend Equity Fund

Issuer: CITIC Securities Asset Management (HK) Limited

July 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			
Custodian	Bank of Communications Trustee Limited			
Ongoing charges over a year [^]	Class A USD (Accumulation)	2.39%	Class I USD (Accumulation)	1.89%
	Class A USD (Distribution)	2.39%	Class I USD (Distribution)	1.89%
	Class A HKD (Accumulation)	2.39%	Class I HKD (Accumulation)	1.89%
	Class A HKD (Distribution)	2.39%	Class I HKD (Distribution)	1.89%
	Class A RMB (Accumulation)	2.39%	Class I RMB (Accumulation)	1.89%
	Class A RMB (Distribution)	2.39%	Class I RMB (Distribution)	1.89%
	Class A RMB (Hedged) (Accumulation)	2.39%	Class I RMB (Hedged) (Accumulation)	1.89%
	Class A RMB (Hedged) (Distribution)	2.39%	Class I RMB (Hedged) (Distribution)	1.89%
	[^] 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	HKD			
Dividend policy	<u>Class A USD (Accumulation), Class A HKD (Accumulation), Class A RMB (Accumulation), Class A RMB (Hedged) (Accumulation), Class I USD (Accumulation), Class I HKD (Accumulation), Class I RMB (Accumulation), Class I RMB (Hedged) (Accumulation):</u> No dividend distribution (income, if any, will be reinvested)			
	<u>Class A USD (Distribution), Class A HKD (Distribution), Class A RMB (Distribution), Class A RMB (Hedged) (Distribution), Class I USD (Distribution), Class I HKD (Distribution), Class I RMB (Distribution), Class I RMB (Hedged) (Distribution):</u> Distribution, if any, may be made quarterly in the respective class currency. 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			

CLSA Greater China High Dividend Equity Fund

Minimum investments	Minimum initial subscription	Minimum subsequent subscription
Class A USD	USD1,000	USD1,000
Class A HKD	HKD10,000	HKD10,000
Class A RMB	RMB10,000	RMB10,000
Class A RMB (Hedged)	RMB10,000	RMB10,000
Class I USD	USD1,000,000	Nil
Class I HKD	HKD7,000,000	Nil
Class I RMB	RMB7,000,000	Nil
Class I RMB (Hedged)	RMB7,000,000	Nil

What is this product?

CLSA Greater China High Dividend Equity 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.

Investment Objective and Policy

Investment objective

The Sub-Fund aims to achieve long-term capital appreciation by investing primarily in equities and equity-related securities of companies which are incorporated in, have their area of primary activities in or are related to the growth of Greater China economy (comprising Mainland China, Hong Kong and Macau), which is expected to result in a portfolio of investments with overall potential high dividend yield (i.e. expected overall portfolio dividend yield higher than the Greater China markets average).

Investment policy

The Sub-Fund will invest at least 70% of its net asset value in equities and equity-related securities of companies which are incorporated in, have their area of primary activities in or are related to the growth of Greater China economy, which is expected to result in a portfolio of investments with overall potential high dividend yield. The Sub-Fund may invest in equities of any market capitalisation and in any sector.

The Sub-Fund may invest substantially (i.e. 30% or more of net asset value) in China A-shares and/or China B-shares. Exposure to China A-shares may either be obtained directly via Shanghai – Hong Kong Stock Connect and Shenzhen – Hong Kong Stock Connect (collectively, the “**Stock Connect**”) (a joint securities trading and clearing program designed to permit mutual market access between Mainland China and Hong Kong) or the Qualified Foreign Investor Regime (“**QFI Regime**”); or indirectly by way of access products (e.g. participatory notes linked to China A-shares, other funds investing in China A-shares); 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 70% of its net asset value solely via the QFI Regime.

The Sub-Fund may invest less than 30% of its net asset value in other collective investment schemes, including but not limit to unlisted index funds, listed exchange-traded funds (“**ETF**”) (including synthetic ETF (i.e. ETF that track an index by investing primarily in derivative instruments)), and/or real estate investment trusts.

The Sub-Fund may hold less than 30% of its net asset value in fixed income instruments, cash, money market funds and bank deposits in adverse market conditions for the purposes of managing downside risk. Subject to the aforementioned aggregate exposure limit on fixed income instruments, the Sub-Fund may also invest in US treasury bills, notes and bonds and treasury inflation-protected securities.

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 derivative instruments such as currency forward contracts, swaps, financial futures and options contracts for hedging purposes.

The Manager will not engage in securities financing transactions (including securities lending, sale and repurchase and reverse repurchase transactions) on behalf of the Sub-Fund.

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. Equity market risk

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

3. Concentration risk

- The Sub-Fund's investment are concentrated in Greater 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 this region. Also, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

4. Risks 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.
- High market volatility and potential settlement difficulties in the Mainland China 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.
- Stock exchanges in the 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.

5. Risks associated with the 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 Mainland China 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.

6. Risks associated with investments 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 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).

7. 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 Stock Connects or QFI Regime 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.

CLSA Greater China High Dividend Equity Fund

- 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 it is subsequently determined that Mainland China tax is payable and that no Mainland China tax has been provisioned for, the net asset value of the Sub-Fund may fall significantly as the Sub-Fund will have to bear the tax liabilities.

8. Risk relating to small-capitalisation / mid-capitalisation companies

- The Sub-Fund may invest in the securities of small-capitalisation / mid-capitalisation companies. Investing in these securities may expose the Sub-Fund to risks such as greater market price volatility, less publicly available information, lower liquidity and greater vulnerability to fluctuations in the economic cycle than those of larger capitalisation companies in general. Their prices are also more volatile to adverse economic developments than those of larger capitalisation companies in general.

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 these currencies and the base currency and by changes in exchange rate controls.

10. Risk relating to hedging and the hedged class

- There can be no assurance that any currency hedging strategy will fully and effectively eliminate the currency exposure of the Sub-Fund. Hedging strategies may preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

11. RMB risk associated with RMB-denominated share classes

- Investors may invest in RMB-denominated share classes of the Sub-Fund. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (e.g. USD or HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the RMB-denominated share classes of the Sub-Fund.
- Share classes denominated in RMB will generally 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 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.
- The distribution amount and net asset value of the hedged share class may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.

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.

CLSA Greater China High Dividend Equity Fund

Fee	What you pay
Subscription fee (Preliminary Charge as defined in the Prospectus)	<u>Class A</u> Maximum and current: Up to 5% of the Subscription amount <u>Class I</u> Maximum and current: Up to 3% 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: 2.5%; Current: 1.5% <u>Class I</u> Maximum: 1.5%; Current: 1.0%
Custodian fee	On the first HKD800 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 HKD800 million 0.05% (subject to a minimum monthly fee of HKD 13,500 (or equivalent) from the 7 th month to 12 th month from the launch of the Sub-Fund, and a minimum monthly fee of HKD 27,000 (or equivalent) after 12 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 at <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.